

Holy Copyright Infringement, Batman!

by DAVID BAKER

Batman. The name conjures so many iconic images. There's the Caped Crusader and the Boy Wonder, played to campy perfection by Adam West and Burt Ward in the 1966 television series. There's Gotham City and the Bat Signal. There's Cesar Romero, Jack Nicholson, and Heath Ledger, each of whom portrayed the Joker in his unique way. There's Wayne Manor and the Bat Cave. There's the black cowl, the flowing cape, and the utility belt. There's Christian Bale and the entire *Dark Knight* series. Through it all, there has always been Batman's distinctive ride, the Batmobile.

And, who wouldn't want to drive the Batmobile or, at least, a replica of the famed vehicle? Santa Ana entrepreneur Mark Towle thought the same thing and set out to manufacture and sell replicas of the classic 1966 version and the exotic 1989 version through his company, Gotham Garage. The problem? He didn't own the intellectual property rights associated with the Batmobile.

To the Batpoles!

From its humble beginnings as a plain red convertible on the pages of *Detective Comics* No. 27 in May 1939, the Batmobile has been reimagined and reengineered in a myriad of ways, but ever since Batman and Robin responded to Commissioner Gordon's first call for help on the 1966 *Batman* Television series, the Batmobile has always been as recognizable as the man himself.

The Batmobile leapt onto television screens in 1966 as a highly modified concept car (designed by George Barris) based on a Lincoln Futura, sporting a glossy, jet-black paint job highlighted by "fluorescent cerise" with dual Plexiglass canopies, chrome exhausts sprouting from the rear deck, Mickey Thompson

tires, and the ever-important seat belts. The V version of the Batmobile was replete with gadgets such as the Batcomputer and the Batphone, but the versions that made it into Tim Burton's *Batman* and *Batman Returns* films and the Christopher Nolan trilogy of films (*Batman Begins*, *The Dark Knight*, and *The Dark Knight Rises*) were more lethal and intimidating.

Unfortunately for Mr. Towle, DC Comics, Inc., a Warner Bros. subsidiary, owns the exclusive rights to all things Batman, including the Batmobile designs, and the comic book publisher is very protective of its intellectual property. Historically, DC Comics has recognized the value of the designs (an original 1966 Batmobile (Barris built a total of four) recently sold at auction to a private collector for more than \$4,600,000) and has allowed only very limited reproductions of the Batmobile. Likewise, DC Comics has been protective of the Batman name and the logos associated with the fictional crime fighter.

Bam! Ka-Pow! Biff!

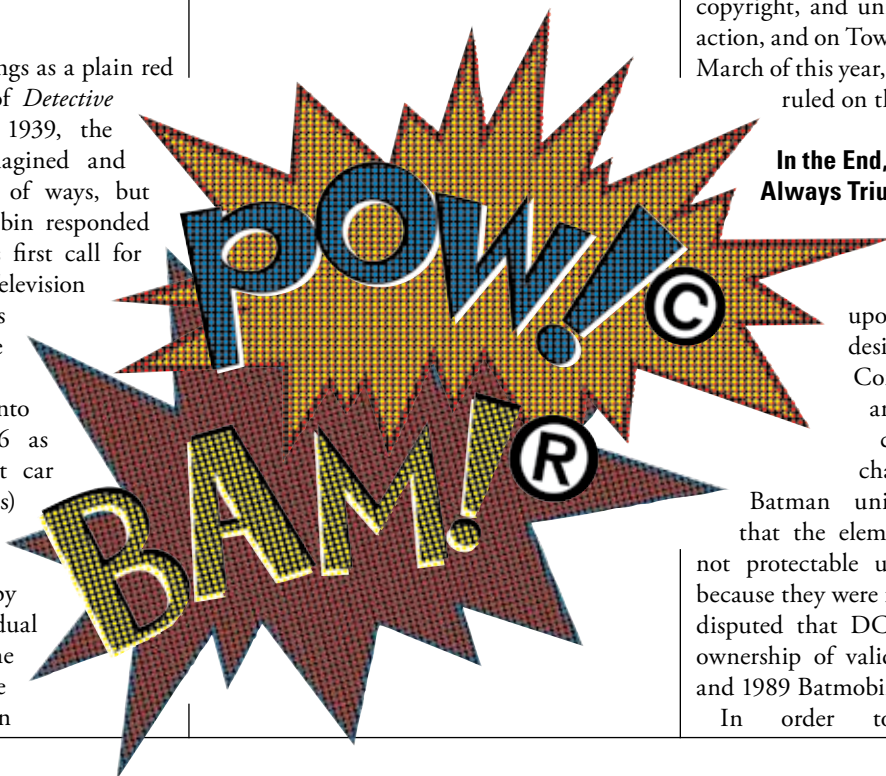
In May 2011, DC Comics filed suit against Mr. Towle and Gotham Garage in U.S. District Court for the Central District of California and the case was assigned to Judge Ronald S.W. Lew. *DC Comics v. Towle*, CV 11-3934 RSWL OPx, 2013 WL 541430 (C.D. Cal. Feb. 7, 2013). Towle had been operating Gotham Garage as an automobile workshop, creating and selling vehicle modification kits and full-size replicas of the 1966 and 1989 Batmobile. The replicas were made to look just like the originals, and included well-recognized trademarks from the Batman franchise such as the distinctive bat silhouette. However, the replicas were not licensed by DC Comics, and in the complaint the company alleged copyright infringement, trademark infringement, and unfair competition.

In December of last year, Towle and DC Comics filed dueling motions for partial summary judgment seeking summary judgment as to DC Comics' trademark, copyright, and unfair competition causes of action, and on Towle's laches defense. And, in March of this year, Judge Lew considered and ruled on the motions.

In the End, Veracity and Rectitude Always Triumph.

The core of DC Comics' argument was that Towle had infringed upon a valid copyright in the designs of the Batmobiles. DC Comics argued that the 1966 and 1989 Batmobile vehicles constituted a protectable character in the fictional Batman universe. Towle countered that the elements he had copied were not protectable under the Copyright Act because they were functional. Further, Towle disputed that DC Comics had established ownership of valid copyrights to the 1966 and 1989 Batmobiles.

In order to establish copyright



infringement, two elements must be proven: (1) ownership of a valid copyright, and (2) copying protected elements of the original work. Copying is established under the “substantial similarity” test by showing that the works in question are “substantially similar in their protected elements” and that the infringing party had access to the copyrighted work.

Generally, “substantial similarity” is the more difficult element to prove. A court must first distinguish between the protectable and unprotectable material and then, as established in *Apple v. Microsoft*, the court must apply a two-part “intrinsic versus extrinsic” test to determine whether the two works are substantially similar. *Apple v. Microsoft*, 35 F.3d 1435, 1442 (9th Cir. 1994).

On the issue of ownership, Judge Lew found that DC Comics had reserved all rights to the characters and elements depicted in the *Batman* television series and the 1989 *Batman* film through licensing agreements. Further, the court found that DC Comics clearly owned copyrights to the original comic book series in which the Batmobile originally appeared. And, as the copyright holder to the *Batman* comic books, Towle had the exclusive right to prepare derivative works. This right extends beyond mere protection against unauthorized copying to include the right to assert copyright infringement of the derivative work.

Judge Lew reasoned that each of the Batmobiles at issue was a derivative work of DC Comics’ *Batman* comic book series and the *Batman* television series, and that Towle had copied those vehicles. Thus, the court held that DC Comics had standing to sue Towle for copyright infringement. *DC Comics*, 2013 WL 541430 at *13.

On the issue of validity, Towle argued that the Batmobile should not be entitled to any copyright protection because it is a functional vehicle. DC Comics countered, arguing that the Batmobile is entitled to copyright protection because it is a “character” in the fictional *Batman* universe.

As established in the *Superman* case, *Warner Bros. Inc. v. American Broadcasting Co. Inc.*, 720 F.2d 231, 235 (2d Cir. 1983), and the *Freddy Krueger* case, *New Line Cinema Corp. v. Bertlesman Music Group, Inc.*, 693 F. Supp. 1517, 1521 n.5 (S.D.N.Y. 1988), the owner of a copyright in various works embodying a character (such as a television series or movie) can acquire copyright protection for the character itself. The Ninth Circuit recognized this interpretation in *Olson v. National Broadcasting Co.*, but never established a clear legal standard for courts to apply in

determining whether visually depicted characters are subject to copyright protection. *Olson v. Nat’l Broad. Co.*, 855 F.2d 1446, 1452 (9th Cir. 1988).

Judge Lew wrestled with this question and ultimately applied the “character delineation” test articulated by the Ninth Circuit in *Rice v. Fox Broadcasting Co.*, 330 F.3d 1170 (9th Cir. 2003). In *Rice*, the Ninth Circuit explained that “characters that are ‘especially distinctive’ or ‘the story being told’ receive protection apart from the copyrighted work.” *Rice*, 330 F.3d at 1175. “Especially distinctive” fictional characters that have received copyright protection are those that have displayed consistent, widely identifiable traits, such as *Godzilla*, *James Bond*, and *Rocky Balboa*.

DC Comics argued that the 1966 and 1989 Batmobile vehicles constituted a protectable character in the fictional *Batman* universe.

Judge Lew found that the Batmobile was “sufficiently delineated” to constitute a character entitled to copyright protection because it conveys a set of distinct characteristics. The court reasoned that “[i]t is undeniable that the Batmobile is a world-famous conveyance in the *Batman* franchise, exhibiting a series of readily identifiable and distinguishing traits.” *DC Comics*, 2013 WL 541430 at *13. The court also found that the case is analogous to one which involved the “*Godzilla*” character, *Toho Co., Ltd. v. William Morrow and Co., Inc.*, 33 F. Supp. 2d 1206, 1215 (C.D. Cal. 1998). As with *Godzilla*, “[e]ven though the Batmobile is not identical in every comic book, film, or television show, it is still widely recognizable because it often contains bat-like motifs, such as a bat-faced grill or bat-shaped tailfins in the rear of the car, and it is almost always jet black.” *DC Comics*, 2013 WL 541430 at *15.

On the key issue of “substantial similarity,”

Towle never denied that he had copied the Batmobile vehicles, but he did argue that the copying of a two-dimensional Batmobile character into three-dimensional forms is not copyright infringement. He was wrong. Judge Lew noted that “copyright in a work protects against unauthorized copying, not only in the original medium in which the work was produced, but also in any other medium as well.” *Id.* at *15. Towle’s manufacturing of an unauthorized three-dimensional copy of a two-dimensional comic book character still constituted copyright infringement.

Towle’s argument that the Batmobile is only a car and that the design of a car is not protectable under copyright law also did not hold purchase with Judge Lew. Instead, the court found that the Batmobile is a “pictorial, graphic, and sculptural work” entitled to copyright protection and courts have traditionally accorded copyright protection to such works incorporated within a useful article when those works can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the useful article. Judge Lew commented that Towle “did not copy the design of a mere car; he copied the Batmobile character.” And, “[t]he fact that the unauthorized Batmobile replicas that [d]efendant manufactured—which are derivative works—may be ‘useful articles’ is irrelevant. A derivative work can still infringe the underlying copyrighted work even if the derivative work is not independently entitled to copyright protection.” *Id.* at *17.

In ruling on the motions, the court held that “all of the features that distinguish the Batmobile from any other car—the fantastical elements that feature bat design, such as the bat tailfin and the various gadgetry that identify the vehicle as the Batmobile—are protectable elements.” *Id.* at *18. Thus, the Batmobile was subject to copyright protection, Towle infringed that copyright, and DC Comics’ motion was granted.

Curses! Foiled by the Bat and His Boy Wonder Again!

In marketing his replica vehicles, Towle had included the words “*Batman*” and “*Batmobile*,” and had used at least three versions of the bat symbol. DC Comics contended that this caused consumer confusion about the source of the vehicles and thus constituted trademark infringement.

A claim for trademark infringement requires that a plaintiff show: (1) that it has valid trademark rights, and (2) that defendant’s use of a similar mark is likely to cause confusion. *Id.* at *3. The determination of the likelihood of confusion lies within the

1939

The Batmobile appears on the pages of *Detective Comics*.

1966

The Batmobile debuts on the television screen.

exclusive jurisdiction of the court and, in the Batmobile case, the court found that DC Comics had valid trademark rights in the trademarks at issue in the case, as all of the marks had been properly registered with the U.S. Patent and Trademark Office. *Id.* at *4.

“Likelihood of confusion” is the core element of trademark infringement, *i.e.*, whether the similarity of the marks is likely to confuse customers about the source of the goods or services. And, to determine the likelihood of confusion, courts analyze a series of key factors originally set forth in *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979) (and commonly known as the “*Sleekcraft* test”). In ruling on the motions, the court analyzed each *Sleekcraft* factor in turn:

- 1. The Strength of Plaintiff’s Mark.** The court found that the strength of the trademarks at issue weighed in favor of finding a likelihood of confusion because the DC Comics’ marks, as wholly made-up terms, were fanciful marks (the strongest type). In addition, the court found that the marks were strong because they were memorable and the public would likely associate them with the marks’ owner. *DC Comics*, 2013 WL 541430 at *6.
- 2. The Proximity of the Goods.** Because the goods at issue were the same, the proximity or relatedness of the goods favored a finding of likelihood of confusion. *Id.* Goods are proximate if they are “similar in use and function” and “would be reasonably thought by the buying public to come from the same source if sold under the same mark.” *Sleekcraft*, 599 F.2d at 348, 350.
- 3. The Similarity of the Marks.** The court found that there was no dispute that Towle had used marks identical to DC Comics’ registered marks. Thus, there was no genuine issue of fact regarding the similarity of the marks. *DC Comics*, 2013 WL 541430 at *8.
- 4. Evidence of Actual Confusion (If Any Exists).** The district court acknowledged that the Ninth Circuit has recognized that evidence of actual confusion is not required to establish likelihood of confusion. Nevertheless, Towle admitted that “most” of his potential customers asked if he had a relationship with Warner Bros, or was licensed by Warner Bros. *Id.* at *6.
- 5. The Marketing Channels Used for the Respective Goods or Services.** The court

found that DC Comics and Gotham Garage were in direct competition; they directly marketed their vehicles online and at car shows. The greater the degree of overlap of predominant purchasers of the goods and the more the respective marketing approaches resemble one another, the more likely there is to be confusion. *Id.*

- 6. The Type of Goods or Services and the Degree of Care Likely to Be Exercised by the Purchaser in Selecting Them.** The court considered the type of goods and the degree of care likely to be exercised by the purchasers using the “reasonably prudent consumer” standard. Where, as here, consumers are purchasing more expensive items, they are expected to be more discerning. The district court found that a reasonably prudent consumer would likely be more discriminating and be likely to ask questions regarding the Batmobile vehicles. *Id.* at *7.

- 7. Defendant’s Intent in Selecting the Subject Mark.** The court found that because Towle admitted his knowledge of the Batman property including the Batmobile vehicles and the trademarks, and because he knowingly copied the marks, this permitted an inference of intent to deceive the public. *Id.*

- 8. The Likelihood of Expansion of the Product Lines into New Areas.** The court could have considered the likelihood of expansion of the product lines, but this was unnecessary as the parties already competed to a significant degree because they sell related products and use similar marketing channels. *Id.*

Based on this eight-part analysis, the district court found that the relevant *Sleekcraft* factors supported a finding of likelihood of confusion as a matter of law, and because there were no triable issues of fact with regard to the validity of DC Comics’ marks, the court granted DC Comics’ motion and denied Towle’s motion as to the trademark infringement claim. *Id.*

Riddle Me This

DC Comics included an unfair competition claim in its complaint in the hopes of obtaining an injunction against Towle’s allegedly infringing activities. Just as with the trademark infringement claim, the element of likelihood of confusion is critical in determining the validity of a claim for common law unfair competition. DC

Comics argued that defendant’s use of bat symbols on its replica Batmobiles was likely to cause confusion for U.S. consumers with the DC Comics’ trademarks and, as such, this likelihood of confusion constituted common law unfair competition.

Courts have uniformly held that trademark infringement is a specific aspect of unfair competition and the ultimate test is whether the public is likely to be deceived or confused by the similarity of the marks. The decisive test of common law unfair competition is the same as for false designation of origin: Is the public likely to be deceived by the infringer’s conduct about the source of goods or services? And whether the likelihood of public confusion, regardless of intent, warrants injunctive relief. *Id.* at *8.

In the Batmobile case, Judge Lew held that Towle’s use of bat symbols was likely to confuse consumers and cause harm to DC Comics. Thus, the court granted DC Comics summary judgment on its unfair competition claim. *Id.*

Tune In Tomorrow—Same Bat-time, Same Bat-channel!

The case had been set for trial on March 26. But, as with most of Batman’s foes, Towle knew he had been beat when the court granted summary judgment on the liability claims. He and DC Comics reached a confidential settlement that included a stipulated injunction against Gotham Garage’s making any more replica Batmobiles.

The citizens of Gotham City can now rest easier, knowing that when they see the Batmobile on the streets it is the real thing (or one of the very few licensed replicas) and it means Batman is still hard at work fighting to keep them safe.



David Baker is head of the IP practice at the Orange County law firm of Hart, King & Coldren. He has over 25 years of wide ranging experience in intellectual property protection and enhancement, commercial transactions and litigation, and real property litigation. You can reach Dave at dbaker@hkclaw.com.

This article first appeared in Orange County Lawyer, July 2013 (Vol. 55 No. 7), p. 12. The views expressed herein are those of the Author. They do not necessarily represent the views of Orange County Lawyer magazine, the Orange County Bar Association, the Orange County Bar Association Charitable Fund, or their staffs, contributors, or advertisers. All legal and other issues must be independently researched.