

No. 2014-1128

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

Leslie S. Klinger,

Plaintiff – Appellee,

v.

Conan Doyle Estate, Ltd.

Defendant – Appellant.

Appeal from the United States District Court
for the Northern District of Illinois, Eastern Division
Case No. 13-cv-01226
The Honorable Judge Ruben Castillo

**BRIEF OF THE
PLAINTIFF-APPELLEE, LESLIE S. KLINGER**

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RULE 26.1 DISCLOSURE STATEMENT

1. *The full name of every party that the attorney represents in the case:*

Leslie S. Klinger

2. *The names of all law firms whose partners or associates have appeared for the party in the case (including proceedings in the district court or before an administrative agency) or are expected to appear for the party in this court:*

Polsinelli PC

Hinshaw & Culbertson

Law Offices of Jonathan Kirsch, APC

3. *If the party or amicus is a corporation:*

- i. *Identify all its parent corporations, if any:*

N/A

- ii. *List any publicly held company that owns 10% or more of the party's or amicus' stock:*

N/A

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JURISDICTIONAL STATEMENT

Appellee Leslie S. Klinger (“Appellee”) contends that the U.S. District Court properly assumed jurisdiction of the present action pursuant to the Copyright Act, 17 U.S.C. § 101 *et seq.* (2006), and the Declaratory Judgment Act, 28 U.S.C. § 2201 (2006) because, as discussed in greater detail below, an actual case or controversy exists under Article III of the Constitution and because Appellee suffered actual injury by reason of the express written threat of Conan Doyle Estate Ltd. (“Appellant”) to avail itself of the remedies of the Copyright Act in preventing the publication of Appellee’s book.

RESPONSE TO APPELLANT’S STATEMENT OF THE CASE

1. Appellant invites the Court to assume that the fictional characters of Sherlock Holmes and Dr. John Watson, among other characters, are “revealed” in their “fully-realized and developed” form “only in later copyrighted works.” On the basis of this assumption, Appellant asks whether “copyright law protect[s] that character for a full copyright term running from the character’s completion?” (Appellant’s Opening Brief (“AOB”), 2.)

The premise of the question presented by Appellant is self-contradictory and wholly unsupported on any principle of copyright law. Significantly, Appellant explicitly concedes the crucial and dispositive point that the characters as depicted in the pre-1923 stories and novels were sufficiently delineated to merit copyright protection at the time of initial publication; in fact, Appellant calls Sherlock Holmes “among the most original and extensively delineated characters ever created” (AOB, 19) and expressly states that “Holmes and Watson were sufficiently delineated to be copyrightable in the first work in the Canon....” (AOB, 23-24). But Appellant has not explained — and cannot explain — how a character can be sufficiently delineated to merit copyright protection as early as 1887 but was not “fully-realized and developed” and “revealed” until Conan Doyle wrote his last ten stories some forty years later.

Indeed, Arthur Conan Doyle himself ascribed the success of his various published collections of Sherlock Holmes stories to the fact that, unlike previous serialized publication, each such collection was “a series...complete in itself,” as he wrote in an edition of his collected works. (Arthur Conan Doyle, “Introduction,” *The Crowborough Edition* (Garden City, NY: Doubleday, Doran & Co., 1930), vol. 1, x.). Thus, by way of numerous additional examples, the author himself directly and explicitly repudiates the fundamental argument of Appellant that the characters were not “fully-realized and developed” until the last new Sherlock Holmes story was published: “[L]et me preserve the hope that he who in days to come may read my series backwards will not find that his impressions are very different from those of his neighbor who reads them forwards.” (Arthur Conan Doyle, “A Sherlock Holmes Competition – Mr Sherlock Holmes to His Readers,” *Strand Magazine*, Vol. 73 (March 1927), 284.) Elsewhere, the author observed that “there is no room for character development in the conception of a detective.” (Arthur Conan Doyle, “Introduction,” *The Complete Sherlock Holmes Long Stories* (London: John Murray, 1928).

Appellee respectfully submits that the answer to the question posed by Appellant is that the pre-1923 works are now in the public domain, and the public (including Appellee) is free to draw upon any expression in those works to create new works, including any and all expression in which Arthur Conan Doyle delineated the characters of Sherlock Holmes and Dr. Watson in the public domain works.

2. Appellant invites the Court to invent an entirely new construct of copyright law, which Appellant styles as “an author’s final development of a complex literary character,” and to afford the full term of copyright protection to such a character “running from the character’s completion.” (AOB, 2.) The well-settled law of copyright recognizes no such creature, however, and Appellee respectfully submits that to conjure up a new hierarchy of copyright based on such chimerical notions would require the Court to repudiate the precedential case law in its entirety and burden

courts with the task of somehow discerning when a character has achieved the enhanced and extended copyright status that Appellant proposes.

3. The District Court properly exercised subject matter jurisdiction over the present action because the actual case or controversy on which it is based is not the contents of Appellee's book, as Appellant contends, but on the underlying question of copyright in the characters of Sherlock Holmes, Dr. Watson, and other elements described in the various Sherlock Holmes novels and stories that were first published in the United States prior to 1923. Appellant's brief makes clear that its objection to Appellee's book is not contingent on whether or not the book contains material from the ten stories first published in the United States after January 1, 1923; rather, Appellant objects to the publication of any book in which the characters appear. That is why, for example, Appellant has ignored Appellee's representations that his book will draw only on the contents of the pre-1923 works. (Record ("R."), 21.) As discussed more fully below, the refusal of this Court to declare that the pre-1923 works and their contents are now in the public domain would permit Appellant to continue to extract licensing fees to which it is not entitled and, because copyright is a monopoly which an owner may refuse to license, could be used to impede exploitation of public domain works. If, on the other hand, the declaratory judgment of the District Court as to the public domain status of the pre-1923 works is upheld on appeal, the dispute between the parties is fully resolved.

APPELLEE'S STATEMENT OF THE CASE

Sherlock Holmes, one of the iconic artifacts of Western popular culture, is a fictional character who was first introduced to the world by Sir Arthur Conan Doyle in 1887 in a story titled *A Study in Scarlet*. Conan Doyle went on to write and publish a total of four (4) novels and fifty-six (56) stories

in which Sherlock Holmes appears, a body of work that comprise the so-called Canon of Sherlock Holmes (“the Canon”).¹ (R., 15-17.)

All but ten of the works featuring Sherlock Holmes were first published in the United States prior to 1923 and, for that reason, are now in the public domain — a fact that Appellant readily (and necessarily) concedes. (AOB, 3, 4.) Only the ten stories that were published between 1923 and 1927 (collectively, “the Ten Stories”) remain under copyright, but even these copyrights will expire no later than 2022 — another fact that Appellant concedes. (AOB, 3.)

The novels and stories feature other immortal characters, including Sherlock Holmes’ companion, assistant and biographer-narrator, Dr. John H. Watson, the Scotland Yard inspector named Lestrade, and a formidable opponent, Professor James Moriarty. (R., 15.) All of these characters and all of the instantly and universally recognizable elements of the Sherlock Holmes character — his family background, his physical appearance, his lodgings on Baker Street, his Bohemian nature, his use of cocaine, his aptitude for disguise, and his method of reasoning — were established and delineated in the very first stories and novels to be published. (R., 78.)

For purposes of the present litigation, Appellee has specified various items of expression by which Arthur Conan Doyle first delineated the characters of Sherlock Holmes and Dr. Watson. Although a character may be delineated by various elements – character names, character traits, dialogue, settings, artifacts, storylines, etc. — the law of copyright recognizes only that which has been “fixed” by the author “in a tangible medium of expression.” (17 U.S.C. § 101.) All of the items of expression by which the author delineated these characters first appeared in novels and stories that were published in the United States at various times prior to January 1, 1923 (collectively, “the Sherlock Holmes Story Elements”).

¹ The four novels and 56 stories by Arthur Conan Doyle that feature the continuing character of Sherlock Holmes and other continuing characters are known among scholars, critics and aficionados as “the Canon.” However, each story and each novel is a separate work of authorship.

Significantly, Appellant concedes that the characters of Sherlock Holmes and Dr. Watson were both sufficiently delineated to achieve copyright protection immediately upon publication. Nevertheless, Appellant asserts at the same time that these characters were somehow incomplete because the characters were not “revealed” in their full realization and development until the publication of the Ten Stories. Yet Appellant is unable to show what Arthur Conan Doyle added to these characters in order to “complete” them. Rather, Appellant argues that the author introduced a few vague notions in the Ten Stories, e.g., “Holmes softens and grows more emotional” (AOB, 9), and “Holmes’s character takes on a darker cast” (AOB, 10), or “Holmes changes from someone who cares little for dogs to someone with ... great interest in them and their relationship to humans...” (AOB, 11). None of these notions amount to the “revealing” of the “fully-realized and developed” character that Appellant claims to find only in the Ten Stories. (AOB, 16.)

Appellant simply cannot have it both ways — if the characters as presented in the pre-1923 works were protectable under copyright, it is because they were sufficiently developed and delineated to merit copyright protection upon publication. As Appellant enthusiastically (and necessarily) concedes: “Sherlock Holmes is among the most original and extensively delineated characters ever created.” (AOB, 19.) Appellant also argues, however, that “the fully-realized Holmes and Watson characters are revealed only in the Ten Stories.” (AOB, 16.) Nothing in the law of copyright supports Appellant’s unique and wholly self-serving theory that a character sufficiently (and even “extensively”) delineated so as to deserve copyright protection could also be somehow so lacking in delineation that it is fully “realized” only when the author stops writing new stories about the character.

At the heart of the present case is the business model that has been adopted by Appellant — its demand that a paid license be obtained from Appellant by anyone who desires to make any use of the characters of Sherlock Holmes and Dr. Watson. Appellant’s business model is based on the fog

of uncertainty that surrounds the copyright status of the various Sherlock Holmes novels and stories by reason of the fact that the Ten Stories remain under copyright in the United States. Significantly, even when Appellee pointed out to Appellant that his collection of new stories (then tentatively titled *A Study in Sherlock II* and currently titled *In the Company of Sherlock Holmes*) would draw only on the portions of the novels and stories that are now in the public domain, Appellant nonetheless expressly threatened Appellee with legal consequences, including enforcement efforts against the distribution of the book by Amazon and Barnes & Noble under the Digital Millennium Copyright Act, 17 U.S.C. , a threat so grave that Appellee's publisher declined to publish his book at all. (R., 23-24, 274.)

Indeed, it appears that Appellant counts on the fact that motion picture and television producers and book publishers, as a general rule, would rather pay for a license than take the risk that they would be called upon to defend their works in court. Appellee chose to assert his right — and, indeed, the right of the general public — to draw on the contents of public domain works, and he was punished for his temerity with an unambiguous threat: “If you proceed instead to bring out *Study in Sherlock II* unlicensed, do not expect to see it offered for sale by Amazon, Barnes & Noble, and similar retailers. We work with those companies routinely to weed out unlicensed uses of Sherlock Holmes form their offerings, and will not hesitate to do so with your book as well.” (R., 79.)

Notably, Appellant did not limit its threat to content in Appellee's book that might have been drawn from the Ten Stories. Rather, Appellant threatened to take legal action against any book in which Sherlock Holmes appeared for the simple reason that Appellant claims that any depiction of Sherlock Holmes amounts to actionable infringement. These threats are self-evidently meant to spare Appellant the trouble (and risk) of filing a lawsuit because Appellant counts on the reluctance of publishers and producers to challenge them in court.

Just as Appellant intended and expected, Appellee's publisher refused to publish his book in light of the Appellant's threat. Appellee had no other choice but to seek a declaratory judgment that the pre-1923 works of Arthur Conan Doyle are now in the public domain and, for that reason, the contents of these works may be used by Appellee to create new and original stories featuring Sherlock Holmes and Dr. Watson. Appellant's argument that the book has not yet been completed is unavailing because the Appellant did not concede (and does not concede now) that Appellee would have been entitled to publish without a license if he confined the book to story elements drawn from the pre-1923 works. Nothing more is required to show an actual case or controversy.

If the Court is persuaded by Appellant's argument that no case or controversy now exists, Appellee (and anyone else who seeks to draw on the contents of public domain works) will remain at the mercy of Appellant, who will continue to make legal threats against creators of new works featuring Sherlock Holmes and Dr. Watson. If, as Appellant intends and expects, the threats are enough to persuade publishers not to publish new works — and if authors are unable to obtain declaratory judgments in advance of publication — Appellant will be spared the burden of suing for copyright infringement, and the question posed in the present action will never be adjudicated. It is precisely because of the dilemma created by Appellant's business model that Appellee was forced to seek a declaratory judgment, which was properly granted by the District Court and should be affirmed.²

² Appellee respectfully submits that one aspect of the District Court's order was inapposite; that is, the "partial denial" of Appellee's Motion for Summary Judgment as to the copyright status of the Ten Stories. In fact, Appellee did not seek any such adjudication in its Complaint or its Motion. (AOB, A-2, A-23; R. 80.) Rather, for the purposes of the present litigation, Appellee has conceded that the Ten Stories remain under copyright. Due to the inadvertent mismarking of the exhibits to the Complaint, however, the District Court apparently concluded otherwise. For that reason, Appellee does not seek the affirmance of the District Court's "partial denial" as to the Ten Stories since it denies relief that Appellee never intended to seek.

SUMMARY OF ARGUMENT

The present case is far simpler than Appellant suggests in its Opening Brief. Each of the four novels and all but ten of the fifty-six stories in which Arthur Conan Doyle presented the characters of Sherlock Holmes and Dr. John Watson, among others, are now in the public domain, a fact that Appellant does not dispute. (AOB, 4.) As noted above, Appellant readily concedes that these characters were sufficiently developed and delineated in the novels and stories in which they first appeared to achieve copyright protection: “Holmes and Watson were sufficiently delineated to be copyrightable in the first work in the Canon....” (AOB, 23-24.)³ The well-settled law of copyright holds that once a work of authorship passes into the public domain, all of its contents — including any characters contained in that work — are available for use by the public even if the same characters also appear in later works that are still under copyright.

The well-established law is plainly stated in the leading case of *Silverman v. CBS, Inc.*, 870 F. 2d 40, 49 (2d. Cir. 1989), *cert. den.* 492 U.S. 907 (1989), which is directly on point in the present action: “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.” When continuing characters appear in a series of works, the earlier of which are now in the public domain, the copyright in the later works protects only “the increments of

³ *Nichols v. Universal Pictures Corp.*, 45 F.2d 119 (2d Cir. 1930), *cert. denied*, 282 U.S. 902, 51 S. Ct. 216, 75 L. Ed. 795 (1931) establishes the principle that characters must be “sufficiently developed” or “sufficiently delineated” in order to “command copyright protection.” 1 *Nimmer on Copyright*, § 2.12, at 2-171. By contrast, *Warner Bros. Pictures, Inc. v. Columbia Broadcasting System, Inc.*, 216 F.2d 945 (9th Cir. 1954) presents a different legal standard for determining whether characters in a work of authorship are protected under copyright; that is, the character must constitute “the story being told.” Appellant correctly points out that the Court of Appeals in *Gaiman v. McFarlane*, 360 F.3d 644 (7th Cir. 2004) criticizes the reasoning and holding in *Warner Bros. Pictures* and states that “[t]he Ninth Circuit has killed the decision.” *Id.* at 660. On this point, the parties in the present action are in agreement. Appellee respectfully submits that only the “sufficient development” test need be applied here, and both parties agree that the characters of Sherlock Holmes and Dr. Watson satisfied the applicable test. *See also Nash v. CBS, Inc.*, 899 F.2d 1537, 1541 (7th Cir. 1990), where this Court assumed that the character of Sherlock Holmes is sufficiently delineated to be copyrightable: “[T]he inventor of Sherlock Holmes controls that character’s fate while the copyright lasts....” (emphasis added).

expression beyond what is contained in the [works] which are in the public domain. This principle is fully applicable to works that provide further delineation of characters already sufficiently delineated to warrant copyright protection.” *Id.* at 28, citing, 1 *Nimmer on Copyright* §§ 2.01, 3.04 (1988) and *Burroughs v. Metro-Goldwyn Mayer, Inc.*, 683 F.2d 610, 631 (2d. Cir. 1982).

Appellant, by contrast, is inviting the Court to make entirely new law by creating, for the first time in the long history of American copyright jurisprudence, two classes of copyright — one class for “complex literary characters” who are “fully-realized and developed” but whose full realization and development is “revealed only in later copyrighted works,” and another class for characters who do not meet the foregoing standard of protectability. For the first class of copyrights, Appellant asks the Court to define a new and unprecedented term of copyright that begins to run not from publication but “from the character’s completion.” (AOB, 2.)

The burden of Appellant’s argument is that characters would be protected from the point when they achieve sufficient delineation, and the copyright protection for the character would continue for as long as the character is used in new works, whether by the author or by his successor. Under Appellant’s approach, the characters would have a term of copyright far longer than the works in which the characters were birthed; indeed, the copyright could be perpetual. Thus, for example, even though Ian Fleming is long deceased, the copyright in the character of James Bond would remain in effect as long as new novels and books featuring the character are released under license from the author’s successors, a result that does violence to the principles of copyright as mandated in the Constitution.

The position that Appellant finds itself forced to take is entirely contrary to law and would result in an exceedingly strange situation in which any of the 56 stories and four novels featuring Sherlock Holmes and Dr. Watson that were published prior to 1923 can be reprinted freely by anyone because they are in the public domain in their entirety, but a new and original short story featuring

the characters as they appear in these public domain works would be actionable copyright infringement. In fact, since all 60 of the pre-1923 works contain the characters at issue, Appellant's argument would create the nonsensical situation in which mere publication of a new story in the series after 1923 would somehow extend the term of copyright protection in the works that are now in the public domain.

Appellant has not cited, and cannot cite, any law to support its remarkable proposition. Rather, the Court has been asked to overturn the fundamental law of copyright without any compelling reason other than to bestow upon Appellant, at least for another eight years, a monopoly in characters who first appeared in published works of authorship in 1887 and who are in the public domain elsewhere in the world. The present case was correctly decided in the District Court, and the ruling on the Motion for Summary Judgment should be affirmed.⁴

ARGUMENT

I. Appellee's Response to Appellant's Statement of the Standard of Review.

Appellant's statement of the applicable standard of review is incomplete. While the Court reviews a grant of summary judgment *de novo*, interpreting all facts in the light most favorable to an appellant, and drawing all reasonable inferences in an appellant's favor, (AOB, 17, citing *Seng-Tiong Ho v. Tafllove*, 648 F.3d 489, 496 (7th Cir. 2011)), it is inaccurate to suggest "[s]ummary judgment may not be granted if material facts are disputed." *Id.* (citing *McGraw-Edison Co. v. Walt Disney Prods.*, 787 F.2d 1163, 1174 (7th Cir. 1986)). Rather, summary judgment is appropriate if the movant has shown "the absence of a genuine issue of material fact." *Seng-Tiong Ho*, 648 F.3d at 496 (emphasis

⁴ As noted above, in fn. 2, Appellee has conceded, for the purposes of litigation, that anything new and original that was first published in the Ten Stories remains under copyright and seeks only a declaratory judgment to the effect that the pre-1923 works of Arthur Conan Doyle are now in the public domain. (R. 20.) However, due to the inadvertent mismarking of the exhibits to the Complaint in the present action, it appears that the District Court apparently assumed that Appellee was seeking an adjudication of the copyright status of the Ten Stories, too. For these reasons, the District Court's denial in part of Appellee's Motion for Summary Judgment as to the Ten Stories was inapposite. (AOB, A-2 and A-23; R. 80.)

added). “[A] factual issue is ‘genuine’ only if the evidence is such that a reasonable jury could return a verdict for the nonmoving party.” *Spivey v. Adaptive Mktg. LLC*, 622 F.3d 816, 822 (7th Cir. 2010).

Appellant also states that questions of subject-matter jurisdiction are reviewed *de novo* (AOB, 17), but Appellant’s jurisdictional challenge is directed to the existence of a “case or controversy.” *See generally*, AOB, 43–48. Although the District Court’s legal determinations are reviewed *de novo*, related factual determinations are reviewed for clear error. *Arreola v. Godinez*, 546 F.3d 788, 794 (7th Cir. 2008).

Finally, Appellant also challenges the District Court’s decision to exercise jurisdiction over a claim for declaratory relief (AOB, 48–49), but neglects to set forth the appropriate standard of review. A district court’s decision to hear a declaratory judgment action over which it has subject-matter jurisdiction is reviewed for an abuse of discretion. *See Wilton v. Seven Falls Co.*, 515 U.S. 277, 289 (1995); *see also, Envision Healthcare, Inc. v. PreferredOne Ins. Co.*, 604 F.3d 983, 985–86 (7th Cir. 2010) (recognizing district court’s decision to entertain suit for declaratory relief is reviewed for an abuse of discretion).

II. The Settled Law of Copyright Holds That Characters Pass into the Public Domain Along with the Works of Authorship in Which the Characters were First Delineated.

The seminal and well-settled precedent regarding the copyright status of characters that were first developed and delineated in a work of authorship that has since passed into the public domain is *Silverman v. CBS, Inc.*, 870 F.2d 40 (2d. Cir. 1989). The rule is that the characters, too, pass into the public domain, and if the copyright owner later creates additional works featuring the same characters, the copyright protects only “the incremental additions of originality contributed by the authors of the derivative works.” *Id.* at 49. Accordingly, any member of the public is entitled to use the public domain characters in new and original works of authorship so long as he or she does not copy the “further delineation of the characters contained [in later works that] remain protected by valid copyrights.” *Id.* at 50.

Like the pre-1923 works of Arthur Conan Doyle, the pre-1948 scripts for the “Amos ‘n Andy” radio program at issue in *Silverman* had passed into the public domain before the defendant wrote his musical based on these characters. *Id.* at 43. Like the present case, some post-1948 “Amos ‘n Andy” radio scripts and television programs remained under copyright. *Id.* at 44. As to the copyright status of the characters, the *Silverman* court ruled: “[W]e have no doubt that they were sufficiently delineated in the pre-1948 radio scripts to have been placed in the public domain when the scripts entered the public domain.” *Id.* at 50. Accordingly, the *Silverman* court declared that “the basic copyright principle means that [defendant] is entitled to use the public domain material 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.*

Courts have widely adopted the *Silverman* principle, including one case that specifically addresses the copyright status of the Sherlock Holmes characters, *Pannonia Farms, Inc. v. USA Cable, No. 03 Civ. 7841*, 2004 U.S. Dist. LEXIS 15737, 72 U.S.P.Q.2D (BNA) 1100 (S.D.N.Y. Aug. 9, 2004). Although neither of the parties in the present action participated in the *Pannonia Farms* case, and the court in *Pannonia Farms* assumed that 51 of the 60 novels and stories featuring Sherlock Holmes were in the public domain, its holding on the copyright status of the Sherlock Holmes and Dr. Watson characters reflects the rule of the *Silverman* case and is highly instructive here. Specifically, the *Pannonia Farms* court recognized: “[T]he Holmes and Watson characters found in those fifty-one stories are in the public domain as well, and ... ‘only the increments of expression added by the [nine copyrighted stories] either to [Holmes and Watson] or any aspect of Sir Doyle’s stories that are in the public domain’ are protected by copyright.” *Pannonia Farms, Inc.*, 2004 U.S. Dist. LEXIS 15737, at 13.

Similarly, *Silverman* governed the holding in *Dr. Seuss Enters., L.P. v. Penguin Book USA, Inc.*, 924 F. Supp. 1559 (S.D. Cal. 1996), which addressed the consequences of the fact that some of Dr.

Seuss's most famous characters may have been "lost into the public domain," including Maysie Bird, Horton the Elephant, and "the manner of depicting feet, eyes, and smiles found in certain images of the character Cat in the Hat." As a result, the court concluded, these characters and character traits were available to the public, although "Dr. Seuss would retain the right to exclude others from those 'increments of expression' that he added in creating his later works." *Dr. Seuss Enters.*, 924 F. Supp. at 1566.

The most recent Court of Appeals to rely on the reasoning and the rule in *Silverman* was the Eighth Circuit in *Warner Bros. Entm't, Inc. v. X One X Prods.*, 644 F.3d 584 (8th Cir. 2011). Notably, the Court cited the holding in *Pannonia Farms* with approval. The *X One X* court considered, *inter alia*, whether the injection into the public domain of publicity materials for *Gone With the Wind* and *The Wizard of Oz*, allowed the defendant to use the characters depicted in these materials in the form of shirts, lunch boxes, playing cards, and other merchandise, and recognized that, "as a general proposition, the public is not limited solely to making exact replicas of public domain materials, but rather is free to use public domain materials in new ways (i.e., to make derivative works by adding to and recombining elements of the public domain materials. '[W]here a work has gone into the public domain, it *does* in fact follow that any individual is entitled to develop this work in new ways.'" *Id.* at 596, citing, *Pannonia Farms, Inc.*, 2004 U.S. Dist. LEXIS 15737, at 9 and n. 20.

The Eighth Circuit in *X One X* pointed out that "this freedom to make new works based on public domain materials ends where the resulting derivative work comes into conflict with a valid copyright." *Id.* at 596. That is why, for the purposes of this litigation, Appellee has conceded that any "further delineation" in the Ten Stories remain under copyright and may not be used without permission. As the *Pannonia Farms* court observed, and the *X One X* court reiterated, "although the characters of Sherlock Holmes and Dr. Watson were in the public domain based on fifty-plus public domain original stories, a new work that incorporated 'character traits newly introduced' by the nine

later original stories still under copyright would infringe those copyrights.” *Pannonia Farms, Inc. v. USA Cable*, No. 03 Civ. 7841, 2004 U.S. Dist. LEXIS 23015, 2004 WL 1276842, at 29 (S.D.N.Y. June 8, 2004).

Curiously, Appellant drops a footnote into its opening brief in a half-hearted effort to argue that “[a]lthough [*X One X*] followed *Silverman*’s reasoning, its holding supports Conan Doyle.” (AOB, 35, fn 7.) The footnote is based on a faulty and tendentious reading of the *X One X* case. In *X One X*, the only materials that had passed into the public domain were posters, still photographs, and lobby cards. The *X One X* court correctly distinguished between the sparing depiction of the characters from *Gone With the Wind* and *The Wizard of Oz* on a lobby card or a still photo and the more extensive depiction of the same characters in the full-length motion pictures, which were still protected by copyright. “At most, the publicity materials could have injected some of the purely visual characteristics of each film character into the public domain,” the Court of Appeals reasoned, “[but] the scope of the film copyrights covers all visual depictions of the film characters at issue, except for any aspects of the characters that were injected into the public domain by the publicity materials.” *X One X*, 644 F.3d at 599 (citing *Siegel v. Warner Bros. Entm’t Inc.*, 542 F. Supp. 2d 1098, 1126 (C.D. Cal. 2008) and 598.

In the present case, of course, exactly the opposite is true. All of the first 50 stories and novels in which Sherlock Holmes and Dr. Watson first appeared are now in the public domain in their entirety in the United States. Only the Ten Stories remain under copyright, and only the “character traits [and other copyright-protected content] newly introduced” in these stories are still protected under copyright. The Court need not accept Appellant’s plea to adopt its self-invented and highly convoluted theory of “incremental character development” (AOB, 16) in order to protect what remains of Appellant’s copyright. Under the clear and compelling rule of *Silverman* and its progeny, Appellee (and the rest of the public) is free to draw on whatever appears in the pre-1923 works so

long as they avoid using whatever “original expression” was added to the Ten Stories. *Silverman*, 870 F.2d 50. The *Silverman* case reflects a fundamental principle: copyright expires.

The limited duration of copyright is enshrined in the U.S. Constitution, which provides that the government may grant exclusive ownership of intellectual property only for “limited times.” U.S. Const., Art. 1, §8. Copyright law is constitutionally required to prevent copyright holders from perpetuating their copyrights beyond the applicable expiration dates. As this Court explained in *Gaiman*, 360 F.3d at 661, “the purpose of requiring that a derivative work to be copyrightable be significantly different from the copyrighted original is . . . to prevent a copyright owner from extending his copyright beyond the statutory period by making an identical work as the statutory period was nearing its end, calling it a derivative work, and copyrighting it.” The same principle applies here: Appellant cannot extend its copyright beyond the statutory period by making new works featuring or developing an established character. The new works remain copyrighted, along with any protectable developments in the character original to the new works, but Appellant cannot extend copyright in works or characters in which copyright has expired.

For these reasons, the only ruling that would be consistent with *Gaiman*, *Silverman*, *Pannonia Farms*, *X One X*, and the United States Constitution is an affirmance of the District Court’s ruling on Appellee’s Motion for Summary Judgment.

III. Appellant’s Distinction Between “Flat” and “Round” Characters is Unsupported in Case Law and Does Not Justify the Innovations That Appellant is Urging Upon The Court.

Because the *Silverman* case so clearly articulates the appropriate rule to apply in the present case, Appellant is forced to distinguish the present case from *Silverman* by resorting yet again to invention. Specifically, Appellant proposes a novel legal distinction between “flat” and “round” characters with the goal of obtaining special treatment under copyright for “complex literary characters.” Yet these words and phrases appear only in the declarations of Appellant’s declarants and nowhere in the case

law itself. Indeed, as noted above, Arthur Conan Doyle himself freely admitted that Sherlock Holmes and Dr. Watson are not complex characters, a concession that undermines the entire legal position of Appellant in the present case.⁵

“An example of a ‘flatter character’ that receives copyright protection is Sherlock Holmes. Sherlock Holmes has been described as a very limited and predictable character, to the extent that he is almost formulaic. Sir Arthur Conan Doyle, the author of the Sherlock Holmes novels, had grown tired of Holmes ‘because his character admits no light or shade.’” Jasmina Zecevic, “Distinctly Delineated Fictional Characters That Constitute the Story Being Told: Who Are they and Do They Deserve Independent Copyright Protection,” 8 Van. J. Ent. & Tech. L. 365, 376 (Spring 2006), citing Conan Doyle, “Sidelights on Sherlock Holmes,” in *The Baker Street Reader* 12, 14 (Philip A. Shreffler, ed. 1984). As demonstrated in several other quotations from the writings of Arthur Conan Doyle (see p. 2 above), the author himself was wholly in agreement with the commentator and wholly in disagreement with Appellant.

Nothing in the long line of cases beginning with the landmark case of *Nichols v. Universal Pictures Corp.*, 45 F.2d 119 (2d Cir. 1930), provides any support or encouragement for Appellant’s new theory. The legal threshold for achieving copyright protection for a character arises when a character is adequately developed in a work of authorship. As Justice Hand famously ruled in

⁵ As a matter of literary analysis, the mere fact that Sherlock Holmes is recognizable from story to story, adaptation to adaptation, actor to actor, and genre to genre indicates that he is far closer to a “flat” character than to a “round” one. E.M. Forster, who coined the distinction between “flat” and “round” characters, explained that flat characters are “easily recognized whenever they come in – recognized by the reader’s emotional eye, not by the visual eye, which merely notes the recurrent of a proper name.” “Flatness” does not indicate a lack of character development, but rather a consistency of core character traits. Thus, as a flat character grows and develops, it can continue to be described in the same terms despite changes in circumstances, unlike a round character, whose readers “do not remember her so easily because she waxes and wanes” based on life experience. E. M. Forster, *Aspects of the Novel*, 67-69 (1955). Whether Holmes is flat or round, however, is immaterial in the present case, since the law makes no distinction between the two types. The law cares only whether or not characters are “sufficiently delineated.” This is why Appellant’s arguments might be suitable for a classroom but not a courtroom. In any event, as demonstrated above, the author himself disagreed on repeated occasions with the notion that Sherlock Holmes is a “complex literary character” or that he changed over time.

Nichols: “[T]he less developed the characters, the less they can be copyrighted; that is the penalty an author must bear for marking them too indistinctly.” *Id.* at 121. So long as a character is “sufficiently developed”, 1 *Nimmer on Copyright*, §2.12, at 2.178.30-31, or “sufficiently delineated”, *Silverman*, 870 F.2d at 50, however, the courts have recognized that copyright in a work extends to the characters that appear in that work. *Id.*; *see also*, 1 *Nimmer on Copyright*, §2.12 at 2-172.32, 2-175.

Appellant’s plea for special treatment (and extended period of copyright protection) for “complex literary characters” is especially curious because the courts have, in fact, ruled that simpler characters, such as those depicted in comic books, are *more* readily protectable under copyright than characters who are depicted only in “literary expression.” *Gaiman*, 360 F.3d at 660-661. This Court ruled in *Gaiman* that a comic-book character called Cagliostro was sufficiently delineated to merit copyright protection by reason of his “age, obviously phony title (‘Count’), what he knows and says, his name, and his faintly Mosaic facial features,” all of which are sufficient “to create a distinctive character.” As noted above, the Court ruled: “No more is required for a character copyright.” *Id.* at 660. By contrast, the Court suggested that more complex literary characters actually may be more difficult to protect under copyright, since “[t]he description of a character in prose leaves much to the imagination, even when the description is detailed...” *Id.* *See also*, 1 *Nimmer on Copyright*, §2.12 at 2-172.32, 2-175 (“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.’”), citing *X One X Prods.*, 644 F.3d at 600; *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 755 (9th Cir. 1978). (“[I]t is difficult to delineate distinctively a literary character.... Put another way, ... many literary characters may embody little more than an unprotected idea.”); *X One X*, 644 F.3d at 597 (citing *Gaiman* for the proposition that “[t]he description of a character in prose leaves much to the imagination, even when the description is detailed....”).

According to the reasoning and holdings of *Gaiman* and *X One X*, therefore, “flat” characters are actually subject to stronger copyright protection than “round” literary characters, which may not even reach the level of delineation required for protectability in the first place. *See 1 Nimmer on Copyright*, § 2.12 at 2-178.29 (describing the difficulty of protecting characters who are described in “word portraits”). Above all, Appellant is introducing a wholly unnecessary and self-serving distinction that the Court need not consider to decide the present case. The only applicable legal test is when the characters of Sherlock Holmes and Dr. Watson were sufficiently developed and delineated to achieve copyright protection under well-established principles of law. Once they entered copyright, no further delineation of the characters would remove the characters from copyright except the expiration of the term of copyright in the works in which they first appeared. *See Gaiman*, 360 F.3d at 657. For this reason, Appellant’s reliance on cases in which a district court found copyright protection in a character created over multiple works is unavailing; since none of those cases involved copyright expiration, none of them even asked the question of whether a character was independently copyrightable based on something *less* than the aggregate of works. From *Gaiman*, however, it is clear that independent copyright subsists in a delineated character even when that character continues to develop, and thus the copyright in that initial delineation must expire along with the copyright in the work in which it appeared. *See also, Pannonia Farms, Inc.*, 2004 U.S. Dist. LEXIS 23015.⁶

⁶ Appellant makes much of *Metro-Goldwyn-Mayer v. American Honda Motor Corp.*, 900 F. Supp. 1287 (C.D. Cal. 1995), but that case actually supports Appellee’s position, not Appellant’s. In that case, MGM claimed copyright infringement based on Honda’s use of a Bond-like character although the character also appeared in books by Ian Fleming and films not owned by MGM. The court explained that “Plaintiffs do not allege that Defendants have violated Plaintiffs’ copyright to the James Bond character itself,” which Plaintiffs might not have owned, “but rather in the James Bond character *as expressed and delineated in Plaintiff’s sixteen films.*” *Id.* at 1293. If Honda had copied only Fleming’s Bond, Honda would undoubtedly not have infringed MGM’s copyrights. Instead, it copied MGM’s incremental film additions to the character, which were a “departure from the series’ literary source, namely writer Ian Fleming’s novels.” *Id.* at 1294. Appellee does not argue that someone other than Appellant may own copyrights in their own incremental versions of Sherlock Holmes. Quite the contrary, under *MGM*, Warner Brothers could own a copyright to the Holmes of its

The Court might ask whether the character of Sherlock Holmes reached the threshold of sufficient delineation upon first publication of the earliest stories in 1887, or upon publication of a certain number of novels and stories in the following years, or even upon publication of the Ten Stories in the 1920s. But even the Appellant concedes that no such exercise is necessary because, as Appellant puts it, Sherlock Holmes is “among the most original and extensively delineated character ever created.” (AOB, 19.) Appellant does not deny that sufficient delineation of the characters appeared in the 50 stories and novels first published before 1923. Nor can it make such an argument because, in order to do so, Appellant would have to suggest that the minor character developments in the Ten Stories made the difference between sufficient delineation and insufficient delineation. Once the characters achieved the requisite degree of development and delineation in a particular work of authorship or any series of works, the characters were protected by copyright, and once the copyright in those works expired, the copyright protection for the characters as delineated in those works also ended.

When the artificial distinctions between “flat” and “round” characters collapse under their own metaphysical weight, the Appellant resorts to magic, not unlike an alchemist struggling to turn the lead of public domain into the gold of copyright. “Mr. Klinger’s argument that he will not use portions of the characters contributed in the Ten Stories ignores the nature of a character as a complex literary creation entitled to copyright protection,” argues the Appellant. (AOB, 16.) “Like a human, the way we know Holmes’s character mellowed is from his actions, which reveal that he has been changing. Where and exactly when and how much he changed is, like human nature, somewhat mysterious.” (AOB, 17.)

Sherlock Holmes films or the BBC could own a copyright to the Holmes of its *Sherlock* television series, to the extent that the new works depart from their literary source, the novels and stories featuring Sherlock Holmes as authored by Arthur Conan Doyle.

Here is the dead-end of Appellant's argument. Appellant concedes that Holmes and Watson were sufficiently delineated to merit copyright protection from the moment they first appeared in print, and yet Appellant insists they somehow eluded completion until the final stroke of the author's pen. So Appellant implores the Court to pass a wand over Sherlock Holmes and Dr. Watson — characters who were first presented to the public in 1887 — and to grant them an extended term of copyright in the United States in recognition of their mysterious nature.

No such legerdemain is necessary or appropriate. Like every character - round or flat, high culture or low — the threshold for copyright protection is sufficient delineation in a fixed medium of expression. Once copyright is achieved, the term of protection begins. Once the work has passed into the public domain, it cannot be extracted by sleight of hand.

IV. All of the Authoritative Copyright Treatises Correctly State The Applicable Law Of Character Protection As It Applies To The Present Case.

Of necessity, Appellant must attack the authority of *Nimmer on Copyright* (AOB, 37, *et seq.*) because Nimmer's commentary on the law of copyright protection for characters squarely supports the arguments of Appellee in the present case. Indeed, the question of copyright expiration for a continuing story element (such as a character) used by the author in a series of works has been asked and answered definitively by all three of the leading copyright treatises, and all three treatises are in accord. *See, e.g., Patry on Copyright* and *Goldstein on Copyright*.⁷

“What of the situation where an author has used the same character in a series of works, some of which works subsequently enter the public domain, while others remain protected by copyright?

Clearly anyone may copy such elements as have entered the public domain, and no one may copy

⁷² *Patry on Copyright*, §3:164 (2014) (“Courts have also noted that where characters fall into the public domain, copyright may be obtained only in the incremental expression added. *Silverman v. CBS Inc.*, 870 F.2d 40 (2d Cir. 1989) (Amos 'n Andy); *Pannonia Farms, Inc.*, 2004 U.S. Dist. LEXIS 23015, at 9 (Sherlock Holmes),” and *Goldstein on Copyright*, § 2.7.2 (2014), citing *Silverman* at 2:92.

such elements as remain protected by copyright.” ¹ *Nimmer on Copyright*, §2.12, at 2-178.30, 2-178.30(1), 2-178-31 (emphasis added), citing, *inter alia*, *National Comics Publications, Inc. v. Fawcett Publications*, 191 F.2d 594 (2d Cir. 1951).

The rule applies even if, as in the present case, the same characters appear in both the works that have passed into the public domain and the works that remain under copyright:

The more difficult question is this: may the character depicted in all of the works be appropriated for use in a new story created by the copier? Assuming the character to be sufficiently developed as to be protectable, arguably such conduct would constitute an infringement of those works that remain in copyright. The better view, however, would appear to be that once the copyright in the first work that contained the character enters the public domain, then it is not copyright infringement for others to copy the character in works that are otherwise original with the copier, even though later works in the original series remain protected by copyright. * * *

Just as the copyright in a derivative work will not protect public domain portions of an underlying work as incorporated in the derivative work, so copyright in a particular work in a series will not protect the character as contained in such series if the work in the series in which the character first appeared has entered the public domain.

¹ *Nimmer on Copyright*, §2.12, at 2-178.31 (Emphasis added), citing, *inter alia*, *Siegel*, 690 F. Supp. 2d at 1059.

Appellant has thrown everything it can find against *Nimmer on Copyright* in the hope that something will stick. Thus, for example, Appellant regards one case cited in *Nimmer* in support of the comment that “sequels are ‘in a sense’ derivative works,” *Salinger v. Colting*, 641 F. Supp. 2d 250, 254 (S.D.N.Y. 2009), as “inapposite” (AOB, 32), and cites *Salinger* as “vacated” (AOB, 37).⁸ As yet another example, Appellant criticizes *Nimmer* for the rule discussed above by claiming without

⁸ Appellant cites *Salinger* twice. In one citation, the crucial phrase “on other grounds” is omitted from its citation. (AOB, 37.) In the other citation, Appellant includes the whole phrase (“vacated on other grounds”) (AOB, 19.) Nevertheless, Appellant’s argument is misleading.

elaboration that “none [of the cases cited in *Nimmer*] is on point” and by complaining that one such case, *Kurlan v. CBS, Inc.*, 256 P.2 962 (Cal. 1953), “addressed characters where the entire original series creating the characters had gone into the public domain.” (AOB, 38.)

But these are mere quibbles by Appellant, because the commentary in *Nimmer* is the only logical interpretation of the cases that have considered the question presented here. To reach the conclusions urged on the Court by Appellant, it would be necessary to embrace the principle that the term of copyright may be extended indefinitely, a result that is specifically ruled out in *Gaiman*.

Appellant is also merely quibbling when it questions whether the term “derivative works” should be applied to the stories in the Sherlock Holmes series, as if the distinction (if it exists at all) would change the result of the present case. (AOB, 32.) This, too, is a sterile and unavailing argument. Appellant concedes that “[w]here a flat character is created in the first episode in a series and then re-used, subsequent works may well be derivative works.” *Id.*

But the distinction itself is merely a red herring because Appellant is actually arguing that everything that Arthur Conan Doyle wrote about Sherlock Holmes, starting with the first story published in 1887 and ending with the last story published in 1927, comprises the character that it seeks to protect: “[W]here an author creates a single complex character throughout a series of works, the character is one original work of authorship.” *Id.* Appellant cites a single case for the foregoing proposition, *Filmvideo*, 509 F. Supp. at 65, but the *Filmvideo* case says no such thing and does not support Appellant’s proposition in any sense.⁹

⁹ In *Filmvideo*, the author of 26 books featuring the character Hopalong Cassidy (the “Hopalong Cassidy Books”) granted the right to “dramatize and adapt the material contained in the Hopalong Cassidy Books to screenplays” (the “Hopalong Cassidy Movies”). *Filmvideo*, 509 F. Supp. at 63. After the Hopalong Cassidy Movies were produced, the second term of copyright registration was renewed for the Hopalong Cassidy Books but not the Hopalong Cassidy Movies. *Id.* at 62. For that reason, the *Filmvideo* is readily distinguishable from the present because the earlier Sherlock Holmes works are in the public domain, and the later works are under copyright, and because the producers based the movie on the content of the books. The court found that “[t]he Hopalong Cassidy Motion Pictures appear to the ordinary observer to be substantially similar to, and to be taken from, the Hopalong Cassidy Books,” which remained under

Appellant also tries to distinguish various cases cited by *Nimmer* by characterizing them as “involving classic flat characters in their entirety in a single work.” (AOB, 39.) In order to credit the distinction, the Court must first be persuaded to embrace Appellant’s invitation to create a two-tiered system of copyright protection for characters, one that treats “flat” characters differently from “round” characters, as these terms have been coined and used by Appellant: “None of these cases sheds any light on the continuing creation of a single character throughout a corpus, where a number of works creating the fully-developed character are still protected by copyright.” *Id.* If, on the other hand, the Court declines to make new law in the present case by embracing the notion of “continuing creation” then the authorities cited by *Nimmer* are wholly supportive of Appellee’s contentions.

Appellant finds itself reduced to complaining that *Nimmer* is flawed by “faulty reasoning” (AOB, 37) and “faulty logic” (AOB, 38). Courts across the United States, however, have placed their confidence in *Nimmer*’s logic and reasoning, and they widely share *Nimmer*’s view that copyright protection expires for characters and story elements regardless of whether those elements are re-incorporated into later works of a continuing series. *See, e.g., Silverman*, 870 F.2d at 49-50 (“whatever rights [CBS] may have in the [later] programs . . . provide protection only for the increments of expression beyond what is contained in the pre-1948 radio scripts.”).

This principle is fully applicable to works that provide further delineation of characters already sufficiently delineated to warrant copyright protection; *Filmvideo*, 668 F.2d at 92 (“Since 1909, the courts of this Circuit have held almost without exception that a derivative copyright is a good copyright only with regard to the original embellishments and additions it has made in the

copyright, and that Hopalong Cassidy “was continued and developed through the whole series.” *Id.* 65. Nowhere, however, does the court conclude or even consider that a complex character featured in 26 books should receive extended protection as on original work of authorship. The very intent of licensing the characters to producers was to adapt the Hopalong Cassidy Books and copy the development of the character’s created by author. *Id.* 65-66.

underlying work . . . section 7 limits the copyright protection of the derivative work . . . to the novel additions made to the underlying work, and the derivative work does not affect the ‘force or validity’ of the copyright in the matter from which it is derived.”) (internal citations omitted); and *Siegel*, 690 F.Supp.2d at 1058-59 (“the copyrightable aspects of a character—the thing for which a notice is designed to declare its intent to recapture—are protected only to the extent the work in which that particular aspect of the character was first delineated remains protected, but not in the subsequent sequels in which that attribute is later repeated or used.”).

Both *Nimmer* and the long line of case authority cited in *Nimmer on Copyright* — and, as noted above, both *Patry* and *Goldstein* — strongly support the Appellee’s argument that whatever expression Arthur Conan Doyle used to create his characters in the pre-1927 works is now in the public domain, and the characters of Sherlock Holmes and Dr. Watson along with them.

V. The Appellant Has Pointed to No Special Justification That Would Allow This Court to Ignore the Principle of *Stare Decisis* and Make New Law.

The Court is empowered and obliged to review both the record and the controlling law *de novo* in an appeal from the granting of a summary judgment. (*PPG Indus. V. Russell*, 887 F.2d 820, 823 (7th Cir. 1989)). In the present case, however, Appellant is not merely asking the Court to rule that a triable issue of fact has been raised in its evidentiary showing, which consists exclusively of highly conclusory declarations by various experts.¹⁰ Rather, Appellant is presenting a pure question of law: “When a complex literary character is created throughout an original series of works, and early stories in the series have fallen in the public domain but the fully-realized and developed character is

¹⁰ None of Appellant’s arguments that Sherlock Holmes somehow remained “unrevealed” until the last of the Ten Stories, and none of Appellant’s evidentiary declarations to that effect, are pertinent to its present appeal unless the Court first decides that Appellant’s newly-minted theory of two-tiered copyright protection for characters ought to be adopted as controlling law in place of the existing law of character protection. Only then would it be relevant to inquire whether Sherlock Holmes and Dr. Watson were, in fact, “revealed” as “fully-realized and developed characters” only in the Ten Stories. Otherwise, all such arguments by Appellant, including the musings of Appellant’s declarations on distinctions between “flat” and “round” characters, are entirely beside the point in the present case.

revealed only in later copyrighted works, does copyright law protect that character for a full term running from the character's completion?" (AOB, 2.) Appellee respectfully submits that the plain answer is "no." Answering the question in the affirmative would require this Court to overturn a well-established line of cases under the law of copyright and embrace a wholly invented and unprecedented two-tiered structure of copyright protection for characters supported by nothing beyond the Appellant's desire that it be so. Under the principle of *stare decisis*, the Court should decline the invitation of Appellant to make the new law that Appellant has asked for.

"We as judges of the U.S. Court of Appeals have only the power to interpret the law; it is the duty of the legislative branch to make the law." *Santos v. United States*, 461 F.3d 886 (7th Cir. 2006). (Internal citations omitted). "[T]he doctrine of *stare decisis* is of fundamental importance to the rule of law; it 'promotes stability, predictability, and respect for judicial authority.' . . . Indeed, 'a respect for precedent is, by definition, indispensable' to the rule of law. We therefore shall not disturb precedent absent 'special justification.'" *Arizona v. Rumsey*, 467 U.S. 203 (1984).

Appellant has articulated no "special justification" for making the new law that it proposes other than to extend its own monopoly over the characters of Sherlock Holmes and Dr. Watson for another eight years in the United States, the last place in the world where Appellant enjoys such a monopoly. However, under the well-settled principles of U.S. copyright law, the copyright monopoly applies only to "the increments of expression beyond what is contained in the [works] which are in the public domain." *Silverman*, 870 F.2d at 50. Appellant has provided no reason at all why the Court should set aside the well-settled law of character copyright in the present case.

VI. The Case Or Controversy In The Present Case Is Whether The First 50 Sherlock Holmes Stories and Novels Are In The Public Domain.

Appellant contends that "[t]he case or controversy alleged [in the present action] is clearly over whether Mr. Klinger's publication of *In the Company of Sherlock Holmes* will infringe Conan Doyle's copyright," and therefore argues that the Court should decline to hear the case, presumably until

Appellee completes the book and submits it to Appellant. (AOB, 46.) But Appellant's contention is wrong. Appellee has not gone through the considerable burden and expense of filing the present action in furtherance of an "academic, hypothetical dispute." (AOB, 47.) Rather, Appellant seeks to clarify the copyright status of the first 50 stories and novels featuring Sherlock Holmes, Dr. Watson and other continuing characters — for himself, for his publisher, and for others who wish to create new stories featuring Sherlock Homes — which will enable him to proceed with the publication of his (and his co-editor's) book.

As alleged in the Complaint, Appellant issued an unequivocal threat in a willful (and wholly successful) effort to frighten and intimidate Appellee's publisher, Pegasus Books, into dropping the book: "We work with [Amazon, Barnes & Noble and similar retailers] routinely to weed out unlicensed uses of Sherlock Holmes from their offerings, and will not hesitate to do so with your book as well." (R. 23-25.) The threat was issued by Appellant even after Appellee assured Appellant that the book "would include only such characters and other story elements from that the Canon that have already passed into the public domain and would not use any characters or other story elements that remain under copyright in the United States." (R. 23.)

Clearly, it does not matter what appears in Appellee's book because Appellant claims that the copyright protection for the Ten Stories is sufficient to prevent the publication of any stories about Sherlock Holmes. Thus, for example, submitting a manuscript in advance of publication to Appellant would have been unavailing because Appellant does not concede that any aspect of the Sherlock Holmes character is available to the public without a paid license. Above all, Appellant is fearful of any ruling that confirms the public domain status of any of the Sherlock Holmes novels and stories precisely because it would put an end to Appellant's profitable business model, which is based entirely on bluff and threat.

If the Court is persuaded that no case or controversy exists between Appellant and Appellee and ends the present case at this early stage, it will represent a total victory for Appellant. According to Appellant's argument, Appellee needs to write a book in its entirety, find a publisher for the book, put the book into circulation, and then raise the public domain status of the pre-1923 works as an affirmative defense in a copyright infringement action. Since Appellant knows that few, if any, publishers would publish a book under the threat of a lawsuit — and since Appellant has threatened to keep the book out of the stores merely by threatening to bring a lawsuit against the beleaguered bookstores — Appellant is secure in the knowledge that it will never have to prove its case on the merits. That is precisely why Appellee felt compelled to bring an action for declaratory judgment in order to secure publication of his (and his co-editor's) book. Moreover, the Court's opinion in *Medimmune, Inc.* makes clear that such efforts are not required or necessary, and the District Court's opinion on this point should be affirmed. *Medimmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 129, 127 S.Ct. 74, 772-3 (2007).

CONCLUSION

For the foregoing reasons, Appellee Leslie S. Klinger respectfully requests that the decision of the District Court granting summary judgment in favor of Appellee be affirmed.

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE WITH RULE 32(a)(7)

This brief complies with the type-volume limitation of Fed. R. App. P. 32(a)(7)(B) because this brief contains less than 14,000 words, excluding the parts of the brief exempted by Fed. R. App. P. 32(a)(7)(B)(iii).

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CERTIFICATE OF SERVICE

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