

One Test to Rule Them All: Retiring the Dual Standard for Fictional Character Copyrightability in the Ninth Circuit

Kiersten Daly

Follow this and additional works at: <https://scholarship.law.stjohns.edu/lawreview>



Part of the [Intellectual Property Law Commons](#)

This Note is brought to you for free and open access by the Journals at St. John's Law Scholarship Repository. It has been accepted for inclusion in St. John's Law Review by an authorized editor of St. John's Law Scholarship Repository. For more information, please contact selbyc@stjohns.edu.

ONE TEST TO RULE THEM ALL: RETIRING THE DUAL STANDARD FOR FICTIONAL CHARACTER COPYRIGHTABILITY IN THE NINTH CIRCUIT

KIERSTEN DALY[†]

INTRODUCTION

From Captain Jack Sparrow sailing on the Black Pearl in *Pirates of Caribbean* to Frodo Baggins trekking through Mordor in *Lord of the Rings*, well-developed characters are vital to the success of a story.¹ Iconic characters like Captain Jack and Frodo Baggins have each developed a cult following as a result of their interesting storylines and character development.² The instant recognition and nostalgia associated with such iconic characters has motivated companies to monetize their likenesses.³ Whether it is car companies recreating the Batmobile or the recent trend in creating story-based pop-up shops, there is a lot of value in asserting ownership over fictional

[†] Notes and Comments Editor, *St. John's Law Review*, J.D., 2023, St. John's University School of Law; B.A., 2020, Colgate University. I would like to extend a special thank you to Professor Patricia Montana and Professor Eva Subotnik for their insight and guidance throughout the writing process. I would also like to thank my family for their support of and enthusiasm for this piece and all of my endeavors throughout law school. Finally, thank you to the *St. John's Law Review* editorial board and staff members who have contributed to the publication process.

¹ See *5 Important Characters to Have in Every Story*, NY BOOK EDS., <https://nybookeditors.com/2018/01/5-important-characters-to-have-in-every-story/> [<https://perma.cc/E25R-ZEKF>] (last visited Mar. 10, 2023).

² See Madhavi Sunder, *When Fandom Clashes with IP Law*, HARV. BUS. REV. (July 23, 2019), <https://hbr.org/2019/07/when-fandom-clashes-with-ip-law> [<https://perma.cc/H7GV-CG68>].

³ See *id.*; David Born, *The Power of Fictional Characters in Advertising*, MUSE (May 25, 2021, 8:00 AM), <https://musebycl.io/musings/power-fictional-characters-advertising> [<https://perma.cc/PKD8-6LGM>]. Fictional characters, because of their instant recognition, have been featured in many Super Bowl commercials. *Id.* In fact, many well-known companies have employed fictional characters like the Sesame Street crew (Door Dash), Kim Boggs from Edward Scissorhands (Cadillac), and SpongeBob SquarePants (Oikos Yogurt) to make their commercials more enticing. *Id.*

characters.⁴ Since characters, like stories, are products of ideas, they are considered intangible property and are thus governed by intellectual property law, specifically copyright.⁵ Given the potential for financial gain, there has been much dispute over the copyrightability of fictional characters.⁶

While it is relatively straightforward to assert ownership over a film, television show, or novel under copyright law, it is more difficult to assert ownership over a character.⁷ Various circuit courts have taken different approaches to defining the scope of copyright protection for fictional characters.⁸ For example, the Ninth and Second Circuits, two of the most influential circuits for copyright law, employ slightly different approaches.⁹

The importance of establishing copyright protection for fictional characters gained attention in 2021 when the Supreme Court denied Denise Daniels her request for certiorari and refused to hear her copyright infringement claim against Walt Disney Company.¹⁰ Daniels claimed that Disney's hit film, *Inside Out*, infringed her copyright in "The Moodsters," a group of five anthropomorphic characters that she transformed into an unproduced television series, a book series, and a stuffed animal

⁴ Sunder, *supra* note 2.

⁵ 1 SHYAMKRISHNA BALGANESH ET AL., *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE: 2021*, at 1–2 (2021).

⁶ See Amanda Schreyer, *An Overview of Legal Protection for Fictional Characters: Balancing Public and Private Interests*, 6 *CYBARIS INTELL. PROP. L. REV.* 50, 57–60 (2015).

⁷ *Id.* at 52.

⁸ See Andrew L. Deutsch, *Substantial Similarity in Copyright: It Matters Where You Sue*, DLA PIPER (Dec. 22, 2020), <https://www.dlapiper.com/en/insights/publications/intellectual-property-and-technology-news/2022/ipt-news-q4-2020/substantial-similarity-in-copyright> [<https://perma.cc/EF2F-VM4P>]; Taylor Pernini, *Turning Character Copyright 'Inside Out': The Moodster Co. v. Walt Disney Co. Case*, *J. INTELL. PROP. L. ONLINE* (Oct. 21, 2020), <https://jiplonline.com/2020/10/21/turning-character-copyright-inside-out-the-moodster-co-v-walt-disney-co-case/>.

⁹ Andrew J. Thomas & J.D. Weiss, *Evolving Standards in Copyright Protection for Dynamic Fictional Characters*, 29 *COMM'NS LAW.* 9, 9–10 (2013). The Second and Ninth Circuits are the most influential circuits for copyright issues as New York (housed within the Second Circuit) and California (housed within the Ninth Circuit) have bustling technology and entertainment industries. Deutsch, *supra* note 8, at 1. For example, New York City is home to Broadway and many major publishing and media companies while California is home to Hollywood and Silicon Valley. *Id.*

¹⁰ *Moodsters Co. v. Walt Disney Co.*, 141 S. Ct. 1050, 1050 (2021).

line.¹¹ By refusing to hear the case, the Supreme Court expressed no opinion on the issue and failed to establish a uniform standard for copyrighting fictional characters.¹² Thus, the Ninth Circuit’s decision to examine the copyrightability of fictional characters under both the *Towle* and “story being told” tests remains intact.¹³

This Note will examine the two tests used by the Ninth Circuit for determining the copyrightability of fictional characters to explore the consequences of employing two different standards. Ultimately, this Note argues that the Ninth Circuit should retire the “story being told” test in favor of the more modern *Towle* test. Further, this Note argues that the Ninth Circuit should amend the *Towle* test to ensure that protection is not overly broad. Part I of this Note presents a general overview of copyright law. This Section examines both the textual and philosophical bases for copyright protection and highlights the framework for claiming copyright infringement. Part II of this Note sets out the different tests used for copyrighting fictional characters. This Section looks at both the Ninth Circuit and Second Circuit’s approaches. Part III of this Note argues that the Ninth Circuit should abandon the “story being told” test and amend the *Towle* test. Overall, by modifying its standards for assessing character copyrightability, the Ninth Circuit will facilitate greater consistency and predictability in its case law, benefiting both future parties and the court itself.

I. COPYRIGHT LAW

A. *The Textual Bases for Copyright Law*

Unlike property law, which protects the ownership of tangible items, intellectual property law governs the protection of intangible property like business practices, secret formulas, stories, and symbols.¹⁴ Copyright law is a subdivision of intellectual property law that offers protection for a “broad and

¹¹ Appellant’s Opening Brief at 10–12, *Daniels v. Walt Disney Co.*, 958 F.3d 767 (9th Cir. 2020) (No. 18-55635).

¹² See 36 C.J.S. *Federal Courts* § 301 (2021).

¹³ See *DC Comics v. Towle*, 802 F.3d 1012, 1021 (9th Cir. 2015); *Daniels*, 958 F.3d at 771–74.

¹⁴ 1 BALGANESH ET AL., *supra* note 5, at 1.

expanding domain” of works.¹⁵ Like other forms of intellectual property law, namely patent law, copyright law does not offer protection for ideas but rather offers protection for the expression of those ideas.¹⁶ The basis for such protection is specifically enumerated in Article I, Section 8, Clause 8 of the United States Constitution.¹⁷ There, the Framers gave Congress the power to “promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”¹⁸ As mandated by the Constitution, copyright law aims to promote the arts by allowing authors to obtain “a monopoly . . . which is limited in duration.”¹⁹ By restricting ownership, copyright law enables “copyright owners [to exploit their] exclusive right to reproduce” the copyrighted work.²⁰

As time progressed, copyright law was further amended by Congress through a series of acts that sought to increase the protection afforded by a copyright.²¹ As early as 1790, Congress passed various copyright laws aimed at expanding both the length of the exclusivity period and the meaning of the phrase “useful art.”²² In earlier iterations of the American copyright framework, Congress granted little protection for limited subject matter.²³ However, as the world modernized, Congress continued to issue new copyright laws to synchronously modernize the copyright law.²⁴ Under the most recent act, the Copyright Act of 1976, Congress extended copyright protection to span “the life of the author plus 50 years, or 75 years in the case of anonymous

¹⁵ 2 SHYAMKRISHNA BALGANESH ET AL., *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE*: 2021, at 512 (2021).

¹⁶ Jasmina Zecevic, *Distinctly Delineated Fictional Characters That Constitute the Story Being Told: Who Are They and Do They Deserve Independent Copyright Protection?*, 8 VAND. J. ENT. & TECH. L. 365, 366 (2006).

¹⁷ U.S. CONST. art. 1, § 8, cl. 8.

¹⁸ *Id.*

¹⁹ *Id.*; Christine Nickles, *The Conflicts Between Intellectual Property Protections When a Character Enters the Public Domain*, 7 UCLA ENT. L. REV. 133, 135 (1999).

²⁰ Nickles, *supra* note 19, at 135.

²¹ See 2 BALGANESH ET AL., *supra* note 15, at 512, 514–16.

²² *Id.* at 514.

²³ *Id.* Initially, copyright law offered “authors protection for [only] books, maps, and charts” and limited the ownership period to “14 years, with an additional 14-year term if the author survived expiration of the first copyright term.” *Id.*

²⁴ *Id.*

works, pseudonymous works, and works made for hire.”²⁵ Given the vast ownership periods afforded to copyright possessors, it is important for the court to carefully assess which works deserve such lengthy protection.²⁶

Not only does the modern copyright framework offer longer exclusivity periods, but it also offers a very broad definition of “art.”²⁷ Under 17 U.S.C. § 102, “[w]orks of authorship” include: “(1) literary works; (2) musical works, including any accompanying words; (3) dramatic works, including any accompanying music; (4) pantomimes and choreographic works; (5) pictorial, graphic, and sculptural works; (6) motion pictures and other audiovisual works; (7) sound recordings; and (8) architectural works.”²⁸ However, while copyright law is broad in scope, it does not extend to works similar to an “idea, procedure, process, [or] system.”²⁹

Unlike its treatment of movies and books, § 102 does not specifically delineate fictional characters as copyrightable subject matter.³⁰ While some scholars have suggested amending the Act to include fictional characters as copyrightable subject matter, “Congress has rejected prior proposals to provide categorical protection for fictional characters when considered *apart* from the work in which they appear.”³¹ In fact, the Register of Copyrights noted that categorical enumeration of fictional characters would be “unnecessary and misleading” as the “large majority, [of characters] cannot be said to represent independent creations apart from the particular literary or pictorial works depicting them.”³²

²⁵ 17 U.S.C. § 302 (1998); 2 BALGANESH ET AL., *supra* note 15, at 515. The 1976 Act vastly reformed copyright law and established its modern framework. *Id.*

²⁶ See 2 BALGANESH ET AL., *supra* note 15, at 515–16.

²⁷ 17 U.S.C. § 102(a) (2021).

²⁸ *Id.*

²⁹ *Id.* § 102(b).

³⁰ *Id.* § 102(a).

³¹ Appellees’ Answering Brief at 24, *Daniels v. Walt Disney Co.*, 958 F.3d 767 (9th Cir. 2020) (No. 18-55635).

³² STAFF OF H. COMM. ON THE JUDICIARY, 89TH CONG., REP. ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW (Comm. Print 1965), <https://www.ipmall.info/content/copyright-law-and-systems-globally> [<https://perma.cc/YR52-MF9C>] (choose “LIPA Copyright Archive”; then choose “More Copyright Legislation”; then choose “Scope” under “Supplementary Register’s Report on the General Revision of the U.S. Copyright Law (1965)”).

Although there is no specific statutory provision to support copyrighting fictional characters, courts have granted copyright protections through case law.³³ Due to the lack of statutory enumeration and guidance from the Supreme Court, the standards for determining whether a character is copyrightable depend on the circuit court in which a claim is brought.³⁴ This level of discretion granted to the individual circuit courts has resulted in different interpretations and applications of copyright law.³⁵

B. *The Philosophical Bases for Copyright*

Like its very strong textual bases, intellectual property law and specifically copyright law have deep-rooted philosophical bases that justify carving out protections for creations.³⁶ By restricting ownership to those who possess a copyright, intellectual property law creates value and promotes progress.³⁷ While some scholars are critical of intellectual property law, arguing that it does not reach its goal of “the promotion of new and improved works,”³⁸ there are many well-established philosophical justifications that support this body of law.

In the United States, the most prominent justification for intellectual property law is the utilitarian theory, which finds support in both the Constitution and case law.³⁹ This theory argues that intellectual property law “promote[s] the public welfare,” since the prospect of possessing an exclusive ownership right in a work incentivizes the public to “pursue ideas which may produce utility.”⁴⁰ Under the utilitarian theory, the value of the exclusive ownership “boost[s] productivity” by motivating

³³ BRENT A. OLSON, § 15:7. *Copyrightable Subject Matter—Motion Pictures and Other Audiovisual Works*, in 20A1 MINN. PRAC., BUSINESS LAW DESKBOOK 1, 1–2 (2020); *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958, 962 (9th Cir. 2011).

³⁴ See OLSON, *supra* note 33, at 1–2.

³⁵ Compare *Nichols v. Univ. Pictures Corp.*, 45 F.2d 119, 121–22 (2d Cir. 1930) (presenting the delineation standard used by the Second Circuit), with *Daniels*, 958 F.3d at 771–74 (presenting the copyright standards used by the Ninth Circuit).

³⁶ See 2 BALGANESH ET AL., *supra* note 15, at 519.

³⁷ See 1 BALGANESH ET AL., *supra* note 5, at 21.

³⁸ Michele Boldrin & David Levine, *The Case Against Intellectual Property*, 92 AM. ECON. REV. 209, 209 (2002); 1 BALGANESH ET AL., *supra* note 5, at 18.

³⁹ 1 BALGANESH ET AL., *supra* note 5, at 2, 18.

⁴⁰ 1 BALGANESH ET AL., *supra* note 5, at 19; Letter from Thomas Jefferson to Isaac McPherson (Aug. 13, 1813), in 1 THE WRITINGS OF THOMAS JEFFERSON, 333–34 (Andrew A. Lipscomb & Albert Ellery Bergh eds., Univ. of Chi. Press 1905).

others to think creatively.⁴¹ While the utilitarian theory values the economic and public benefits of restricting the ownership of works, intellectual property law finds further justification under other theories such as the natural rights and personhood theories.⁴²

Under the natural rights theory, philosophers like John Locke argue that all humans are warranted the work that they create through the “‘labour’ of [their own] bod[ies] and . . . hands.”⁴³ This theory supports the right to exclusive ownership for copyrighted works by arguing that an author expended time, energy, and money to create the work and should gain compensation for such effort.⁴⁴ Like the utilitarian theory, the natural rights theory operates under a sort of reward system.⁴⁵ While the utilitarian view suggests the creator should be rewarded for spurring on further creative thought, the natural rights view perceives ownership as a moral right that extends to anyone who expends work to create a new idea.⁴⁶

Lastly, under the personhood theory, intellectual property law is supported by the idea that all humans must “engag[e] in a property relationship with something external” to “achieve proper self-development.”⁴⁷ Like the natural rights approach, the personhood justification for exclusive ownership describes the creation of ideas as a very personal endeavor.⁴⁸ Thus, not only is copyright enumerated in the Constitution, but it is also engrained in the philosophical underpinnings of American society.⁴⁹

C. *Obtaining and Enforcing a Copyright*

At its essence, copyright law falls squarely within the utilitarian approach.⁵⁰ In fact, the main goal of copyright law is to “provide[] exclusive rights for creative works” as a means to

⁴¹ 1 BALGANESH ET AL., *supra* note 5, at 19.

⁴² *Id.* at 2.

⁴³ *Id.* at 3.

⁴⁴ *See id.*

⁴⁵ *See id.*

⁴⁶ *See id.*

⁴⁷ *Id.* at 7–8.

⁴⁸ *Id.*

⁴⁹ U.S. CONST. art. 1, § 8, cl. 8; 1 BALGANESH ET AL., *supra* note 5, at 18–22.

⁵⁰ 2 BALGANESH ET AL., *supra* note 15, at 519.

“promote the Progress of [the] Arts.”⁵¹ To possess a copyright in a work, an author must show that her work (1) falls within the protectible subject matter enumerated in § 102, (2) possesses a “modicum of creativity,” and (3) is “fixed in any tangible medium of expression.”⁵² To demonstrate originality, the author must prove that the work was created “independently” and with some “degree of creativity.”⁵³ Since this element requires only a “modicum” of originality, it is relatively easy to satisfy.⁵⁴ Further, a work is fixed when it is “sufficiently permanent.”⁵⁵

Under § 102(b), copyright protection does not “extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form” it takes.⁵⁶ This doctrine, referred to as the Idea/Expression Dichotomy, restricts the scope of copyrightable subject matter, preventing copyright law from protecting ideas or other types of works that are better suited for the patent system.⁵⁷ The Idea/Expression Dichotomy encompasses the “Scenes a Faire” doctrine, which prohibits copyright protection of common stock characters that merely “extend to the ‘incidents, characters or settings which are [practically] indispensable, or . . . standard, in the treatment of a given topic.’”⁵⁸ Although courts have allowed copyrights to attach to fictional characters, the “Scenes a Faire” doctrine ensures that authors do not gain ownership over all types of characters.⁵⁹

When a work possesses all three elements, a copyright “simply attaches” to it without the need for registration.⁶⁰ The copyright will then exist in the work until the exclusivity period has passed and the work enters the public domain.⁶¹ For the duration of the copyright, the author possesses the exclusive

⁵¹ U.S. CONST. art. 1, § 8, cl. 8; Schreyer, *supra* note 6, at 53–54.

⁵² Schreyer, *supra* note 6, at 53; 17 U.S.C. § 102(a) (1990).

⁵³ *Feist Publ'n v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991). An author may claim protection over “only . . . the work [that] was independently created by the author (as opposed to copied from other works).” *Id.*

⁵⁴ Schreyer, *supra* note 6, at 53 (quoting *Feist*, 499 U.S. at 362).

⁵⁵ 17 U.S.C. § 101 (2010).

⁵⁶ 17 U.S.C. § 102(a) (1990).

⁵⁷ 2 BALGANESH ET AL., *supra* note 15, at 559–60.

⁵⁸ *Id.* at 582 (quoting *Atari, Inc. v. N. Am. Philips Consumer Elecs.*, 672 F.2d 607, 616 (7th Cir. 1982)).

⁵⁹ *Id.*

⁶⁰ Nickles, *supra* note 19, at 136.

⁶¹ *Id.* at 138.

rights to “reproduce the copyrighted work,” “prepare derivative works based upon the copyrighted work,” “distribute . . . the copyrighted work to the public,” “perform the copyrighted work publicly,” or “display the copyrighted work publicly.”⁶² Given the extensive rights afforded to an author, the possession of a copyright may result in great financial gain.⁶³

Should an unauthorized individual enjoy any of the above rights, the author may sue for copyright infringement.⁶⁴ To establish copyright infringement, the author must show that (1) there is ownership of a valid copyright and (2) that the alleged infringer copied “constituent elements of the work that are original.”⁶⁵ In the absence of direct evidence of copying, courts will look to (1) whether the alleged infringer had access to the work and (2) whether the two works are “substantially similar.”⁶⁶ Both the Second Circuit and the Ninth Circuit examine only the similarities between the “protectible” or original elements in the works.⁶⁷ While copyrights are easily obtained, they are more challenging to enforce since copyright law only protects against the overt “copying of protected expression.”⁶⁸ Therefore, copying the “unprotected elements of a work” will not give rise to a copyright infringement claim.⁶⁹

II. EXTENDING COPYRIGHT PROTECTION TO FICTIONAL CHARACTERS

A. *The Ninth Circuit Approach*

The Ninth Circuit boasts a robust history of case law related to copyrighting fictional characters.⁷⁰ Under its current framework, the Ninth Circuit uses two tests, the “story being told” test and the *Towle* test, to determine whether a character is

⁶² 17 U.S.C. § 106 (2021).

⁶³ *See id.*

⁶⁴ *Feist Publ'ns, Inc. v. Tel. Serv.*, 499 U.S. 340, 361 (1991).

⁶⁵ *Id.*

⁶⁶ *Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir. 1946); *Abdin v. CBS Broad. Inc.*, 971 F.3d 57, 66 (2d Cir. 2020). *See generally* *Deutsch*, *supra* note 8, at 2.

⁶⁷ *Abdin*, 971 F.3d at 66; *Shaw v. Lindheim*, 919 F.2d 1353, 1356–57 (9th Cir. 1990).

⁶⁸ 1 BALGANESH ET AL., *supra* note 5, at 38 (emphasis omitted).

⁶⁹ *Id.*

⁷⁰ *See* *Schreyer*, *supra* note 6, at 57–64 (highlighting various influential Ninth Circuit cases for copyrighting fictional characters).

copyrightable.⁷¹ While the “story being told” test is older and stricter, the *Towle* test is an amalgamation of other, more lenient tests that the Ninth Circuit slowly adopted over time.⁷² The “story being told” test originated in 1954 in a case commonly referred to as the Sam Spade case.⁷³ There, the court examined whether the leading characters of a story, “The Kandy Tooth,” were copied from the film *Maltese Falcon*.⁷⁴ Ultimately, the court held that a copyright may only attach to characters that are essential to the success of the story and thus, “really constitute[] the story being told.”⁷⁵ The court furthered its analysis, noting that a character who is merely a “chessman in the game of telling the story” falls outside of the scope of copyright because such a character does not constitute the “story being told.”⁷⁶ Given that very few characters “so dominate” a story, the *Warner Bros.* “story being told” test is a relatively “high bar” to overcome.⁷⁷

As time progressed, the Ninth Circuit softened its approach to affording copyright protection to characters.⁷⁸ In 1978, in *Walt Disney Prods. v. Air Pirates*, the Ninth Circuit distinguished comic book characters from literary characters, noting that the former are inherently more distinctive since they are expressed both physically and conceptually.⁷⁹ There, the court held that while the “story being told” test is appropriate for assessing

⁷¹ *Daniels v. Walt Disney Co.*, 958 F.3d 767, 771–74 (9th Cir. 2020).

⁷² *Warner Bros. Pictures, Inc. v. Columbia Broad. Sys., Inc.*, 216 F.2d 945, 950 (9th Cir. 1954); *DC Comics v. Towle*, 802 F.3d 1012, 1021 (9th Cir. 2015).

⁷³ *Warner Bros.*, 216 F.2d at 948, 951.

⁷⁴ *Id.* at 948–50.

⁷⁵ *Id.* at 950.

⁷⁶ *Id.* The Ninth Circuit’s language that the character must be more than a “chessman” is criticized by many other courts, including the Second Circuit. 1 MELVILLE NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 2.12 (Matthew Bender Rev. Ed., 2021). In fact, even the Ninth Circuit has questioned whether this language is dicta. *Id.* at 5 n.35; *Olson v. Nat’l Broad. Co.*, 855 F.2d 1446, 1451–52 (9th Cir. 1988).

⁷⁷ OLSON, *supra* note 33, at 1–2; *Daniels v. Walt Disney Co.*, 958 F.3d 767, 774 (9th Cir. 2020).

⁷⁸ See generally *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751 (9th Cir. 1978); *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213 (9th Cir. 2008); *DC Comics v. Towle*, 802 F.3d 1012 (9th Cir. 2015).

⁷⁹ *Air Pirates*, 581 F.2d at 755. There, the court suggests that literary characters “are always limited and always fall into limited patterns” because literary texts do not afford visuals to accompany the character. *Id.* (quoting *Warner Bros.*, 216 F.2d at 950).

copyright in literary characters, a less stringent delineation test is appropriate for assessing graphic characters.⁸⁰

While the court used *Air Pirates* to further limit the scope of the “story being told” test, its application of the two tests has been somewhat inconsistent.⁸¹ Shortly after *Air Pirates*, in *Olson v. National Broadcast Co.*, the Ninth Circuit further complicated its jurisprudence by analyzing a set of television characters under both the “especially distinctive” and “story being told” tests.⁸² Since television characters are more akin to comic book characters, the *Air Pirates* precedent suggests that the “story being told” test should not apply.⁸³ Although the *Olson* court acknowledged the *Air Pirates* holding and held that the television characters would fail even the “especially distinctive” test, it still examined the characters under both the “especially distinctive” and “story being told” tests.⁸⁴ By using both standards, the court demonstrated its hesitancy towards fully disengaging with the “story being told” test.⁸⁵

The Ninth Circuit continued to express its hesitancy in *Metro-Goldwyn-Mayer, Inc. v. American Honda Motor Co.*⁸⁶ There, the court held that James Bond was a copyrightable character by applying both the *Air Pirates* delineation standard and the “story being told” test.⁸⁷ The court noted that it applied both tests since there had been “no Ninth Circuit cases on the protectability of visually-depicted characters since *Olson*.”⁸⁸ Such a rationale suggests that its application of the “story being told” test does not reflect the Ninth Circuit’s support of the test but rather its confusion as to which test applied.⁸⁹

As the court continued to modernize, it became more critical of the “story being told” test.⁹⁰ In 2008, the court, in *Halicki Films v. Sanderson Sales and Marketing*, further limited the

⁸⁰ *Id.*

⁸¹ See generally *Olson*, 855 F.2d 1446; *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, 900 F. Supp. 1287 (C.D. Cal. 1995).

⁸² *Olson*, 855 F.2d at 1451–52.

⁸³ *Air Pirates*, 581 F.2d at 755.

⁸⁴ *Olson*, 855 F.2d at 1452–53.

⁸⁵ See *id.*

⁸⁶ *Metro-Goldwyn-Mayer*, 900 F. Supp. at 1296.

⁸⁷ *Id.* at 1295–96.

⁸⁸ *Id.* at 1296.

⁸⁹ See *id.*

⁹⁰ See generally *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213 (9th Cir. 2008); *DC Comics v. Towle*, 802 F.3d 1012, 1021 (9th Cir. 2015).

“story being told” test while analyzing a car character named Eleanor from the film *Gone in 60 Seconds*.⁹¹ There, the Ninth Circuit held that the car resembled a comic book character, rendering it outside the scope of the “story being told” test.⁹² The court examined whether Eleanor was “especially distinctive,” looking to the car’s “physical as well as conceptual qualities” and its “unique elements of expression.”⁹³ When later summarizing its rationale, the court noted in *DC Comics v. Towle* that “Eleanor’s ability to consistently disrupt heists by her presence was more pertinent to [this Court’s] analysis of whether the car should qualify as a sufficiently distinctive character than Eleanor’s make and model.”⁹⁴ There, the court further softened the *Air Pirates* standard by adding that a character “need not have a consistent appearance” to demonstrate “identifiable character traits.”⁹⁵

The Ninth Circuit went even further in limiting the “story being told test” in *DC Comics v. Towle*.⁹⁶ There, DC Comics sued a car manufacturer, Mark Towle, for selling replicas of the Batmobile from the 1986 and 1996 Batman movies.⁹⁷ Rather than applying the “story being told” test or the delineation test expanded on in *Halicki*, the Ninth Circuit created a new test, the *Towle* test.⁹⁸ Under this three pronged standard, a character is copyrightable when it: (1) possesses “physical as well as conceptual qualities,” (2) is “sufficiently delineated” rendering it “recognizable as the same character whenever it appears,” and (3) is “especially distinctive” and “contain[s] some unique elements of expression.”⁹⁹

Ultimately, the Ninth Circuit found that the Batmobile was a copyrightable character, allowing DC Comics to assert

⁹¹ *Halicki*, 547 F.3d at 1225.

⁹² *Id.*

⁹³ *Id.* (first quoting *Olson v. Nat’l Broad. Co.*, 855 F.2d 1446, 1452 (9th Cir. 1988); and then quoting *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 755 (9th Cir. 1978)).

⁹⁴ *Towle*, 802 F.3d at 1020.

⁹⁵ *Id.* at 1021.

⁹⁶ *Id.*

⁹⁷ *Id.* at 1017.

⁹⁸ *Id.* at 1021.

⁹⁹ *Id.* (first quoting *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 755 (9th Cir. 1978); then quoting *Rice v. Fox Broad. Co.*, 330 F.3d 1170, 1175 (9th Cir. 2003); and then quoting *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1224 (9th Cir. 2008)).

ownership over it.¹⁰⁰ According to the Ninth Circuit, the Batmobile demonstrated physical and conceptual qualities since the comic books personify it as waiting “[l]ike an impatient steed straining at the reins . . . shiver[ing] as its super-charged motor throbs with energy’ before it ‘tears after the fleeing’” villains.¹⁰¹ Similarly, the court concluded that the Batmobile’s various gadgets and appearance sufficiently delineated it from other cars.¹⁰² Lastly, the court noted that the Batmobile was especially distinctive as it possessed a “highly recognizable name” and contained unique elements like bat wings.¹⁰³ Like in *Halicki*, the Ninth Circuit used the *Towle* test to greatly expand the scope of copyright, affording copyright protection to those characters that are inanimate and do not constitute the story being told.¹⁰⁴ Although the *Towle* test still refuses copyright protection to barely delineated, stock characters, it is certainly less stringent than the “story being told” test.¹⁰⁵

Most recently, the Ninth Circuit revisited its analysis of character copyrightability in *Daniels v. Walt Disney Company*.¹⁰⁶ There, Denise Daniels, an expert in emotional development, created a story about five animated emotions whose colors corresponded to their designated feelings: love (pink), happiness (yellow), sadness (blue), anger (red), and fear (green).¹⁰⁷ Daniels envisioned these characters, “The Moodsters,” as main characters on a children’s television show.¹⁰⁸ Between 2005 and 2009, Daniels pitched the idea to multiple media companies including Pixar and Walt Disney.¹⁰⁹ Over those four years, Daniels altered

¹⁰⁰ *Id.* at 1021–22.

¹⁰¹ *Id.* at 1021 (alterations in original). Later, this Note will examine whether these instances of personification denote conceptual qualities of the Batmobile. *See infra* Section III.B. However, the District Court seemingly offered a stronger description of the Batmobile’s conceptual attributes, noting that the car is “always ‘depicted as being swift, cunning, strong and elusive’” and is often described as an “extension of Batman’s own persona.” *Towle*, 802 F.3d at 1018. However, the Ninth Circuit does not offer an extensive analysis of what constitutes “consistent . . . character traits.” *Id.* at 1021–22.

¹⁰² *Id.* at 1020–22.

¹⁰³ *Id.* at 1021–22.

¹⁰⁴ *See generally Towle*, 802 F.3d at 1021–22; *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213 (9th Cir. 2008).

¹⁰⁵ OLSON, *supra* note 33, at 2.

¹⁰⁶ *See generally* 958 F.3d 767 (9th Cir. 2020).

¹⁰⁷ *Id.* at 770.

¹⁰⁸ *Id.*

¹⁰⁹ *Id.*

the design of the characters, resulting in a first generation of The Moodsters and a second generation that possessed a “more modern animated design.”¹¹⁰ Further, Daniels routinely met with Disney executives, including the CFO of The Walt Disney Company to promote the idea.¹¹¹ After failing to pitch The Moodsters to Walt Disney Co., Daniels decided to release the second generation of The Moodsters as toys and books at Toys ‘R Us, Amazon, and Walmart.¹¹² Although Daniels was unsuccessful in marketing the characters to Disney, she created a successful business by marketing her characters to other influential companies.¹¹³

In 2010, Disney began developing the movie *Inside Out*, which featured “five anthropomorphized emotions” that help an eleven-year-old girl navigate childhood.¹¹⁴ This movie was an instant hit, bringing in \$279,000,000 in net profits.¹¹⁵ In 2017, Daniels and The Moodsters Company, a company developed by Daniels, sued Disney for copyright infringement on the five Moodsters characters.¹¹⁶ Unlike *Towle* and *Halicki*, where the court declined to apply the “story being told” test, the Ninth Circuit held that Daniels was not entitled to copyright protection as her characters failed both the *Towle* and “story being told” tests.¹¹⁷

While *Daniels* served as a great opportunity for the Ninth Circuit to consolidate its standards for copyrighting characters, the panel decision retained both tests by using the *Towle* and “story being told” tests in its analysis.¹¹⁸ The court began its opinion by examining The Moodsters under the *Towle* test.¹¹⁹ First, the court noted that The Moodsters did not possess

¹¹⁰ Appellant’s Opening Brief at 11–12, *Daniels*, 958 F.3d 767 (No. 18-55635).

¹¹¹ *Id.* at 9–10.

¹¹² *Id.* at 11.

¹¹³ *Id.* The Moodsters received several awards, “including the Parents’ Choice Foundation, 2015 National Parenting Publications Awards (Bronze Winner), The National Parenting Center Seal of Approval, and 2016 Dr. Toy 100 Best.” *Id.* at 12.

¹¹⁴ *Daniels*, 958 F.3d at 770.

¹¹⁵ Mike Fleming Jr., *No. 6 ‘Inside Out’- 2015 Most Valuable Blockbuster Tournament*, DEADLINE (Mar. 23, 2016, 3:55 PM), <https://deadline.com/2016/03/inside-out-profit-box-office-2015-pixar-disney-1201724894/> [https://perma.cc/WG7Q-L9J6].

¹¹⁶ Appellant’s Opening Brief, *supra* note 110, at 12.

¹¹⁷ *Daniels*, 958 F.3d at 774.

¹¹⁸ *Id.* at 771, 773.

¹¹⁹ *Id.* at 772.

consistent character traits or physical attributes as the characters lacked clear personality traits and were no more than “[l]ightly sketched.”¹²⁰ Second, the court noted that the characters were not sufficiently delineated as their appearances, names, and personalities were so underdeveloped and ever-changing that they were not recognizable as the same characters across the various Moodster products and shows.¹²¹ Lastly, the court held that The Moodsters were not “especially distinctive” since they were merely “anthropomorphized version[s] of . . . specific emotion[s]” and did not possess any other unique features.¹²² Ultimately, the court held that The Moodsters failed the *Towle* test both as a group and as individual characters.¹²³

The Ninth Circuit then examined The Moodsters under the “story being told” test, noting that the characters were so underdeveloped that they resemble “mere chessmen in the game of telling the story.”¹²⁴ While the “story being told” test was historically limited to examining the copyright protection of literary characters, the Ninth Circuit resurrected this test by characterizing it as appropriate for examining “both literary and graphic” characters.¹²⁵ The court further solidified its expansion of the test by commenting that there is no “exclusive” test in the Ninth Circuit for fictional character copyrightability as both the *Towle* and “story being told” standards are “two different tests for character copyrightability.”¹²⁶ In light of the Ninth Circuit’s forty-two year history of limiting the scope of the “story being told” test, the court’s commentary in *Daniels* is relatively unpredictable.¹²⁷

Although The Moodsters failed to satisfy both the *Towle* and the “story being told” tests, *Daniels* appealed the Ninth Circuit’s

¹²⁰ *Id.*

¹²¹ *Id.* at 772–73.

¹²² *Id.* at 773 (quoting *DC Comics v. Towle*, 802 F.3d 1012, 1022 (9th Cir. 2015)). Had *Daniels* added other elements, The Moodsters may have satisfied the *Towle* test. However, an “anthropomorphized version of a specific emotion is not sufficient, in itself, to establish a copyrightable character.” *Id.*

¹²³ *Id.* at 774.

¹²⁴ *Id.*

¹²⁵ *Id.* at 773–74.

¹²⁶ *Id.* at 774.

¹²⁷ See generally *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751 (9th Cir. 1978); *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213 (9th Cir. 2008); *DC Comics v. Towle*, 802 F.3d 1012 (9th Cir. 2015).

decision, seeking a *writ of certiorari* from the Supreme Court.¹²⁸ This appeal was ultimately denied.¹²⁹ With the Supreme Court's refusal to hear the case and mandate a universal test, the Ninth Circuit's decision remains.¹³⁰ While the Supreme Court had the opportunity to rectify the unpredictability of the Ninth Circuit's two tests, it chose to let both stand.¹³¹

B. *The Second Circuit Approach*

Unlike the Ninth Circuit, the Second Circuit has used one test for character copyrightability for almost 100 years.¹³² The Second Circuit uses the distinct delineation standard, which requires the court to examine whether a character is distinctly delineated so as to warrant copyright protection.¹³³ This test was first adopted in *Nichols v. Universal Pictures*, in which the court examined a play and film that were centered around two stereotypical feuding families, one Jewish and the other Irish, whose children fall in love.¹³⁴ The court found that none of the characters were copyrightable as they resembled stock characters and, therefore, were not distinctly delineated.¹³⁵ Mindful that the goal of intellectual property law is to spread ideas and spark creativity, Judge Hand commented that the court should not construe copyright law to protect "indistinct[]" characters as doing so would greatly limit the potential for new works by extending ownership over mere ideas.¹³⁶

This approach was further developed by the court in *Warner Bros v. American Broadcasting Companies*.¹³⁷ There, the Second

¹²⁸ *Moodsters Co. v. Walt Disney Co.*, 141 S. Ct. 1050, 1050 (2021).

¹²⁹ *Id.*

¹³⁰ See 36 C.J.S. *Federal Courts* § 301 (2021) (noting that a denial of the *writ of certiorari* "may not be construed as expressing an opinion on the merits of the decision below").

¹³¹ *Daniels v. Walt Disney Co.*, 958 F.3d 767, 771–74 (9th Cir. 2020).

¹³² See generally *Nichols v. Universal Pictures Corp.*, 45 F.2d 119 (2d Cir. 1930).

¹³³ Kathryn M. Foley, Note, *Protecting Fictional Characters: Defining the Elusive Trademark-Copyright Divide*, 41 CONN. L. REV. 921, 927 (2009).

¹³⁴ *Nichols*, 45 F.2d at 120.

¹³⁵ *Id.* at 121.

¹³⁶ *Id.* In his holding, Judge Hand commented on the Shakespearian play *Twelfth Night*, noting that if the court were to copyright indistinct characters, Shakespeare could have restricted the public's use of characters like "a riotous knight . . . or a vain and foppish steward who became amorous of his mistress." *Id.* Such protection would have greatly restricted the public domain as these are very common characters that add to the plots of stories. See *id.* at 121–22.

¹³⁷ *Warner Bros. v. Am. Broad. Co.*, 720 F.2d 231, 241 (2d Cir. 1983).

Circuit noted that it must look to the “visual resemblance [and] the totality of the characters’ attributes and traits” when determining whether a cartoon character is sufficiently delineated.¹³⁸ While the Second Circuit’s precedent is more consistent than that of the Ninth Circuit, there is still little guidance as to “defin[ing] the degree of delineation necessary to meet the ‘distinct delineation’ threshold.”¹³⁹

III. AMENDING THE NINTH CIRCUIT’S APPROACH TO COPYRIGHTING FICTIONAL CHARACTERS

A. Retiring the “Story Being Told” Test

1. Promoting Predictability and Consistency

Through its revival of the “story being told” test in *Daniels v. Walt Disney*, the Ninth Circuit ignored well-established precedent and increased confusion.¹⁴⁰ Given that The Moodsters were a set of anthropomorphized emotions drawn as cartoons, the *Daniels* case fit squarely within the Ninth Circuit’s precedent for the *Towle* test.¹⁴¹ Although the Ninth Circuit began its opinion with the *Towle* test, it strayed from its precedent by offering a secondary analysis under the “story being told” test.¹⁴² By engaging with the “story being told” test and suggesting that it is an appropriate standard for assessing “both literary and graphic” characters, the court’s commentary is inconsistent with its precedent.¹⁴³ Given the test’s uncertain history, the Ninth Circuit should have used the *Daniels* case to promote retiring the “story being told” test.¹⁴⁴

Although the Ninth Circuit has never expressly rejected the “story being told” test, its more modern jurisprudence suggested

¹³⁸ *Id.* at 240–41.

¹³⁹ *Foley*, *supra* note 133, at 928 (quoting *Detective Comics, Inc. v. Bruns Publ’ns, Inc.*, 111 F.2d 432, 433–34 (2d Cir. 1940)). Some critics suggest that the ambiguity of the distinctive delineation test may have led the Ninth Circuit to create its strict “story being told” test. *Id.* at 929.

¹⁴⁰ *See generally* *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1224–25 (9th Cir. 2008); *DC Comics v. Towle*, 802 F.3d 1012, 1021 (9th Cir. 2015); *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 755 (9th Cir. 1978).

¹⁴¹ *Towle*, 802 F.3d at 1021; *see* Appellees’ Answering Brief, *supra* note 115, at 25.

¹⁴² *Daniels v. Walt Disney Co.*, 958 F.3d 767, 771–74 (9th Cir. 2020).

¹⁴³ *Id.*

¹⁴⁴ *Id.*

that the test is greatly limited in scope.¹⁴⁵ For forty-two years, the “story being told” test was either limited to literary characters or used largely as dicta.¹⁴⁶ Such treatment suggests that the Ninth Circuit did not perceive the test favorably as it often found ways to evade the scope of the “story being told” test.¹⁴⁷ Further, the Ninth Circuit inconsistently applies the “story being told” test, failing to offer a clear rationale for why the test is excluded from some analyses and included as a secondary standard in others.¹⁴⁸ Such inconsistent application suggests that the court is unsure of how to apply this test in a world that is becoming more and more graphic.¹⁴⁹ By reviving the “story being told” test, the Ninth Circuit’s commentary is relatively unpredictable as it strengthens a test it consistently evaded (originally by creating the delineation tests and later by creating the *Towle* test).¹⁵⁰

Not only did the Ninth Circuit act counter to precedent, but it also further confused the standards in *Daniels*.¹⁵¹ By suggesting that the “story being told” test, like the *Towle* test, is one of “two different [standards] for character copyrightability,” the Ninth Circuit used the *Daniels* case as a means to revive the significance of the “story being told” test.¹⁵² In doing so, the court described the standard as possessing equal significance to the *Towle* test.¹⁵³ Rather than concretely delineating how these tests are to interact, the court merely notes that the “story being told” test is a viable standard for assessing the copyrightability of all

¹⁴⁵ See generally *Halicki*, 547 F.3d at 1224–25; *Towle*, 802 F.3d at 1012; *Air Pirates*, 581 F.2d at 751.

¹⁴⁶ See *Halicki*, 547 F.3d at 1224–25; *Towle*, 802 F.3d at 1020–21; *Air Pirates*, 581 F.2d at 755; *Olson v. Nat’l Broad. Co.*, 855 F.2d 1446, 1452–53 (9th Cir. 1988); *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, 900 F. Supp. 1287, 1295–96 (9th Cir. 1995).

¹⁴⁷ *Air Pirates*, 581 F.2d at 755; *Olson*, 855 F.2d at 1451–53; *Metro-Goldwyn-Mayer*, 900 F. Supp. at 1295–96.

¹⁴⁸ See *Air Pirates*, 581 F.2d at 755 (demonstrating when the test was ignored); *Olson*, 855 F.2d at 1451–53 (demonstrating when both tests were used without a clear rationale for why); *Metro-Goldwyn-Mayer*, 900 F. Supp. at 1295–96 (demonstrating the use of both tests simply because there was no recent case law).

¹⁴⁹ See *Olson*, 855 F.2d at 1452–53; *Metro-Goldwyn-Mayer*, 900 F. Supp. at 1296.

¹⁵⁰ See *Air Pirates*, 581 F.2d at 751, 755; *Halicki*, 547 F.3d at 1213, 1224–25. See generally *Towle*, 802 F.3d at 1012, 1020–21.

¹⁵¹ See *Daniels v. Walt Disney Co.*, 958 F.3d 767, 773–74 (9th Cir. 2020).

¹⁵² *Id.* at 774.

¹⁵³ *Id.*

characters.¹⁵⁴ By failing to offer guidance as to how the *Towle* and “story being told” tests are to function in relation to each other, the Ninth Circuit created an air of uncertainty as to the proper standards for copyrightability.¹⁵⁵ Prior to *Daniels*, it was appropriate to perceive the “story being told” test as reserved for literary characters, resulting in an implied distinction between it and the *Towle* test.¹⁵⁶ However, after *Daniels*, this distinction is nonexistent.¹⁵⁷ In fact, it seems unlikely that the court would return to limiting the test as it distinctly indicates that the “story being told” test is a valid analysis for all characters.¹⁵⁸

Without a distinction, there will be increased confusion as to when the “story being told” test should be applied.¹⁵⁹ Such confusion is dangerous as the parties asserting copyright claims and the courts resolving these issues will need to decide which test to use.¹⁶⁰ Further, by failing to explain the relationship between the two tests in *Daniels*, the court’s lack of guidance for when the “story being told” test applies may promote inconsistent application.¹⁶¹ In the future, it is likely that the Ninth Circuit will mitigate this confusion by consistently applying both the *Towle* and “story being told” tests when determining copyrightability.¹⁶² Since the Ninth Circuit included the strict “chessman” language in its analysis of *The Moodsters*, its standard for copyrightability will likely be very strict.¹⁶³ If the Ninth Circuit applies both tests, a character would not only have to pass the *Towle* standard, but it would also have to constitute

¹⁵⁴ *Id.*

¹⁵⁵ *Id.* at 773–74.

¹⁵⁶ *See* *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 755 (9th Cir. 1978) (noting that the delineation test, which ultimately becomes the *Towle* test in 2015, is more appropriate for comic book characters than for literary characters as the latter are often not as distinct from each other).

¹⁵⁷ *Daniels*, 958 F.3d at 773–74.

¹⁵⁸ *Id.*

¹⁵⁹ *See id.*

¹⁶⁰ *See id.*

¹⁶¹ *See id.*

¹⁶² *See* *Olson v. Nat’l Broad. Co.*, 855 F.2d 1446, 1452–53 (9th Cir. 1988); *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, 900 F. Supp. 1287, 1295–96 (9th Cir. 1995).

¹⁶³ *Daniels*, 958 F.3d at 773–74 (quoting *Warner Bros. Pictures v. Columbia Broad. Sys.*, 216 F.2d 945, 950 (9th Cir. 1954)). While there is some debate as to whether this language from *Warner Bros.* is dicta, in *Daniels*, the Ninth Circuit seemed to suggest that it is not—a surprising turn from its commentary that the language is “arguably dicta” in *Olson. Id.*; *Olson*, 855 F.2d at 1451–52.

the “story being told” to warrant copyright protection.¹⁶⁴ While retiring the “story being told” test would not have changed The Moodsters’ fate, the court’s rationale would have been consistent with its recent precedent.¹⁶⁵

Given that other circuits like the Second Circuit offer more relaxed approaches to determining character copyrightability, it is possible that the uncertainty surrounding the Ninth Circuit’s approach will promote forum shopping.¹⁶⁶ Since delineation tests like the *Towle* test are more relaxed, they are favorable for plaintiffs who are claiming copyright infringement as it is easier to prove that a character is distinctly delineated than it is to prove that it is the “story being told.”¹⁶⁷ Thus, it is likely that plaintiffs will be dissuaded from bringing character claims in the Ninth Circuit as they may have to overcome both the *Towle* and the “story being told” tests.¹⁶⁸

Retiring the “story being told” test and solely using the *Towle* test will result in predictability and consistency both within the Ninth Circuit itself and between the Ninth Circuit and its sister courts.¹⁶⁹ The three prong *Towle* test is very similar to the delineation test used by the Second Circuit.¹⁷⁰ Since the *Towle* test substantially mirrors the Second Circuit’s delineation test, the differences between the two circuit’s approaches are not likely to promote forum shopping.¹⁷¹ By increasing consistency among the circuits, the *Towle* test makes the application of copyright law more predictable across the United States.¹⁷² Further, while the Ninth Circuit does not distinguish the *Towle* test as extending to literary characters, the test is likely an appropriate standard as the Second Circuit applies its delineation test to both graphic and literary

¹⁶⁴ *Daniels*, 958 F.3d at 771–74; *Olson*, 855 F.2d at 1452.

¹⁶⁵ *Daniels*, 958 F.3d at 771–74.

¹⁶⁶ See Jan-Peter Ewert & David Weslow, *Forum Shopping in Europe and the United States*, 66 INTA BULLETIN 9, 9–10 (2011).

¹⁶⁷ *Metro-Goldwyn-Mayer*, 900 F. Supp. at 1296 n.9.

¹⁶⁸ *Daniels*, 958 F.3d at 774.

¹⁶⁹ Compare *DC Comics v. Towle*, 802 F.3d 1012, 1021 (9th Cir. 2015) (creating the *Towle* test, which is a type of delineation test), with *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121–22 (2d Cir. 1930) (demonstrating the Second Circuit’s delineation test, which is relatively similar to the second prong of the *Towle* test).

¹⁷⁰ See *Nichols*, 45 F.2d at 121–22.

¹⁷¹ *Towle*, 802 F.3d at 1021; *Nichols*, 45 F.2d at 121–22.

¹⁷² See NIMMER, *supra* note 76, at 5 n.37.

characters.¹⁷³ Since the *Towle* test is a delineation test, it likely can satisfy this role, suggesting that there is no purpose for the “story being told” test in the Ninth Circuit.¹⁷⁴

Although there is value in the Ninth Circuit upholding *stare decisis*, the revival of the test has only decreased the predictability and uniformity of the Ninth Circuit.¹⁷⁵ Here, maintaining the “story being told” test does not promote the goals of *stare decisis* but rather hinders them as the consequences of maintaining the test outweigh the benefits.¹⁷⁶ While the “story being told” test was once useful, the *Towle* test can fully execute its purposes.¹⁷⁷ Until the Supreme Court rules on this issue and creates a universal standard for affording copyright protection to fictional characters, the rules of the circuit courts govern the protection of those characters.¹⁷⁸ Therefore, the Ninth Circuit should seek consistency in its application of copyright law and should retire the “story being told” test.

2. Policy Arguments in Favor of Retirement

Retiring the “story being told” test is also consistent with the policy and philosophical arguments at the heart of intellectual property law.¹⁷⁹ While a strict test, like the “story being told” test, may be justified as incentivizing the public, there are dangers to enforcing such a strict standard.¹⁸⁰ As mandated by the Constitution, the goal of copyright law is to “promote the Progress of [the] Arts.”¹⁸¹ By limiting ownership over characters that resemble ideas, copyright law promotes the arts by enabling the public to freely use stock characters.¹⁸² While a strict test

¹⁷³ NIMMER, *supra* note 76, at 4 nn.27–28.

¹⁷⁴ See *Nichols*, 45 F.2d at 121–22 (demonstrating that a delineation test is appropriate for determining the copyrightability of characters within a play); *Towle*, 802 F.3d at 1021.

¹⁷⁵ KIMBERLY C. SIMMONS, § 172:76 *Statement and Purpose of Stare Decisis Doctrine*, in 31 CARMODY-WAIT 2D (2021).

¹⁷⁶ See *id.*

¹⁷⁷ *Warner Bros. Pictures v. Columbia Broad. Sys.*, 216 F.2d 945, 950–51 (9th Cir. 1954); see *Towle*, 802 F.3d at 1021.

¹⁷⁸ See 36 C.J.S. *Federal Courts* § 301 (2021).

¹⁷⁹ See generally 1 BALGANESH ET AL., *supra* note 5, at 1–39.

¹⁸⁰ See NIMMER, *supra* note 76, at 5 n.37.

¹⁸¹ U.S. CONST. art. 1, § 8, cl. 8.

¹⁸² *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121–22 (2d Cir. 1930). If the character is not protected since it does not constitute the “story being told”, then other authors can take elements of that character and insert it into their story. *Id.* Thus, there is a promotion of ideas. See 1 BALGANESH ET AL., *supra* note 5, at 18–22.

ensures that underdeveloped characters do not gain copyright protection, it may also overprotect the public domain by failing to validate copyright claims in characters that are fully developed and distinct.¹⁸³ In fact, a strict standard may be such a high bar that it “permit[s] the unrestrained pilfering of characters.”¹⁸⁴

By failing to afford creative works their rightful protection, strict tests may in reality stifle creativity as authors may feel that there is no reward for taking the time and resources to create new characters and stories.¹⁸⁵ Under these circumstances, independent creation is disincentivized and copying is promoted.¹⁸⁶ Ultimately, such a motivation would disproportionately harm independent authors who aim to pitch their characters to entertainment companies that possess the resources to further develop those characters and litigate the resulting disputes.¹⁸⁷

Should the Ninth Circuit use both the *Towle* and “story being told” tests to examine fictional character copyrightability, the standard for copyright protection may become too high of a bar to pass as many unique characters do not “so dominate” the story to be considered the “story being told.”¹⁸⁸ While a stringent test may prevent many characters from gaining their rightful protection, the court must also be careful that the *Towle* test is not too lenient so as to protect underdeveloped characters.¹⁸⁹ Therefore, the standard adopted by the Ninth Circuit should properly balance these concerns.

B. Amending the *Towle* Test

While the Ninth Circuit should adopt the *Towle* test as its sole standard for assessing the copyrightability of fictional characters, the court must strengthen the test to ensure that it does not overextend protection.¹⁹⁰ As demonstrated in *Halicki* and *Towle*, the Ninth Circuit can construe the *Towle* test to

¹⁸³ See NIMMER, *supra* note 76, at 6.

¹⁸⁴ *Id.* at 5 n.37 (quoting *Goodis v. United Artists Television, Inc.*, 452 F.2d 397, 406 (2d Cir. 1970)).

¹⁸⁵ 1 BALGANESH ET AL., *supra* note 5, at 18–22.

¹⁸⁶ See *id.*

¹⁸⁷ See *id.*

¹⁸⁸ OLSON, *supra* note 33, at 1–2 (quoting *Daniels v. Walt Disney Co.*, 958 F.3d 767, 773–74 (9th Cir. 2020)).

¹⁸⁹ *Id.*

¹⁹⁰ See 2 BALGANESH ET AL., *supra* note 15, at 582.

protect relatively generic characters.¹⁹¹ While suggesting that the car in *Halicki* would satisfy the *Towle* test, the Ninth Circuit demonstrated a relatively broad estimation of that test.¹⁹² Even though Eleanor is named and is designated as a special car, such minimal character attributes should not rise to the level of sufficient delineation as they do not actually develop Eleanor's character beyond her role as an expensive classic car.¹⁹³ Eleanor is distinguished from the other cars in the movie since the main characters' efforts at stealing her are consistently thwarted—a result that does not occur because of any act or special characteristic of Eleanor's but rather out of coincidence.¹⁹⁴

While the Ninth Circuit implied that there is some sort of sentient characteristic to Eleanor that allows her to stop these thefts, it improperly read these traits into the car to support its rationale.¹⁹⁵ Had Eleanor actually possessed some sort of internal ability to prevent the thefts, she would sufficiently distinguish herself from the other cars as such action would demonstrate a unique conceptual attribute.¹⁹⁶ Instead, Eleanor serves as an obstacle facing the main characters of the movie.¹⁹⁷ The fact that Eleanor is challenging to steal seemingly serves as a major part of the conflict of the movie, suggesting that her physical and limited conceptual characteristics fit well within the “Scene a Faire” doctrine as they would be relatively “indispensable [to] the treatment of [the action film’s] topic.”¹⁹⁸ Unlike James Bond and Tarzan, Eleanor is not sufficiently distinct from the other classic cars in the movie and should therefore fail the second prong of the *Towle* test.¹⁹⁹

Unlike Eleanor, the Batmobile is a well-developed character, suggesting that it is closer to the type of expression protected by

¹⁹¹ *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1224–25 (9th Cir. 2008); *DC Comics v. Towle*, 802 F.3d 1012, 1020–21 (9th Cir. 2015).

¹⁹² *Towle*, 802 F.3d at 1020–21.

¹⁹³ *Halicki*, 547 F.3d at 1217, 1224–25.

¹⁹⁴ *See Towle*, 802 F.3d at 1020.

¹⁹⁵ *Id.*

¹⁹⁶ *See id.* at 1020–21 (creating a three-prong test that establishes character delineation).

¹⁹⁷ *See Halicki*, 547 F.3d at 1225.

¹⁹⁸ *Id.*; 2 BALGANESH ET AL., *supra* note 15, at 582 (quoting *Atari, Inc. v. N. Am. Philips Consumer Elecs.*, 672 F.2d 607, 616 (7th Cir. 1982)).

¹⁹⁹ *Halicki*, 547 F.3d at 1224–25; *see Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, 900 F. Supp. 1287, 1295–96 (9th Cir. 1995); NIMMER, *supra* note 76, at 4.

copyright law.²⁰⁰ Since the Batmobile possesses physical qualities, is sufficiently delineated so that it is recognizable, and is especially distinctive, it easily satisfies most of the *Towle* test.²⁰¹ However, there is disagreement over whether the Batmobile possesses sufficient conceptual qualities so as to constitute a character.²⁰² While the district court described the Batmobile as “being swift, cunning, strong and elusive,” the Ninth Circuit did not offer as extensive evidence relating to “consistent character traits.”²⁰³

There, the Ninth Circuit pointed to a series of personified descriptions of the Batmobile used in the comic books.²⁰⁴ The court cited the Batmobile as waiting “[l]ike an impatient steed straining at the reins . . . shiver[ing] as its super-charged motor throbs with energy’ before it ‘tears after the fleeing’ ” villains.²⁰⁵ Sports cars can be described as shivering when their engines are running or as resembling an impatient steed, suggesting that the quoted language describes the Batmobile as a powerful mode of transportation more than it describes its unique character traits.²⁰⁶ Should the Batmobile serve as “an extension of Batman’s own persona” in all three mediums (the comic books, television series, and motion pictures), then the car would rightfully satisfy all three prongs of the *Towle* test.²⁰⁷ However, if the Batmobile’s conceptual qualities are instances of personification that merely demonstrate its physical superiority as a vehicle, then it should fail the first prong of the *Towle* test as such descriptions do not truly reflect the car’s conceptual attributes.²⁰⁸

²⁰⁰ *Halicki*, 547 F.3d at 1224–25; *Towle*, 802 F.3d at 1012, 1021–22.

²⁰¹ *Towle*, 802 F.3d at 1021–22.

²⁰² Stephen Carlisle, *Holy Blind Justice, Batman! The Batmobile Is a Character*, NOVA SE. UNIV. (Oct. 2, 2015), <http://copyright.nova.edu/batmobile/> [<https://perma.cc/72ZB-5XMY>]; Joshua J. Kaufman, *Using Copyright to Protect Your Brand’s Character*, VENABLE (July 17, 2014), <https://www.allaboutadvertisinglaw.com/2014/07/using-copyright-to-protect-your-brands-characters.html> [<https://perma.cc/2NEJ-62RD>].

²⁰³ *Towle*, 802 F.3d at 1018, 1021. There, the Batmobile is also “portrayed as a ‘superhero’ and ‘Batman’s sidekick, if not an extension of Batman’s own persona.’ ” *Id.* at 1018.

²⁰⁴ *Id.* at 1021–22.

²⁰⁵ *Id.* at 1021 (alterations in original).

²⁰⁶ *See id.* at 1021–22.

²⁰⁷ *See id.* at 1018, 1021.

²⁰⁸ *See id.* at 1021.

The court's rationale for protecting the Batmobile reveals the potential for inconsistent application of the *Towle* test.²⁰⁹ In its opinion, the court devoted more time to explaining the physical qualities of the car and its various gadgets than it devoted to presenting the Batmobile's conceptual attributes.²¹⁰ This analysis differs from that in *Daniels*, in which the court gave equal weight to both the physical and conceptual qualities of The Moodsters.²¹¹ While this discrepancy may stem from the fact that the Batmobile is an inanimate object and The Moodsters are sentient beings, the court did not apply the first prong of the *Towle* test consistently between these two characters.²¹²

Such an imbalance suggests that the *Towle* test's general language for the first prong may allow the court to shift its analysis based on the type of character at issue, resulting in unpredictable and inconsistent rationales.²¹³ The Ninth Circuit can strengthen the first prong of the *Towle* test by amending its language to the following: "a character must possess significant 'physical as well as conceptual qualities' that transform it beyond a mere plot device."²¹⁴ This modification strengthens the first prong of the test by requiring more than just a "general[]" showing of unique physical and conceptual qualities.²¹⁵ This amendment may mitigate some of the confusion caused by inanimate characters that are described through literary conventions like personification. As seen with the Batmobile, the personifying language used to describe inanimate characters may not actually express their conceptual qualities but rather may

²⁰⁹ *Id.* at 1021–22; Katherine Alphonso, DC Comics v. Towle: *To the Batmobile! Which Fictional Characters Deserve Protection Under Copyright Law*, 47 GOLDEN GATE U. L. REV. 5, 13 (2017).

²¹⁰ *Towle*, 802 F.3d at 1021–22.

²¹¹ *Compare Towle*, 802 F.3d at 1021–22 (demonstrating a greater emphasis on the physical qualities component of the *Towle* test than the conceptual qualities), with *Daniels v. Walt Disney Co.*, 958 F.3d 767, 771–73 (9th Cir. 2020) (presenting a much more stringent application of the *Towle* test that adheres more closely to the language used in the test).

²¹² *Towle*, 802 F.3d at 1021–22; *Daniels*, 958 F.3d at 771–73.

²¹³ *Towle*, 802 F.3d at 1021–22; *Daniels*, 958 F.3d at 771–73.

²¹⁴ See *Towle*, 802 F.3d at 1021 (contributing to part of the amended prong).

²¹⁵ *Id.* Under the current *Towle* test, inanimate characters fall into a grey area as many possess significant physical qualities but lack distinguishable conceptual qualities. Since the current *Towle* test only requires a general showing of physical and conceptual qualities, the question of whether copyright protects these types of characters is largely discretionary.

only describe their physical attributes.²¹⁶ This amendment to the *Towle* test will prevent stock characters, like Eleanor, from gaining protection as the first prong will require that the character be sufficiently well-developed both conceptually and physically so that it transforms beyond the generic.²¹⁷

While a secondary character may serve as a plot device by moving the story along, it can still receive protection under the amended *Towle* test by demonstrating significant, unique conceptual attributes. Should its personality traits be sufficiently unique, the secondary character will demonstrate a significance that extends beyond simply driving the plot forward. While this element has influences from the “story being told” test, it is a significantly lower bar to overcome as the character need not be essential to the story to receive copyright protection.²¹⁸ Rather, the author need only show that the character is well-defined so that it is transformed beyond a mere plot device of the story.²¹⁹ For example, the Batmobile could achieve copyright protection under the amended test should the author sufficiently articulate character traits that demonstrate the Batmobile’s significance beyond its purpose of transporting Batman. Since this test does not require human-like characteristics, it should be applied consistently between sentient and inanimate characters.²²⁰

CONCLUSION

Although *The Moodsters* failed both the *Towle* and “story being told” tests, the *Daniels* case helped demonstrate the Ninth Circuit’s inconsistent application of copyright standards to different characters.²²¹ At first glance, the *Daniels* holding may seem warranted as the concept of *The Moodsters* stemmed from the uncopyrightable “idea of color psychology” and presented rather undefined characters.²²² However, when examined in conversation with *Halicki* or *Towle*, in which the Ninth Circuit

²¹⁶ *Id.* at 1021–22.

²¹⁷ See *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1225 (9th Cir. 2008); *supra* notes 193–200, 215 and accompanying text.

²¹⁸ See *Daniels v. Walt Disney Co.*, 958 F.3d 767, 774 (9th Cir. 2020).

²¹⁹ *Towle*, 802 F.3d at 1021–22 (noting that a character need not possess sentient attributes to be copyrightable).

²²⁰ *Id.* at 1021.

²²¹ *Daniels*, 958 F.3d at 773–74; see *Towle*, 802 F.3d at 1020–22.

²²² *Daniels*, 958 F.3d at 772.

afforded copyright protection under a fairly lenient analyses, the *Daniels* holding seems suspect.²²³ By retiring the “story being told” test, the Ninth Circuit will mitigate inconsistency and examine character copyrightability under only one test.²²⁴

There is a lot of power in possessing the exclusive rights afforded by a copyright. As a result, the Ninth Circuit must ensure that it is doling out these “monopolies” for characters under a fair standard.²²⁵ Thus, the Ninth Circuit should further strengthen the *Towle* test to ensure that its three prongs are applied consistently. Had the court examined *The Moodsters* under the amended *Towle* test, the characters would likely still fail as they did not possess significant or unique conceptual qualities but were relatively under-developed.²²⁶

Although the Ninth Circuit ultimately arrived at the correct conclusion in *Daniels*, other cases within its jurisprudence were decided with a less stringent lens.²²⁷ For example, when perceived in connection with *Daniels*, the *Halicki* and *Towle* decisions seem to offer a more lenient understanding of the *Towle* test.²²⁸ To “promote the Progress of [the] Arts,” the Ninth Circuit should ensure that it is consistently applying its tests.²²⁹ Inconsistent application may dissuade independent authors from pitching their ideas to entertainment giants like Disney out of fear of losing these characters to those who are more powerful.²³⁰ Should the court demonstrate a preference for certain character types or present inconsistent application of its tests, independent authors may forfeit opportunities for great financial gain and the public will lose the opportunity to enjoy such unique expression.²³¹

²²³ Compare *id.* at 773–74 (concluding that the characters fail both tests), with *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1225 (9th Cir. 2008) (examining Eleanor under the delineation test and concluding that the car was distinctly delineated), and *Towle*, 802 F.3d at 1021–22 (holding that the Batmobile was sufficiently delineated under only the *Towle* test).

²²⁴ See *supra* Part III.

²²⁵ Nickles, *supra* note 19, at 135.

²²⁶ *Daniels*, 958 F.3d at 772.

²²⁷ *Id.* at 771–74.

²²⁸ See generally *Daniels*, 958 F.3d 767; *DC Comics v. Towle*, 802 F.3d 1012 (9th Cir. 2015).

²²⁹ See U.S. CONST. art. 1, § 8, cl. 8; Alphonso, *supra* note 209, at 8.

²³⁰ 1 BALGANESH ET AL., *supra* note 5, at 18–22.

²³¹ *Id.*

Until the Supreme Court rules on this issue, creating a universal test for character copyrightability, the rules of the circuit courts will govern.²³² As more authors recognize the significant benefit to using and licensing their characters, the Ninth Circuit's copyright tests will take on a greater significance as they will impact the authors' abilities to monetize their expression.²³³ While the difference in applying the "story being told" test and the *Towle* test may initially seem insignificant to the public, it has far-reaching effects that influence both the authors who create the characters and the individuals who consume them.

²³² See 36 C.J.S. *Federal Courts* § 301 (2021).

²³³ Sunder, *supra* note 2; Born, *supra* note 3.