

No. _____

IN THE
Supreme Court of the United States

CONAN DOYLE ESTATE, LTD.,
Petitioner,

v.

LESLIE S. KLINGER,
Respondent.

**On Petition For A Writ Of Certiorari
To The United States Court Of Appeals
For The Seventh Circuit**

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Whether the federal courts have jurisdiction to issue a declaration of non-infringement when a plaintiff is unable or unwilling to come forward with a concrete work for comparison with the defendant's existing intellectual property.

**PARTIES TO THE PROCEEDING AND
CORPORATE DISCLOSURE**

There are no parties to the proceeding other than those listed in the caption. Petitioner is the Conan Doyle Estate, Ltd., and Respondent is Leslie S. Klinger. The Conan Doyle Estate, Ltd. has no parent corporation, and no publicly held company owns 10% or more of the Estate's stock.

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OPINIONS BELOW

The opinion of the Seventh Circuit Court of Appeals, App. 1a–15a, is reported at 755 F.3d 496. The opinion of the United States District Court for the North District of Illinois, App. 16a–42a, is reported at 988 F. Supp. 2d 879.

JURISDICTION

The district court had jurisdiction under 28 U.S.C. § 1331, and the court of appeals had jurisdiction under 28 U.S.C. § 1291. This Court's jurisdiction rests on 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

Section 3 of the Copyright Act of 1909 states, in relevant part:

That the copyright provided by this Act shall protect all the copyrightable component parts of the work copyrighted, and all matter therein in which copyright is already subsisting, but without extending the duration or scope of such copyright.

INTRODUCTION

This is an intellectual property dispute involving the copyright that the Arthur Conan Doyle Estate holds in the Sherlock Holmes character. But the importance of the jurisdictional question presented is much greater. The dispute stems from the fact that, under the 1909 Copyright Act, copyright runs from the date of first publication. Because Doyle created the Sherlock Holmes character over many years, some publications—like the four Sherlock novels and first 46 stories—are in the public domain, while the final 10 stories retain their copyright.

Respondent Leslie Klinger intends to publish a new collection of Sherlock Holmes stories. Klinger filed this action seeking a declaration of non-infringement based on the fact that the four novels and first 46 stories are in the public domain. Klinger's complaint should have initiated a process where the district court compared Klinger's proposed work to the protected elements of the final 10 stories. If Klinger's work used original material from those 10 stories, Klinger would have to pay the Estate a royalty for that use. Otherwise, Klinger would be entitled to his declaration of non-infringement.

The problem is that Klinger never produced his proposed work. This made it impossible for the courts to compare the new book's elements to the protected elements in the 10 stories. Nevertheless, the Seventh Circuit accepted Klinger's unsupported *assertion* that his work would not contain any protected elements from the final 10 stories, granted the declaration of non-infringement, and said that the Estate would be able to bring another suit against Klinger for "lying" if the published book did, in fact, include protected elements. App. 7a.

Every other circuit that has examined the issue has held that when a plaintiff seeks a declaration of non-infringement in an intellectual property case, the plaintiff *must* produce a completed work for review. Without a concrete work, a declaration of non-infringement is nothing more than an advisory opinion, and there is no Article III jurisdiction. *E.g.*, *Matthews Int’l Corp. v. Biosafe Eng’g, LLC*, 695 F.3d 1322, 1331 (Fed. Cir. 2012) (a party “has no right to obtain declaratory relief when it provides ‘insufficient information for a court to assess whether [its future activities] would be infringing or not.’”); *Vantage Trailers, Inc. v. Beall Corp.*, 567 F.3d 745, 750 (5th Cir. 2009) (dismissing suit where plaintiff’s “design had not become sufficiently fixed at the time of suit to compare” it to defendant’s work); *Int’l Harvester Co. v. Deere & Co.*, 623 F.2d 1207, 1216 (7th Cir. 1980) (“to be anything other than an advisory opinion, the plaintiff must establish that the product presented to the court is the same product which will be produced if a declaration of noninfringement is obtained.”); *Wembley, Inc. v. Superba Cravats, Inc.*, 315 F.2d 87, 89–90 (2d Cir. 1963) (dismissing plaintiff’s claim where, although plaintiff had made a prototype of its potentially infringing product, it had not yet “entered upon an actual manufacture, use or sale”).

And the requirement that a plaintiff produce a concrete work to invoke federal jurisdiction is not merely academic. Without a concrete work to compare, a declaration of non-infringement means absolutely nothing. Here, for example, the Seventh Circuit failed to resolve the very issue that Klinger purportedly put in dispute—whether his proposed work violates the Estate’s copyright in the final 10 Sherlock stories.

The Seventh Circuit's decision affects the use of thousands of literary characters created before the 1978 effective date of the 1976 Copyright Act, including A.A. Milne's Winnie the Pooh, Dr. Seuss' Cat in the Hat, Ian Fleming's James Bond, DC Comics' Superman, and many others. The decision also affects the many thousands of characters created as works for hire under the 1976 Copyright Act, because the copyright on those works runs from the date of publication or creation rather than the author's death. 17 U.S.C. § 302(c).

Most important, the Seventh Circuit's decision creates a jurisdictional rift in intellectual property law, where the identical case will be decided on the merits in one circuit and dismissed for lack of jurisdiction in another, based solely on the venue where the suit happens to be filed. Certiorari is warranted.

STATEMENT

A. Sherlock Holmes and Dr. Watson

Sherlock Holmes and Dr. John H. Watson are among the most recognized and loved characters in modern literature. Sir Arthur Conan Doyle's creation of them spanned four novels and 56 short stories published in the United States from 1887 to 1927. App. 1a. The novels and the first 46 stories are now indisputedly in the public domain. Pet. 1a–2a. But the final 10 stories, published between 1923 and 1927, are just as indisputedly subject to copyright protection until 2018 to 2022, depending on the original publication date of each story. App. 1a. Petitioner, the Estate of Arthur Conan Doyle, manages and licenses the literary rights in all of the Sherlock Holmes works, licensing those rights for popular books, movies, and television programs.

Sherlock Holmes and Dr. Watson were not static but dynamic literary characters who changed and developed throughout the Sherlock Holmes canon. Many aspects of these characters' natures, as well as the introduction of new minor characters, were not revealed until the final 10 stories still under copyright protection. These 10 stories were not set exclusively in the characters' old age but took place at various points throughout the characters' lives.

For example, in addition to a host of other details, the final 10 stories show Holmes softening and growing more emotional (*The Lion's Mane*), developing a truly close friendship with Watson (*The Three Garridebs*), embracing modern technologies as tools to fight crime (*Shoscombe Old Place*), and changing his views on dogs (*The Creeping Man*). These revealed traits make for the full portrayal of Holmes and Watson as the world now knows them.

B. The proposed infringing work

This is not the first dispute these parties have had over the Estate's copyrights. In 2011, Respondent Leslie Klinger invited contemporary writers to author new stories using Holmes, Watson, and other elements from the Sherlock Holmes canon. The Estate informed Klinger he would need a license; Klinger disagreed.

Klinger's publisher sided with the Estate and ultimately entered into a modest licensing agreement for the book (\$5,000 plus a small royalty on sales), titled *A Study in Sherlock*. App. 2a. Klinger has since conceded that this earlier book needed a license because the book did in fact use material from the Estate's copyrighted 10 stories.

The book at issue here, *In the Company of Sherlock Holmes*, is the sequel to *A Study in Sherlock*. The Estate did not learn about it until one of the contributing authors asked the Estate for permission to use a character that appeared in the last 10 stories. The Estate wrote Klinger and his new publisher to again explain that a license might be necessary, and that the Estate polices online retailers selling unauthorized works. The publisher refused to publish unless Klinger obtained a license. So Klinger filed this suit, seeking a declaratory judgment that his new book did not infringe the Estate’s copyright.

In a typical case seeking a declaration of non-infringement, the plaintiff produces a completed work so a court can determine (1) if any elements of the new work overlap with the existing work, and (2) if so, whether the defendant has a valid patent, copyright, or trademark in the overlapping elements. Courts refuse to invalidate a patent, copyright, or trademark absent an actual case or controversy.

But Klinger did not produce his proposed book. Instead, he offered only a list of “story elements” that his book purportedly included, such as “Bohemian nature,” “Loner,” “Smoking,” and “Patriotic.” Klinger then asked the district court to rule on his list, apart from the fully realized character Arthur Conan Doyle created and expressed in his works. To this day, Klinger has never offered any court Doyle’s actual expression—or, more importantly, Klinger’s own—for purposes of a comparison and declaration of non-infringement. Nonetheless, Klinger’s Complaint alleges that the “actual controversy” is “whether the publication of [his forthcoming book] by Plaintiff, co-editor, and their licensees infringes *any* copyright of Defendant.” Compl. ¶ 39 (emphasis added).

C. The litigation

Given the modest licensing fee at issue with Klinger's very minor work, the Estate allowed a default to be entered so Klinger could publish his book without litigation to determine whether the book violated any protected elements of the final 10 stories. But Klinger wasn't satisfied with the right to publish. He wanted a summary judgment ruling. Accordingly, he declined a default judgment, moved for summary judgment, and created a website, free-sherlock.com. Klinger then submitted additional facts through declarations stating that Holmes and Watson as characters were essentially created in pre-1923 stories and therefore in the public domain in their entirety, in spite of the fact that parts of each character were created in the final 10 stories. Klinger advanced this argument even though his previously published *New Annotated Sherlock Holmes* acknowledged that the final 10 stories were copyright protected and that those stories developed significant new aspects of each character.

Forced to defend, the Estate offered five affidavits, three from recognized Sherlock Holmes experts and two from literary-character experts. These affidavits demonstrated that the Sherlock Holmes and Dr. Watson characters were not static, i.e., created and completed in the earlier stories and novels, but dynamic—changing and growing throughout the entire Holmes canon, with significant contributions to the characters' development appearing in the final 10 stories. These scholars quoted many of Klinger's own previously published comments to the same effect, i.e., about how the 10 stories had contributed to the depth and breadth of the Holmes character.

Rather than requiring Klinger to come forward with a completed work and compare that work to the protected elements of the last 10 stories, the district court accepted Klinger's list of abstract character elements and held there was no infringement and therefore no need for a license. Despite evidence to the contrary, the district court concluded, wrongly, that the Holmes and Watson characters were fully created in the very first work of the Sherlock Holmes canon. This factual issue was genuinely disputed in extensive detail by the affidavits mentioned above.

The Seventh Circuit affirmed in a published opinion authored by Judge Richard Posner. Departing from the district court's analysis, the Seventh Circuit began by acknowledging, correctly, that Klinger "may use nothing in the 10 stories still under copyright that has sufficient originality to be copyrightable," that is, "at least a tiny bit of originality." App. 3a (citing *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991)). The court then turned to Article III's limit on federal-court jurisdiction.

The Seventh Circuit conceded that Article III jurisdiction requires an actual case or controversy and does not allow advisory opinions, even when a plaintiff asks for a declaratory judgment. App. 4a–5a. But, like the district court, the Seventh Circuit relieved Klinger of his obligation to come forward with a concrete, completed work. The court did so based on Klinger's mere unsupported representation "that his book will contain no original and therefore copyrightable material that appears only in the last ten stories, which are still under copyright, but only material that appears in the public-domain works." App. 7a.

That holding allowed the Seventh Circuit to address the validity of the Estate’s copyright in the “characters of Holmes and Watson as they are depicted in the stories and novels of Arthur Conan Doyle that are in the public domain.” App. 7a. To reiterate, the Seventh Circuit agreed to undertake that inquiry even in the absence of any concrete work demonstrating exactly *which* Sherlock elements Klinger ultimately decided to use.

With no concrete work to compare, the Seventh Circuit jumped to the Estate’s secondary argument: “whether copyright protection of a fictional character can be extended beyond the expiration of the copyright on it because the author altered the character in a subsequent work.” App. 8a. Following *Silverman v. CBS Inc.*, 870 F.2d 40 (2d Cir. 1989), the panel held that subsequent works involving the same character are “derivative works” and therefore “secure protection only for the *incremental additions of originality* contributed by the authors of the derivative works.” App. 9a (emphasis added).

But the Seventh Circuit never demanded that Klinger produce his proposed work so the court could compare it to “the incremental additions of originality” in the final 10 stories. App. 15a. Instead, the court relied on Klinger’s assurance that he “wants just to copy the Holmes and the Watson of the early stories, the stories no longer under copyright.” App. 12a. This was an assurance the Seventh Circuit could not possibly verify as true in the absence of the actual, concrete work Klinger intended to publish. Without ever making the required comparison, the Seventh Circuit affirmed the district court’s advisory declaration of non-infringement. App. 15a.

The Seventh Circuit concluded with an *ad hominem* attack on the Estate, describing the Estate’s appeal as “border[ing] on the quixotic.” App. 15a. The court did not acknowledge that, depending on the actual contents of Klinger’s new book, the book may in fact infringe the Estate’s acknowledged copyrights in the last 10 stories.

After the Seventh Circuit issued its ruling, Klinger moved for an attorney-fee award in the Seventh Circuit. The Seventh Circuit granted the motion in a published opinion, extolling the valor of Klinger, “a private attorney general, combatting a disreputable business practice—a form of extortion.” *Klinger v. Conan Doyle Estate, Ltd.*, __ F.3d __, 2014 WL 3805116, at *3 (7th Cir. Aug. 4, 2014).

REASONS FOR GRANTING THE PETITION

I. This case presents a circuit conflict regarding whether a plaintiff seeking a declaration of non-infringement must produce a concrete work.

The Seventh Circuit acknowledged that Klinger “hadn’t finished the book,” App. 2a, and that no new book—finished or unfinished—had ever been presented. That is an odd circumstance in the context of a Complaint alleging that the “actual controversy” is “whether the publication of [the new book] by Plaintiff, his co-editor, and their licensees infringes *any* copyright of Defendant.” Compl. ¶ 39 (emphasis added). Indeed, that is the only actual controversy possible, because the 1909 and 1976 Copyright Acts provide no independent cause of action for seeking a declaration of copyright invalidity.

In holding that Klinger’s claim of invalidity could be decided apart from the ultimate issue of infringement, the Seventh Circuit created a conflict with numerous other circuits and a previous Seventh Circuit decision, all of which rejected similar invitations to adjudicate intellectual property disputes (whether patent, trademark, or copyright) in the absence of a concrete work.

For example, in *Matthews International Corp. v. Biosafe Engineering, LLC*, 695 F.3d 1322 (Fed. Cir. 2012), the plaintiff was marketing the use of an alkaline hydrolysis process, rather than incineration, for cremation. Although the plaintiff had not fully developed the process or determined the parameters for it, the plaintiff sought a judicial declaration that the process would not infringe the defendant’s patents or, alternatively, that defendant’s patents were invalid and unenforceable.

The Federal Circuit began by noting that the “Declaratory Judgment Act does not provide an independent basis of subject matter jurisdiction,” *id.* at 1328 (citing *Skelly Oil Co. v. Phillips Petroleum Co.*, 339 U.S. 667, 71–72 (1950)), and that Article III prohibits a court from adjudicating “a difference or dispute of a hypothetical or abstract character” or “one that is academic or moot,” *id.* (quoting *Aetna Life Ins. Co. v. Haworth*, 300 U.S. 227, 240 (1937)). A justiciable controversy requires a dispute that is “definite and concrete, touching the legal relations of parties having adverse legal interests,” and will “admi[t] of specific relief *through a decree of a conclusive character*, as distinguished from an opinion advising what the law would be upon a hypothetical state of facts.” *Id.* (quoting *Aetna*, 300 U.S. at 240–41) (emphasis added).

Plaintiff Matthews' patent dispute failed to present a justiciable controversy, because it "lack[ed] the requisite immediacy and reality to support the exercise of declaratory judgment jurisdiction." 695 F.3d at 1328. The dispute lacked immediacy because there was "no evidence as to when, if ever," plaintiff's equipment would "be used in a manner that could potentially infringe" the defendant's patents. *Id.* "Until some specific and concrete evidence regarding how [the plaintiff's] customers plan to use the [product] is available, any judicial determination regarding whether such use would infringe the [p]atents would be premature." *Id.* at 1329 (citing *Sierra Applied Scis., Inc. v. Advanced Energy Indus., Inc.*, 363 F.3d 1361, 1379 (Fed. Cir. 2004); *Telectronics Pacing Sys., Inc. v. Ventritex, Inc.*, 982 F.2d 1520, 1527 (Fed. Cir. 1992); and *Lang v. Pac. Marine & Supply Co.*, 895 F.2d 761, 764 (Fed. Cir. 1990)). "[A] showing of actual infringement is not required for a case or controversy to exist." *Id.* at 1330 (citing *MedImmune, Inc. v. Genetech, Inc.*, 549 U.S. 118, 134 (2007)). But when a potential new work is not even complete, "it is unclear when any even arguably infringing activity will occur," and "a dispute will lack the immediacy necessary to support the exercise of declaratory judgment jurisdiction." *Id.*

Matthews' complaint also "fail[ed] to meet constitutionally-mandated reality requirements." 695 F.3d at 1330 (emphasis added). The "greater the variability of the subject of a declaratory-judgment suit, particularly as to its potentially infringing features, the greater the chance that the court's judgment will be purely advisory, detached from the eventual, actual content of that subject—in short, detached from eventual reality." *Id.* (quoting *Sierra*, 363 F.3d at 1379).

A party “has no right to obtain declaratory relief when it provides ‘insufficient information for a court to assess whether [its future activities] would be infringing or not.’” *Id.* at 1331 (quoting *Benitec Austl., Ltd. v. Nucleonics, Inc.*, 495 F.3d 1340, 1349 (Fed. Cir. 2007)). Because the plaintiff’s proposed product was “fluid and indeterminate” and not “substantially fixed,” the dispute lacked “the requisite reality to support the exercise of declaratory judgment jurisdiction.” *Id.* (citing *Sierra*, 363 F.3d at 1379–80; *Telectronics*, 982 F.2d at 1527; and *Int’l Harvester Co. v. Deere & Co.*, 623 F.2d 1207, 1216 (7th Cir. 1980)).

The immediacy and reality requirements that the Federal Circuit imposes on plaintiffs before taking jurisdiction of intellectual property disputes are echoed in circuits around the country. In *Vantage Trailers, Inc. v. Beall Corp.*, 567 F.3d 745, 751 (5th Cir. 2009), the Fifth Circuit affirmed dismissal for lack of subject-matter jurisdiction where the declaratory-judgment plaintiff “failed to meet its burden to show that its design was substantially fixed as to the potentially infringing elements,” even though defendant had threatened to sue for infringement.

In *International Harvester*, the Seventh Circuit took the exact opposite position it did here, holding that any legal dispute over the defendant’s patent validity was not yet justiciable when the plaintiff’s potential new work was still in process of revision: “to be anything other than an advisory opinion, the plaintiff must establish that the product presented to the court is the same product which will be produced if a declaration of noninfringement is obtained.” *Id.* at 1216.

And in *Wembley, Inc. v. Superba Cravats, Inc.*, 315 F.2d 87, 89–90 (2d Cir. 1963), the Second Circuit dismissed plaintiff’s claim without prejudice where, although plaintiff had made a prototype of its potentially infringing necktie, it had not yet “entered upon an actual manufacture, use or sale of its necktie.”

Indeed, other circuits have even imposed a concrete-work requirement in the trademark context, despite the fact that the Lanham Act grants courts express statutory authority to cancel a mark. See 15 U.S.C. § 1119. In *Vantage Trailers*, for example, the plaintiff sought a declaration of non-infringement for its bottom-dump trailer design. Just like Klinger, the plaintiffs asked the court to declare that the defendant’s mark was invalid. The Fifth Circuit began its analysis by endorsing the immediacy and reality requirements that this Court imposed in *MedImmune*, the Federal Circuit required in *Sierra*, and the Seventh Circuit demanded in *International Harvester*. *Id.* at 748–49. The Fifth Circuit then dismissed the action for lack of a real or immediate controversy because, even though the plaintiff “was preparing to enter the bottom-dump trailer market,” “*its design had not become sufficiently fixed at the time of suit to compare its shape against that of [defendant]’s trailers.*” *Id.* at 750 (emphasis added).

The Seventh Circuit’s approach here conflicts directly with each of these decisions. Klinger has never presented a concrete draft (or, for that matter, any draft) of his proposed work. As a result, there is no writing to compare to the Sherlock Holmes canon to evaluate which elements overlap, or to determine which Sherlock Holmes character traits (if any) can be copied.

In other words, this case presents precisely the kind of hypothetical/advisory dispute that other circuits routinely reject in analogous contexts. And if Klinger had filed this action in any of the other circuits, his case would have been dismissed unless he satisfied his burden of coming forward with a new book that was fixed and definite. Indeed, even when a plaintiff intends to re-publish an exact copy of a defendant's copyrighted work, and the only issue is copyright validity, courts have held that a justiciable claim requires the plaintiff to show that its new work is fully prepared and ready for immediate publication. *Re-Alco Indus. v. Nat'l Center for Health Educ., Inc.*, 812 F. Supp. 387, 395 (S.D.N.Y. 1993) (quoting *International Harvester* and citing *Wembley* in holding that, when a plaintiff wants to argue invalidation, "a declaratory judgment would be inappropriate [when] plaintiff has failed to meet the requirements for obtaining declaratory relief," i.e., to "have actually produced the [potentially infringing] article or have engaged in preparations for production such that [plaintiff could begin production immediately]."). See also *Texas v. West Publ'g Co.*, 681 F. Supp. 1228, 1230–31 (W.D. Tex. 1988) (following the *International Harvester* test for justiciability of intellectual property claims and holding it improper for the court to issue an advisory opinion where the only effect "would be to invalidate a claimed copyright").

Since Klinger's proposed book lacked "sufficient immediacy and reality," the Seventh Circuit departed from the established rule in other circuits by exercising its declaratory-judgment jurisdiction. *Matthews*, 695 F.3d at 1325. And in so doing, the Seventh Circuit deprived the Estate of an opportunity to present a proper defense.

The immediacy and reality requirements are not mere academic restrictions on Article III jurisdiction, as this case demonstrates. Because of the Seventh Circuit’s approach, the ultimate issue between the parties here has still not been resolved. That issue, as alleged in plaintiff’s own Complaint, is whether his forthcoming book infringes any copyright of the Estate. Compl. ¶ 39. The Seventh Circuit acknowledged that its opinion did not decide that issue, and that a new fraud action is required to resolve what this lawsuit purportedly put at issue. App. 7a. (“If [Klinger is] lying [about the content of his new book], the estate will have a remedy when the book is published.”). That outcome transforms a copyright claim into a fraud or misrepresentation claim. The result also defeats the whole purpose of the Case or Controversy Clause, which requires a plaintiff to do more than simply *represent* that a future new work will not infringe—thus necessitating a second lawsuit over whether that representation was accurate.

The Seventh Circuit’s decision conflicts not only with the law of other circuits but also with this Court’s recent teaching in *Calderon v. Ashmus*, 523 U.S. 740 (1998). *Calderon* held that a declaratory judgment action amounts to an improper advisory opinion request when the plaintiff seeks to have a legal dispute decided that is carved out of the ultimate controversy between the parties. *Id.* at 746. To illustrate this point, the *Calderon* Court discussed *Coffman v. Breeze Corp.*, 323 U.S. 316 (1945), where a patent owner sought a declaration that his licensee did not have to pay accrued royalties to the government because the Royalty Adjustment Act was unconstitutional.

The *Coffman* Court correctly concluded that there was no case or controversy because the Act's validity was not yet at issue. There was "no justiciable question 'unless and until [the patent owner] seeks recovery of the royalties, and then only if [the licensee relies on the Act as a defense.'" *Calderon*, 523 U.S. at 747 (quoting *Coffman*, 323 U.S. at 324). The *Coffman* Court reiterated that "[t]he declaratory judgment procedure is available in the federal courts only in cases involving an actual case or controversy," i.e., "where the issue is actual and adversary." *Coffman*, 323 U.S. at 324 (citations omitted). And the declaratory judgment procedure "may not be made the medium for securing an advisory opinion in a controversy which has not arisen." *Id.* (citations omitted). Since the validity of the Act was not yet at issue, the complaint was "thus but a request for an advisory opinion" and "raise[d] no justiciable issue." *Id.* at 323–24.

The same is true here. Until Klinger produces his proposed work, the validity of the Estate's copyright in the Sherlock Holmes character is not even at issue. If Klinger had come forward with a concrete work, (1) the Estate would have asserted its copyright in opposition to Klinger's request for a declaration of non-infringement, (2) the court would have been in a position to decide the scope of the Estate's copyright, and (3) the court could have then evaluated whether Klinger's proposed work violated the Estate's copyright. To do that, the court would compare Klinger's book to the Holmes canon, identify the overlapping elements, then determine the scope of the Estate's copyright in those elements. Until that happens, Klinger's request for a declaration of non-infringement is not justiciable.

II. This case also presents a circuit conflict regarding the test to apply in an infringement suit involving a dynamically developing character.

Section 3 of the 1909 Copyright Act makes clear that the Act “protect[s] all the copyrightable component parts of the work copyrighted.” Thus, as Klinger conceded when he published his *New Annotated Sherlock Holmes*, the final 10 stories provide copyright protection for all original character development and other original expression they contain.¹ The Seventh Circuit’s decision to issue a declaration of non-infringement without comparing Klinger’s work to the protected elements in the last 10 stories separately conflicts with applicable Eighth Circuit precedent.

In *Warner Brothers Entertainment Inc. v. X One X Productions*, 644 F.3d 584 (8th Cir. 2001), the defendant, a film memorabilia company, licensed merchandise containing images found in lobby cards and movie posters for *Gone with the Wind*, *The Wizard of Oz*, and several *Tom and Jerry* cartoons. The lobby cards and posters were in the public domain under the 1909 Copyright Act because they were published without the requisite copyright notice, but the copyright in the films remained.

¹ In an extraordinary coincidence, Judge Posner wrote a 2004 book review of Klinger’s *New Annotated Sherlock Holmes*. In that review, Judge Posner opined that the “Holmes stories and the Holmes persona seem to me wildly overrated,” and “can still be recommended to American teenagers as entertaining introductions to Victorian England. But that’s all.” <http://www.newrepublic.com/article/csi-baker-street>.

The *Warner Brothers* court started in the same place as the Seventh Circuit, noting that the public is generally free to make derivative works by taking public-domain materials and altering them so long as the derivative work does not infringe a valid copyright. *Id.* at 596. But the court declined the invitation to hold that the entire characters were thrust into the public domain, because the poster and lobby-card characters did not “anticipate the full range of distinct speech, movement, and other personality traits that combine to establish a copyrightable character.” *Id.* at 598. Thus, said the court, merchandise that evoked the character delineation that occurred in the copyrighted film (such as a picture of Dorothy with the phrase “There’s no place like home”) was infringement. *Id.* at 603. Other courts have similarly considered a character’s evolution and growth over time (or lack thereof) when determining how much of a character has fallen into the public domain. *E.g.*, *Harvey Cartoons v. Columbia Pictures Indus.*, 645 F. Supp. 1564 (S.D.N.Y. 1986) (cartoon ghost character “Fatso” did not evolve and was therefore in the public domain based on date of first publication).

In other words, the comparison of protected and unprotected elements necessarily requires addressing what parts of the Sherlock Holmes character remain protected. *X One X Prods.*, 644 F.3d at 597 (“We must determine (1) the apparent scope of the copyrights in the later works . . .”). The Seventh Circuit declined to conduct this key inquiry. Had it done so, the record shows that the protected parts of Sherlock Holmes’s character created in the 10 stories are significant. What the Estate cannot know (until Klinger actually publishes), is whether Klinger’s new book infringes any of those protected elements.

In fact, the Seventh Circuit's opinion is worse than an advisory decision because it did little to "advise" the parties regarding their rights at all. As of today, no one knows whether Klinger's forthcoming book will violate the Estate's valid copyright.

Equally important, the Seventh Circuit's precipitous declaration of non-infringement deprived the Estate of its ability to stop publication. If Klinger's finished book uses protected elements of the Sherlock Holmes character in a way that damages the value of the copyright, the Estate will almost certainly be irreparably harmed given the extensive movie and television licensing the Estate currently undertakes. That result defeats the entire purpose of a pre-publication declaratory judgment action.

III. This case is of substantial importance and is an appropriate vehicle to answer the question presented.

The Seventh Circuit's decision has enormous practical impact, one that extends far beyond the circumstances of this case. To begin, the decision applies to any dynamic literary character (1) created before the 1978 effective date of the 1976 Copyright Act, or (2) created as a work made for hire under the 1978 Copyright Act. See 17 U.S.C. § 302(c) (the copyright on works made for hire runs from the date of publication or creation rather than the author's death). The first category includes Agatha Christie's Hercule Poirot and Miss Marple, A.A. Milne's Winnie the Pooh, Rabbit, Tigger, Eeyore, and Christopher Robin, Dr. Seuss' Cat in the Hat, Ian Fleming's James Bond, DC Comics' Superman, Marvel's Iron

Man, and thousands of other characters.² The second category contains thousands more.

More important, the Seventh Circuit holding applies equally to all copyright, trademark, and patent disputes. Unique among all the circuits that have examined this issue, the Seventh Circuit is the only federal appeals court that dispenses with the immediacy and reality requirements before issuing a declaration of non-infringement. So plaintiffs and defendants litigating intellectual property disputes in the Seventh Circuit will experience a different outcome than similarly situated litigants in other circuits solely because of the venue where the suit happened to be filed.

Finally, this case provides an excellent vehicle to decide the question presented. There are no facts in dispute regarding the threshold jurisdictional issue, and there are no procedural irregularities. There is only a Seventh Circuit jurisdictional holding that is directly at odds with the authority of other circuits, one that unnecessarily confuses intellectual property disputes.

² See Merle L. Jacob & Hope Apple, *To Be Continued: An Annotated Guide to Sequels* (2d ed. 2000), listing 1762 fictional series, many created under the 1909 Act. Among them are three series by William Faulkner (nos. 483–85), C.S. Forester's Horatio Hornblower series (no. 515), Günter Grass's Danzig trilogy (no. 622), John LeCarre's George Smiley novels (no. 909), O.E. Rolvaag's trilogy of Norwegian immigrants (no. 1341), Jean-Paul Sartre's *The Roads to Freedom* series (no. 1392), J.R.R. Tolkien's Middle-Earth series (no. 1575), John Updike's Bech and Rabbit series (nos. 1598–99), and many others.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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