

No. 25-

IN THE
Supreme Court of the United States

DENICE SHAKARIAN HALICKI, ELEANOR
LICENSING, LLC, GONE IN 60 SECONDS
MOTORSPORTS, LLC,

Petitioners,

v.

CARROLL SHELBY LICENSING, INC., CARROLL
HALL SHELBY TRUST, CLASSIC RECREATIONS,
LLC, JASON ENGEL, TONY ENGEL,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

In the published opinion below, the Ninth Circuit affirmed summary judgment in favor of respondents on petitioners' copyright infringement claims. The Ninth Circuit held that the car character Eleanor, a uniquely customized Fastback Mustang that is the centerpiece of the *Gone In 60 Seconds* film franchise, is not entitled to copyright protection. Petitioners sued respondents for, among other claims, copyright infringement, based on respondents' producing and selling full-scale reproductions of the Eleanor car character from the *Gone in 60 Seconds* remake. The Ninth Circuit's holding limits copyright protection to characters that display "anthropomorphic qualities," such as "sentience"; possess consistent, identifiable traits; and are "especially distinctive."

The question presented by this petition is:

Is copyright protection for characters limited to only those characters that meet the Ninth Circuit's three-element test? Or, as the Second, Seventh, and Eleventh Circuits have held, does copyright protect a character to the extent that it is distinctive from a generic stock character? *See Silverman v. CBS Inc.*, 870 F.2d 40, 49–50 (2d Cir. 1989); *Gaiman v. McFarlane*, 360 F.3d 644, 659–61 (7th Cir. 2004); *Herzog v. Castle Rock Ent.*, 193 F.3d 1241, 1258–59 (11th Cir. 1999).

**PARTIES TO THE PROCEEDINGS
AND RULE 29.6 STATEMENT**

The parties to the proceeding in the Court whose judgment is sought to be reviewed are:

- Denice Shakarian Halicki, an individual, defendant and counter-claimant in the district court, appellant and cross-appellee below, and petitioner here;
- Eleanor Licensing, LLC, a Delaware LLC, defendant and counter-claimant in the district court, appellant and cross-appellee below, and petitioner here;
- Gone In 60 Second Motorsports, LLC, a Delaware LLC, defendant and counter-claimant in the district court, appellant and cross-appellee below, and petitioner here;
- Carroll Shelby Licensing, Inc., a California corporation, plaintiff and counter-defendant in the district court, appellee and cross-appellant below, and respondent here;
- Carroll Hall Shelby Trust, plaintiff and counter-defendant in the district court, appellee and cross-appellant below, and respondent here;
- Classic Recreations, LLC, an Oklahoma LLC, counter-defendant in the district court, appellee below, and respondent here;

- Jason Engel, an individual, counter-defendant in the district court, appellee below, and respondent here;
- Tony Engel, an individual, counter-defendant in the district court, appellee below, and respondent here;

There are no publicly held corporations involved in this proceeding.

RELATED PROCEEDINGS

- United States District Court, Central District of California, Case No. 8:20CV01344, *Carroll Shelby Licensing, Inc., et al. v. Denice Shakarian Halicki et al.*, summary judgment entered on November 29, 2022, final judgment entered October 31, 2023.
- United States Court of Appeals, Ninth Circuit, Case Nos. 23-3731 & 234008, *Carroll Shelby Licensing, Inc., et al. v. Denice Shakarian Halicki et al.*, opinion and judgment entered May 27, 2025.

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OPINIONS BELOW

The district court's November 29, 2022 order granting summary judgment to the respondents is reported, *Carroll Shelby Licensing, Inc. v. Halicki*, 643 F. Supp. 3d 1048 (C.D. Cal. 2022), and it is reproduced in the appendix to this petition ("App.") at App.21a–72a. The Ninth Circuit's May 27, 2025 opinion affirming the judgment is published, *Carroll Shelby Licensing, Inc. v. Halicki*, 138 F.4th 1178 (9th Cir. 2025), and it is reproduced in the appendix to this petition at App.1a–20a. The Ninth Circuit's July 11, 2025 order denying petitioners' request for rehearing is not published, and it is reproduced in the appendix to this petition at App.144a–145a.

BASIS FOR JURISDICTION IN THIS COURT

This Court has jurisdiction to review the Ninth Circuit's May 27, 2025 decision on writ of certiorari under 28 U.S.C. § 1254(1). The petition is timely because it is filed within 90 days of the order denying rehearing, issued on July 11, 2025.

CONSTITUTIONAL AND STATUTORY PROVISIONS AT ISSUE

The U.S. Constitution, Article I, Section 8 reads:

The Congress shall have 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[.]

Petitioners brought the underlying copyright infringement claims under the Copyright Act, 17 U.S.C. § 101 *et seq.* At issue in this petition, § 102 reads:

(a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:

- (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.

(b) In no case does copyright protection for an original work of authorship extend to any

idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

17 U.S.C. § 106 reads: “[T]he owner of copyright under this title has the exclusive rights ... (2) to prepare derivative works based upon the copyrighted work.”

STATEMENT OF THE CASE

A. Background Of The Action.

“Starring ELEANOR.” That is the sole credit at the beginning of the 1974 film *Gone in 60 Seconds* (H.B. Halicki Mercantile Co., 1974) (*Gone* (1974)). Eleanor is a car character—a customized Mustang with a distinctive personality. Eleanor returns in three other films, including the 2000 remake of the same title. *See The Junkman* (H.B. Halicki 1982); *Deadline: Auto Theft* (H.B. Halicki Mercantile Co., 1983); *Gone in 60 Seconds* (Touchstone Pictures, Jerry Bruckheimer Films, 2000) (*Gone* (2000)). The remake was a blockbuster, grossing \$101 million in the U.S. and \$232 million worldwide. 4ER835.

As depicted in the remake, Eleanor is a 1967 Ford Fastback Mustang bearing a custom combination of 12 distinctive features. 4ER840, 897–903. These features physically distinguish “Remake Eleanor” from any other Fastback Mustang. 4ER897–903; 11ER2784–90.

Eleanor also displays a unique personality. In the remake, Nicolas Cage’s character, Memphis Raines,

spends most of the film trying to steal Eleanor. The other characters refer to the “rough history” between Eleanor and Raines. *Gone* (2000), at 0:47:20–0:47:40.¹ Eleanor is Raines’s “unicorn” and has eluded him time and again. *Id.* During the climactic police chase, after Raines knocks off Eleanor’s mirror, her engine dies, and she won’t start again until he implores, “I need you, Eleanor, I need you now, now.” *Id.* at 1:34:30–1:34:58. Eleanor and Raines manage to outrun and escape the police with a spectacular jump, using the bed of a tow truck as a ramp. *Id.* at 1:38:40–1:39:13.

H.B. “Toby” Halicki produced, directed, and starred in the original 1974 *Gone in 60 Seconds*, and made the two subsequent films featuring Eleanor. 1ER9. Toby Halicki’s widow Denise Halicki, petitioner here, obtained the rights to these films after his death. 1ER9. Disney produced the 2000 remake of *Gone in 60 Seconds* under license from Ms. Halicki and entities under her control, who reserved the rights to Eleanor. 1ER9–10; 6ER1302–06; 11ER2895, 2905, 2954–55.

Petitioners, Ms. Halicki and entities under her control, still own the intellectual property and merchandising rights to Eleanor. 1ER9–10. Ms. Halicki has spent decades building a business selling Eleanor merchandise, from T-shirts to full-scale, functional replicas selling for more than \$500,000. 4ER840–45.

1. The films were lodged as DVDs with the Ninth Circuit in Case No. 23-3731, Dkt. 58.

B. The Lawsuit.

Respondents are Carroll Shelby Licensing, which owns the rights to a different Fastback Mustang, the GT500; Classic Recreations, a custom car shop; and related entities and individuals. It is undisputed that the Shelby GT500 possesses none of Remake Eleanor's 12 distinctive features. 4ER897–99; 11ER2784–90.

Respondents make another customized Fastback Mustang called the GT500CR. App.5a. The GT500CR looks like Remake Eleanor: it is undisputed that the GT500CR copies all but two of Eleanor's 12 distinctive features. 4ER937–47; 9ER2313–15. In the proceedings below, petitioners sued respondents for copyright infringement (and other claims) on the theory that the GT500CR infringes their Eleanor copyright. App.21a–24a.²

This was not the first such suit. Years earlier, just after the remake was released, Carroll Shelby Licensing made a different custom Fastback Mustang that copied all of Remake Eleanor's features, called the GT500E—the “E” stands for Eleanor. 4ER920–22, 957; 11ER2741. Petitioners sued Shelby for copyright infringement. *See Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1216–17 (9th Cir. 2008).

The district court granted summary judgment against petitioners based on lack of standing. *See id.* The

2. The order on summary judgment indicates it was “Provisionally Filed Under Seal,” App.21a, but it was unsealed in the district court and filed unsealed in the Ninth Circuit. 1ER53–93.

Ninth Circuit reversed, and, while declining to decide copyrightability, noted that Eleanor appeared to fit the court's precedents on copyrightable characters: she resembles a comic book character in that she is "visually depicted"; she "display[s] consistent, widely identifiable traits"; and she "is 'especially distinctive.'" *Id.* at 1224–25 (brackets in original).

On remand, Shelby moved for summary judgment on Halicki's copyright claims. *Halicki v. Carroll Shelby Int'l*, No. CV 04-8813, 2009 WL 10669478 (C.D. Cal. Aug. 12, 2009). Shelby did not argue that Eleanor lacked "originality"; instead, Shelby argued "the design of the 'Eleanor' character" was not "independently created by Plaintiffs or their predecessors-in-interest," but by Shelby. *Id.* at *9.

The court rejected Shelby's argument and denied summary judgment. Noting that petitioners' evidence established the unique design elements of Remake Eleanor, the district court concluded that it could not "say as a matter of law that the originality required for copyright protection is lacking." *Id.* at *10. The case settled. App.5a; 11ER2730–42.

In this suit, however, the district court ruled against petitioners at summary judgment on the copyright claims. The court applied the Ninth Circuit's three-element test for character copyright, developed since the 2008 *Halicki Films* decision. App.29a–33a. The court found that Eleanor satisfied the first element, possessing "physical as well as conceptual qualities." App.30a–31a. But the court denied copyright protection based on the other two elements. It concluded that Eleanor was not "sufficiently

delineated to be recognizable as the same character whenever it appears” and not “especially distinctive.” App.40a–51a.

Petitioners sought leave to file an interlocutory appeal to decide several issues implicated by the district court’s decision, issues not settled by the Ninth Circuit’s test. 6ER1272–99. The district court denied the request. 5ER1232–40.

The district court action proceeded to judgment after a bench trial on the other claims. App.73a–143a.³ Petitioners appealed to the Ninth Circuit.

In a published opinion, the Ninth Circuit affirmed summary judgment against petitioners on copyright infringement, agreeing with the district court that Eleanor was not a character protected by copyright. App.3a–13a. The opinion applied the same three-element test for character copyright as the district court, but interpreted it in new ways.

Previous Ninth Circuit decisions held that visually depicted characters like Eleanor always satisfy the first element, possessing “physical as well as conceptual qualities.” *See, e.g., Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 755 (9th Cir. 1978); *DC Comics v. Towle*, 802 F.3d 1012, 1019–21 (9th Cir. 2015). The district court below agreed. App.31a. The opinion, however, said that

3. Those other claims include various contract claims between the parties, some related to copyright, some not. *See* App.76a–78a. The district court entered judgment of no liability on all claims. App.141a–143a.

copyright protection required not just any “conceptual qualities,” but specifically “anthropomorphic qualities”: “agency and volition, displaying sentience and emotion, expressing personality, speaking, thinking, or interacting with other characters or objects.” App.8a–9a.

Petitioners petitioned for rehearing and rehearing en banc. The petition argued that (1) the opinion was inconsistent with prior Ninth Circuit decisions, most specifically *Towle*, 802 F.3d 1012, in which the court, citing the earlier *Halicki* decision, held the Batmobile was a copyrightable character; and (2) the opinion deepened an existing split between the Ninth Circuit’s approach to character copyright and other Circuits’ approach.

On July 11, the Ninth Circuit denied the petition. App.144a–145a.

REASONS WHY CERTIORARI IS WARRANTED

On the third floor of the Petersen Automotive Museum in Los Angeles, there is Eleanor. Her body and look are one-of-a-kind: sleek and gray, dual black racing stripes, nitrous oxide canister visible in the rear compartment—still ready to outrun a platoon of police.

This Eleanor starred in the 2000 film *Gone in 60 Seconds* alongside Nicolas Cage and Angelina Jolie. That film was a remake of the 1974 cult classic of the same name, which had two spin-off films in the 1980s.

In the *Gone in 60 Seconds* films, a team of thieves has a few days to steal 50 or so cars, culminating in a high speed, heart-stopping police chase as the protagonist

steals Eleanor. Her performance has made Eleanor the centerpiece of a half-century old film franchise. Her devoted fans buy a wide range of Eleanor merchandise, from mugs and T-shirts to functional replicas costing hundreds of thousands of dollars.

Despite this, the Ninth Circuit has held that Eleanor is not a copyrightable character. Its holding depends on an essentially standardless three-part test that contradicts an on-point decision of this Court and is at odds with the test applied by three other Circuit Courts.

This Court has held that “originality” is the “*sine qua non* of copyright,” the fundamental basis for copyrightability, and requires only “independent creation plus a modicum of creativity.” *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991). The Court has emphasized that the “vast majority of works make the grade quite easily, as they possess some creative spark, ‘no matter how crude, humble or obvious’ it might be.” *Id.* The decision below, and the line of cases from which it descends, have replaced this simple standard with an ad hoc, arbitrary test, that is incongruent with the Constitution’s low bar for copyrightability.

Indeed, Eleanor is emblematic of the Ninth Circuit’s scattershot approach to character copyright. In 2008, a Ninth Circuit panel strongly suggested in dicta that Eleanor was copyrightable, because she has “physical as well as conceptual qualities,” “display[s] consistent, widely identifiable traits,” and is “especially distinctive.” *Halicki Films*, 547 F.3d at 1224–25. In 2015, the Ninth Circuit, citing that case, held that the Batmobile was copyrightable because it satisfied these same three elements. *Towle*,

802 F.3d at 1021–23. Yet the decision below—purportedly applying the same standard—held that Eleanor failed these same three elements.

The decision found that she does not have the right *kind* of conceptual qualities: “anthropomorphic qualities”—a requirement invented by this panel, and based on no case law or statute. Indeed, in holding that the Batmobile was a copyrightable character in *Towle*, the Ninth Circuit expressly stated that “sentient attributes” were *not required* for character protection. *Towle*, 802 F.3d at 1021. The result is confusion and an invitation to hairsplitting and subjective parsing of whether a character is “human” enough for protection.

This rule also undermines protection for the economic value of originality that is the foundation of copyright law. Under the Ninth Circuit’s standard, no inanimate object in a blockbuster film, including, for example, the distinctive Death Star or Millennium Falcon from *Star Wars*, can be protected by copyright, no matter how original, recognizable and valuable they may be.

The panel also denied Eleanor protection because she purportedly does not “display consistent, widely identifiable traits.” This is because she changes appearance between films, and because within the Remake, she begins in pristine condition, gradually incurs serious damage, and reappears at the end in the ironic guise of a fixer-upper. Yet the audience always knows when the car character on the screen is Eleanor—just as the audience of a James Bond film recognizes 007 no matter whether he wears a tuxedo or bathing suit, and even when he appears disheveled after a fight. The panel’s conclusion on this point underscores

that whether a trait is “consistent” or “widely identifiable” is flatly subjective, and contrary to the standard that copyright protection depends on originality.

Finally, in rejecting copyright protection for Eleanor, the panel did not deny that she is distinctive, i.e., has some modicum of creativity, which should have foreclosed any further inquiry under *Feist*. It instead imposed a higher bar, concluding she is not “*especially* distinctive.” App.8a–13a (emphasis added). Although the difference between “distinctive” and “especially distinctive” is not explained, the panel’s assertion that “[n]othing distinguishes Eleanor from any number of sports cars appearing in car-centric action films,” App.12a, beggars belief. The opinion acknowledges that Eleanor is a highly customized Ford Mustang, and it identifies no other film car that has her attributes. Her fans do not consider her just another “sports car.” That is why respondents copied all but two of her 12 unique features, hoping to capitalize on her cachet and value—the very sort of free-riding that copyright law was designed to foreclose.

The Ninth Circuit’s decision requires the intervention of this Court. First, the decision is the culmination of the Ninth Circuit’s gradual abandonment of “originality” as the standard for copyrightability—the standard established in the Constitution, the Copyright Act, and this Court’s *Feist* decision. It is difficult to overstate the commercial consequences of copyright law in the Ninth Circuit, home of Hollywood and Silicon Valley. Yet the Circuit’s stringent, dysfunctional, ad hoc approach to character copyright jeopardizes protection, encourages free riding, inhibits originality and spawns litigation. Review is therefore necessary to align the Ninth Circuit

with copyright's purpose and policy aim as articulated in *Feist*.

Second, the decision below deepens a split between the Ninth Circuit's approach to this issue and the approach of the Second, Seventh, and Eleventh Circuits. The latter Circuits hold that a character is protected by copyright to the extent it is distinctive from a generic stock character. This standard is simple, predictable, and consonant with the principle of "originality": everything the Ninth Circuit's standard is not. These divergent approaches mean that whether a character is copyrightable depends mainly on where its copyright is challenged.

Media production and consumption is expanding in unpredictable ways, driven by new technologies such as artificial intelligence. Copyright law remains the most important policy tool to ensure these developments "promote the Progress of Science and useful Arts." U.S. Const. art. I, § 8, cl. 8. Clear, consistent copyright protection for characters is an issue of growing importance. It is essential that the Court grant review.

I. THE CHARACTER-COPYRIGHT TEST APPLIED BY THE DECISION BELOW CONTRADICTS THE ORIGINALITY STANDARD ESTABLISHED BY THIS COURT'S DECISION IN *FEIST* AND THE COPYRIGHT ACT.

The Ninth Circuit established its three-element test for character copyright in *Towle*, 802 F.3d 1012. The decision below takes the same test to a new extreme. The decision has severed any connection the *Towle* test may have had with copyright law principles. The Court should grant review.

A. The Constitution, the Copyright Act, and this Court’s *Feist* decision establish that originality is the touchstone of copyright protection.

Originality separates what is protected by copyright from what is not. The elements of a copyright infringement claim are “(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original.” *Feist*, 499 U.S. at 361. Others may copy elements of a work that are *not* original. *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 548 (1985).

Originality is therefore “[t]he *sine qua non* of copyright.” *Feist*, 499 U.S. at 345. “[O]riginality requires independent creation plus a modicum of creativity.” *Id.* at 346. A modicum, not a lot: “the requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily, as they possess some creative spark, ‘no matter how crude, humble or obvious’ it might be.” *Id.* at 345.

This line has been drawn by the Constitution, this Court’s early copyright decisions, and the 1976 Copyright Act. Article I, Section 8, Clause 8 of the Constitution authorizes Congress to “secur[e] for limited Times to Authors ... the exclusive Right to their respective Writings.” This Court’s early decisions “made it unmistakably clear” that the terms “authors” and “writings” “presuppose a degree of originality.” *Feist*, 499 U.S. at 346. The Copyright Act says that “copyrightable subject matter” includes “‘*original works of authorship* fixed in any tangible medium of expression.’” *Star Athletica, L.L.C. v. Varsity Brands, Inc.*, 580 U.S. 405, 411 (2017) (emphasis added) (quoting 17 U.S.C. § 102(a)). Under

the Act, originality “remains the touchstone of copyright protection today,” “the very ‘premise of copyright law.’” *Feist*, 499 U.S. at 347.

To cross the line of originality is not difficult. For example, mere facts are not original and not protected by copyright. *Id.* But even a compilation of facts, provided the author has arranged them with “a minimal degree of creativity,” crosses the line and “meets the constitutional minimum for copyright protection.” *Id.* at 348. Copyright protects “those components of a work that are original to the author” (the arrangement, in the example), but does not protect “the underlying facts,” *id.*, or mere ideas, 17 U.S.C. § 102(b).

Congress and the courts have set the originality standard to serve “the goal of copyright”: to “provide an economic incentive to create original works.” *Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 598 U.S. 508, 535 (2023). “[T]he question of copyright has always been joined with that of commercial value.” Jane C. Ginsburg, *Creation and Commercial Value: Copyright Protection of Works of Information*, 90 Colum. L. Rev. 1865, 1866 (1990) (Ginsburg).

This standard strikes a balance. “Protection depends on whether the work manifests authorial personality,” *id.*, that is, *Feist*’s “modicum of creativity,” 499 U.S. at 345–46. The standard encourages originality by protecting it, and by punishing and discouraging would-be free riders.

Just as important, the standard does not call upon courts to serve as critics. Copyright protection does not depend on whether the authorial “personality demonstrates either taste or talent.” Ginsburg, *supra*, at

1866. Instead, the standard puts all authors on an equal playing field and allows market forces to determine critical and commercial success.

The low threshold for copyrightability, that is, bare originality, gets an author through the courthouse door. The heart of an infringement claim is in comparing the protected work with the defendant’s work, through the objective, fact-based substantial similarity test. *See Tanksley v. Daniels*, 902 F.3d 165, 172–75 (3d Cir. 2018) (explaining test).

B. The decision below—and the Ninth Circuit’s *Towle* test that it applies—abandons the principle that copyrightability depends on originality.

1. The history of the three-element *Towle* test explains its dysfunction.

As formulated in *Towle*, the Ninth Circuit’s approach to character copyright has the guise of a legal standard: three elements, each necessary to establish a character’s copyrightability. In reality, the *Towle* test was cobbled together to reconcile disparate precedent, untethered to *Feist*’s modicum of creativity standard, and it leads to unpredictable, ad hoc decisions.

Towle lays out “a three-part test for determining whether a character in a comic book, television program, or motion picture is entitled to copyright protection”:

1. “the character must generally have ‘physical as well as conceptual qualities’”;

2. “the character must be ‘sufficiently delineated’ to be recognizable as the same character whenever it appears”; “[c]onsidering the character as it has appeared in different productions, it must display consistent, identifiable character traits and attributes, although the character need not have a consistent appearance”;
3. “the character must be ‘especially distinctive’ and ‘contain some unique elements of expression.’”

Towle, 802 F.3d at 1021. *Towle* applies this test to hold that the Batmobile is protected by copyright. *Id.* at 1021–23.

The origins of the test belie any foundation in the standards set by the Copyright Act and this Court in *Feist* as a basis for copyright protection.

a. Warner Bros. denies character copyrightability; *Air Pirates* limits Warner Bros.

In *Warner Bros. Pictures v. Columbia Broadcasting System*, 216 F.2d 945 (9th Cir. 1954), the Ninth Circuit held that an author (Dashiell Hammett) could sell the copyright to one of his stories (The Maltese Falcon) and then reuse the characters from that story (such as Sam Spade) in other stories without infringing the copyright. *Id.* at 946, 950. More generally, the court held that characters within a work are not protected by copyright. “The characters of an author’s imagination and the art of his descriptive talent ... are always limited and always fall into limited

patterns,” and as a result, it would be “unreasonable” to allow copyright in a character, and it would run contrary to copyright’s purpose of “encourag[ing] the production of the arts.” *Id.* at 950. In the language of *Feist*, this decision effectively held that, with rare exceptions, *originality* in characters is categorically impossible.⁴

The Ninth Circuit sought to limit *Warner Bros.* in its next decision addressing this issue. In *Walt Disney Productions v. Air Pirates*, 581 F.2d 751 (9th Cir. 1978), the Ninth Circuit held that Disney’s cartoon characters were protected by copyright. Unable to overrule *Warner Bros.*, the decision limited *Warner Bros.*’ extreme position to “literary characters.” *Air Pirates*, 581 F.2d at 755; cf. *Gaiman v. McFarlane*, 360 F.3d 644, 660 (7th Cir. 2004) (Posner, J.) (saying of *Warner Bros.*, “That decision is wrong”).

The decision subtly recast *Warner Bros.*’ categorical rejection of character copyright into something milder. *Air Pirates* read *Warner Bros.* to mean that “it is *difficult* to delineate distinctively a literary character”; “*many* literary characters may embody little more than an unprotected idea.” *Air Pirates*, 581 F.2d at 755 (emphasis added). Thus, while *Warner Bros.* appeared to say that no

4. The decision made an exception for a case in which “the character really constitutes the story being told,” *Warner Bros.*, 216 F.2d at 950, which has become the alternative, “‘story being told’ test” for character copyright. See *Daniels*, 958 F.3d at 773–74; *Rice v. Fox Broadcasting Co.*, 330 F.3d 1170, 1176 (9th Cir. 2003); *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co., Inc.*, 900 F. Supp. 1287, 1296–97 (C.D. Cal. 1995); cf. *JB Oxford & Co. v. First Tennessee Bank Nat. Ass’n*, 427 F. Supp. 2d 784, 798 (M.D. Tenn. 2006) (referring to test).

characters are copyrightable, *Air Pirates* read it to say that *literary* characters are *usually* not copyrightable.

This limit allowed *Air Pirates* to hold that the Disney characters at issue were protected by copyright. *Air Pirates* reasoned that copyrightability comes more easily “[w]hen the author can add a visual image”: “a comic book character, *which has physical as well as conceptual qualities*, is more likely to contain *some unique elements of expression*.” *Air Pirates*, 581 F.2d at 755 (emphasis added). The italicized phrases would become elements of the *Towle* test.

This language hints at an originality standard. It suggests that “some unique elements of expression”—a standard roughly equivalent to “a modicum of creativity”—legally suffice to establish copyrightability. It suggests that a character possessing physical qualities is “more likely” to cross that threshold. But it never actually states a standard for character copyrightability. The Ninth Circuit’s approach evolved in a different direction.

b. *Olson* and *Rice* add further complications.

The Ninth Circuit’s next two decisions on character copyright added additional complications.

In *Olson v. National Broadcasting Co.*, 855 F.2d 1446 (9th Cir. 1988), the court held that the defendant’s show “The A-Team” did not infringe on the copyright of the plaintiff’s pilot screenplay and treatment for a series called “Cargo.” The decision compared the shows’ characters. *See id.* at 1451–53. It relied on *Warner Bros.* and

distinguished *Air Pirates*. It cited *Warner Bros.* for the rule that “characters ordinarily may not be copyrighted,” but it recognized that some “cases subsequent to *Warner Bros.*,” including *Air Pirates*, “have allowed copyright protection for characters,” so long as the characters were “*especially distinctive*.” *Id.* (emphasis added).

The italicized phrase would become an element of the *Towle* test. The phrase implies that for copyright protection, a character needs something more than a modicum of creativity. Not just distinctive from what came before, but *especially* distinctive.

Like *Air Pirates*, however, *Olson* never actually stated a standard for character copyrightability. It resisted drawing a clear line. After citing *Warner Bros.* and seeming to rely on it, it backed away, acknowledging that “the statements in *Warner Bros.* concerning the unprotectability of characters” might be “considered to be dicta.” *Id.* at 1452. Then it held for the defendant because it found that the plaintiff’s characters would be unprotected “even under the more lenient standards adopted elsewhere,” specifically the Second Circuit’s distinctiveness test, which we discuss below. *Id.* at 1452–53.

Next, in *Rice v. Fox Broadcasting Co.*, 330 F.3d 1170 (9th Cir. 2003), the Ninth Circuit held that a masked magician character appearing in a home video was not copyrightable. *Id.* at 1175–76. It found that the magician was not “*sufficiently delineated* to warrant copyright protection.” *Id.* (emphasis added). It contrasted the magician with Godzilla, James Bond, and Rocky Balboa—characters “that have received copyright protection” in

district court decisions because they “have displayed *consistent, widely identifiable traits*.” *Id.* (emphasis added). These italicized phrases would become part of the *Towle* test, though *Rice* did not present them as general requirements for character copyrightability. The court found that the magician, in contrast to those characters, “appeared in only one home video that sold approximately 17,000 copies,” he “is dressed in standard magician garb,” “and his role is limited to performing and revealing the magic tricks.” *Rice*, 330 F.3d at 1175.

This reasoning mixes originality with fame. It may be that the magician’s stereotypical clothing and actions made him insufficiently delineated—insufficiently original—to warrant copyright protection. But the decision also discusses the commercial performance of his video. This should not affect his copyrightability. *See Darden v. Peters*, 488 F.3d 277, 287 (4th Cir. 2007) (“a work is copyrightable at the time of its creation or not at all,” and evidence of a work’s “commercial success over time” does not tend to show “originality”), *citing Paul Morelli Design, Inc. v. Tiffany & Co.*, 200 F. Supp. 2d 482, 487–89 (E.D. Pa. 2002) (“commercial success,” like the “sweat of the [author’s] brow,” does not have “anything to do with whether an author’s work is original” and therefore copyrightable).

Conversely, it may be that Godzilla, James Bond, and Rocky Balboa, in addition to their fame, display *original* traits; *Rice* doesn’t say. Instead, the decision says their traits are “consistent” and “widely identifiable,” which would seem mainly to reflect the number of works in which they appear and their commercial success. *Rice*, 330 F.3d at 1175.

These two decisions thus shifted the Ninth Circuit away from the originality standard that was implied but not adopted in *Air Pirates*. The decisions introduced other potential requirements: *especial* distinctiveness; sufficient delineation (which, on its own, resembles originality); and consistent, widely identifiable traits, which seem to depend in part on fame and exposure.

c. *Halicki Films* lumps these cases together.

The Ninth Circuit first brought together *Warner Bros.*, *Air Pirates*, *Olson*, and *Rice* in the appeal from the petitioners' prior copyright suit against the Shelby respondents, based on the GT500E, an exact copy of Remake Eleanor. In discussing whether "the Eleanor character" qualifies "for copyright protection," *Halicki Films* cited and quoted all these decisions, using the same language that would make its way into the *Towle* test. *Halicki Films*, 547 F.3d at 1224. *Halicki Films* did not present this language as elements of a test.

Although *Halicki Films* did not ultimately decide the copyrightability issue, it noted that Eleanor appeared to satisfy the prior decisions' criteria for a copyrightable character: "The Eleanor character can be seen as more akin to a comic book character than a literary character," that is, she possesses physical as well as conceptual characteristics, per *Air Pirates*; "Eleanor 'display[s] consistent, widely identifiable traits,' see *Rice*, 330 F.3d at 1175"; and Eleanor "is 'especially distinctive,' see *Olson*, 855 F.2d at 1452." *Halicki Films*, 547 F.3d at 1224–25.

Gone is any connection to originality as the basis for copyrightability. Instead, starting with *Halicki Films*,

the Ninth Circuit takes guidance only from the jumble of its own prior decisions.

d. *Towle* and *Daniels* formalize this disparate language into a three-part test.

Towle relied heavily on *Halicki Films* in formalizing the disparate language of Ninth Circuit precedent into its “three-part test for determining whether a character in a comic book, television program, or motion picture is entitled to copyright protection.” *Towle*, 802 F.3d at 1021. The court reiterated this test in *Daniels v. Walt Disney Co.*, 958 F.3d 767 (9th Cir. 2020).

Towle held that on this test, the Batmobile was protected by copyright. *Towle*, 802 F.3d at 1022. *Towle* cited *Halicki Films* for the premise “that an automotive character can be copyrightable.” *Towle*, 802 F.3d at 1019. The Batmobile satisfied the first element, “physical as well as conceptual qualities,” because it “has appeared graphically in comic books, and as a three-dimensional car in television series and motion pictures.” *Id.* at 1021. It is not merely a literary character. The Batmobile satisfied the second element—its traits are sufficiently delineated, consistent and identifiable, and it is recognizable—because, for example, it effectively helps Batman fight crime, and it features advanced weapons and technology. *Id.* at 1021–22. It satisfied the third element, especial distinctiveness, because of these same traits, along with “its unique and highly recognizable name.” *Id.* at 1022.

Daniels, conversely, applied the same test to hold that the plaintiff’s cartoon characters The Moodsters were not

protected by copyright. *Daniels*, 958 F.3d at 771–73. The Moodsters satisfied the first element because they “are not mere literary characters.” *Id.* at 771. But they failed the second element because their traits in early works differ from their traits in later works. *Id.* at 771–73.

These same changes from earlier to later works made The Moodsters not “especially distinctive,” the third element: the court considered only their traits that had remained consistent across all works, and found those insufficient. *Id.* at 773.

With these two decisions, then, the Ninth Circuit locked itself into a convoluted, ad hoc test for character copyright, with no connection whatsoever to the lodestar of copyrightability: originality.

2. The decision below demonstrates that the Ninth Circuit’s character copyright test in *Towle* is unmoored from the Constitution’s originality principle.

This line of cases set the stage for the decision below. In it, the concept of *originality* plays no role. The word “originality” does not appear. The decision uses the word “original” only to distinguish the 1974 original version of *Gone In 60 Seconds* from the 2000 remake. *See* App.1a–20a.

The decision disagrees with *Halicki Films* and holds that under the *Towle* test, Eleanor “is not entitled to copyright protection.” App.13a. The decision does not address whether Eleanor possesses a modicum of creativity. It holds only that Eleanor does not possess the

various elements the Ninth Circuit has come to demand of copyrightable characters.

a. The decision holds that copyright protection of characters is limited to those that possess “anthropomorphic qualities.”

Towle and *Daniels* had treated the first element like a rubber stamp: the Batmobile appears on TV and in a film; The Moodsters are cartoons; therefore, they possess physical as well as conceptual qualities and are not bound by *Warner Bros.*’ rejection of copyright for literary characters. Indeed, the district court here found likewise regarding Eleanor, because she appears in films: “The parties do not dispute the first element, which is readily met.” App.31a (footnote omitted).

The decision below, however, abstracts the phrase “conceptual qualities” from its origins and inverts its meaning. The decision uses the phrase to divide visually depicted characters into two kinds: those that possess only physical qualities, and those that also possess certain special conceptual qualities “that all [copyrightable] characters inherently possess”: “anthropomorphic qualities.” App.8a. These qualities include “acting with agency and volition, displaying sentience and emotion, expressing personality, speaking, thinking, or interacting with other characters or objects.” App.8a.

We know of no district court or Circuit Court decision before the decision below deciding copyrightability based on “anthropomorphic qualities.” The decision cites none. Instead, the decision relied on an amicus brief of “20

Professors of Law and Public Knowledge.” *See* App.10a.⁵ That the decision adopted this rule from an academic amicus brief confirms what was already apparent. The analysis of “sentience and emotion” as aspects of character belongs in university classrooms, not courtrooms. It is an unworkable basis for a legal standard, disconnected from any other point of copyright law in any statute or court decision.

The problems with the rule are clear from how the decision applies it—and the facts that the decision ignores. The decision holds that Eleanor lacks anthropomorphic qualities because she “is always driven by the film’s protagonists” and “expresses no sentience, emotion, or personality.” App.10a. To the latter point, the remake of *Gone in 60 Seconds* includes two obvious counterexamples.

First, Eleanor stalls mid-chase after Raines knocks off her mirror. The decision outright ignores this example. Raines himself, however, attributes it to Eleanor’s feelings, assuring Eleanor that the mirror can be fixed and begging her to start again because he “need[s]” her—and she starts again. *Gone* (2000), at 1:34:58. He himself, the main human character, treats Eleanor like

5. Citing Br. 20 Professors Law Public Knowledge Amici Curiae Supporting Appellants, ECF No. 46. Though the signatories are law professors, their brief cites scholarly sources mainly from the fields of English and literary studies, not law. *See id.* at v–viii (citing works titled “Willful Parts: Problem Characters or the Problem of Character”; “Elements of Fiction Writing: Characters and Viewpoint”; etc.). The amicus brief does not cite *Feist*. *Id.* The ultimate thrust of the brief is that characters should not be protected by copyright, *id.* at 20—a position no federal appellate court has taken.

another character who possesses sentience, emotion, and personality—not just a car—and she responds.

Second, Eleanor stalls again at the end of the film after Raines climbs in with his girlfriend (Angelina Jolie). *Gone* (2000), at 1:51:22. The decision skews the context of this example, asserting, “A reasonable viewer attributes the breakdown to the car’s poor condition, not Eleanor’s feelings.” App.10a n.4. But Raines and the other characters have been discussing Eleanor in anthropomorphic terms throughout the film.⁶ By the end, a reasonable viewer would far more likely view Eleanor’s stalling as an expression of jealousy rather than a mechanical coincidence. Raines certainly does: the film closes with his pleading to her, “Don’t do this to me.” *Gone* (2000), at 1:51:22.

The decision’s disregard for these displays of Eleanor’s “anthropomorphic” qualities underscores the unpredictable way this standard will be applied. How obvious must an anthropomorphic feature be for a character to qualify for copyright protection? And how is an author to know whether their work will be protected, when their subtle means of characterization, however original, will be second-guessed by jurists whose literary tastes may dispose them toward only the most obvious “personality” traits?

The decision tries to suggest an origin for this rule in *Towle*, asserting that the Batmobile is “an autonomous-driving car with substantial intelligence.” App.10a. But

6. *E.g.*, *Gone* (2000), at 0:22:58 (detective asks Raines, “Eleanor tell you that?”), 0:47:30 (character says Raines is “[t]rying to get reacquainted” with Eleanor), 1:27:45 (Raines tells Eleanor, “you take care of me, I’ll take care of you”).

only the professors’ amicus brief describes this purported trait of the Batmobile—not *Towle*. *See id.* To the contrary, *Towle* all but rejected a requirement of “anthropomorphic qualities.”

Towle expressly held that a character can be protected *even if* the character “lacks sentient attributes and does not speak,” *Towle*, 802 F.3d at 1021—two of the anthropomorphic qualities listed by the decision below. App.8a. The decision below does not overrule *Towle*, but it does not explain how to reconcile its rule with *Towle*’s. The decisions are in direct conflict. Per *Towle*, 802 F.3d at 1021, a character does not need “sentient attributes” or the ability to speak to receive copyright protection; per the decision below, App.8a, a character does need “anthropomorphic qualities” such as “sentience” and “speaking.”

The decision’s analysis of this point also departs from *Towle*’s description of the Batmobile. *Towle* describes the Batmobile as a tool for *Batman* to drive and use, not as an entity with independent agency or thought. The Batmobile has “sleek and powerful characteristics that *allow Batman to maneuver quickly while he fights villains*”; its “gadgets and weaponry” are “*used to aid Batman in fighting crime*.” *Towle*, 802 F.3d at 1021 (emphasis added). These traits supported *Towle*’s conclusion that the Batmobile is protected by copyright; yet the decision below denied protection to Eleanor in part because some of Eleanor’s traits had to be brought out by the human protagonist—like the Batmobile’s.

Towle also describes the Batmobile metaphorically. Thus, the Batmobile is “ready to leap into action to *assist*

Batman in his fight against Gotham’s most dangerous villains”; it is “waiting ‘[l]ike an impatient steed’” “before it ‘tears after the fleeing hoodlums.’” *Id.* at 1015, 1021 (emphasis added). But this language ascribes “anthropomorphic qualities” to the Batmobile only in an imaginative way, no different from how Eleanor is elusive, temperamental, or good at evading police.

The opinion’s rule about “anthropomorphic qualities” is unpredictable and unworkable. It also sharply limits the range of “characters” that might qualify for copyright protection. On the one hand, *Towle* said that copyright protects all of a work’s “‘distinctive’ elements,” not just characters. *Towle*, 802 F.3d at 1019. This follows from the second part of a copyright infringement claim, “copying of constituent *elements* of the work that are original.” *Feist*, 499 U.S. at 361 (emphasis added). On the other hand, the decision below reserves protection for “elements” that are sentient or clearly display other human-like traits. If governed by this rule, many highly original, distinctive elements of films and other works can never receive copyright protection, such as the highly distinctive, unique vehicles of *Star Wars*, or animal characters central to a story but insufficiently human-like.

Eleanor herself illustrates the problem with this requirement. She is a uniquely customized car character central to the story of both *Gone in 60 Seconds* films. That is why her fans will pay six-figure prices for accurate replicas. Her originality carries commercial value. To reserve that value for her author or the author’s assignee is the very purpose of copyright law. The decision below, however, denies that value and allows others to copy her without compensation—because she is not sentient, or not sentient in the right ways. This cannot be right.

In short, the requirement of “anthropomorphic qualities” has nothing to do with originality or any other copyright concept. It severely narrows the scope of copyright protection, and it invites litigation over whether a character is sufficiently “anthropomorphic” to merit copyright protection.

b. The decision illustrates that the requirement of possessing “consistent, identifiable traits” is arbitrary and contrary to originality.

Second, Eleanor is purportedly not “sufficiently delineated to be recognizable as the same character whenever it appears” and does not “display[] consistent, identifiable character traits and attributes.” App.11a–13a. The decision notes, for example, that Eleanor sometimes appears undamaged, but sometimes appears with “damage rang[ing] from body damage incurred by a police chase, to cosmetic damage, to being entirely shredded for scrap.” App.12a. She does not display all her traits in every scene. App.11a–12a. And in some scenes Eleanor is recognizable only because the other characters discuss her by name. App.11a. The decision does not deny that the viewer recognizes Eleanor in each appearance. Instead, the decision finds that Eleanor fails to exceed some arbitrary, undefinable hurdle of consistency and recognizability.

The muddle of this element allows the decision below, and any court confronting character copyrightability, to draw the line where it likes. Like any other character, Eleanor is not *perfectly* consistent: she appears in various guises as the context of the film demands. The decision identifies supposed “inconsistencies” and finds against her.

App.11a–12a. But the problem is not with Eleanor, it is with the standard itself, in its failure to draw an objective, predictable line.

Many characters' appearance changes significantly from scene to scene, without in any way undermining their recognizability or delineation. James Bond can change from a tuxedo into swim trunks, or get bruised or bloodied in a fight. He remains James Bond. The Batmobile's appearance changes significantly, both from damage it incurs during a film and from one work to another. As *Towle* recognized, it remains the Batmobile. These changes should not undermine copyrightability.

As for underlying personality traits, it is common, even expected, for characters to undergo a change in the course of a work. A cowardly character becomes brave; a selfish character learns the value of generosity; a prideful character is brought low by misfortune. The decision below suggests these changes put a character's copyright protection in jeopardy. Its rule limits copyright protection to flat, unchanging characters.

Indeed, the requirement of consistency cuts against the originality standard. For example, in *Daniels*, the court concluded that The Moodsters were not copyrightable in part because in some works, The Moodsters "have an insect-like appearance, with skinny bodies, long ears, and tall antennas that act as 'emotional barometers' to form a distinctive shape and glow when an emotion is strongly felt"; but in other works, "The Moodsters look like small, loveable bears. They are round and cuddly, have small ears, and each dons a detective's hat and small cape." *Daniels*, 958 F.3d at 772. From these descriptions, these

characters sound highly original in each iteration. But the requirement of consistency causes their different *ways* of being original to cancel each other out. This approach cannot be squared with the principle that copyright law should promote originality.

Likewise here, the decision below reasoned that because Eleanor in the original *Gone in 60 Seconds* looks different from Remake Eleanor (though each is distinctive), and because Remake Eleanor undergoes changes within the course of the film (a mark of originality), Eleanor is somehow insufficiently consistent for copyrightability, App.11a–12a—even though the audience always recognizes her when she appears.⁷

c. The decision illustrates the arbitrary nature of the “especially distinctive” requirement.

Third, Eleanor is purportedly “not especially distinctive.” App.12a. The decision discusses several of Eleanor’s defining features, including her feminine name; her appearance as a customized Mustang with “black stripes”; her traits of being stolen repeatedly, incurring

7. Consider also the decision’s conclusion that being hard to steal is not one of Eleanor’s character traits because “most [Eleanors] were stolen with little difficulty.” App.11a–12a. In the original *Gone in 60 Seconds*, it takes *five* attempts to steal Eleanor and recover her undamaged. *Gone* (1974), at 0:13:08, 0:19:41, 0:27:00, 0:46:20, 0:52:47, 1:29:35. In the remake, characters refer to many failed past attempts, and the only on-screen attempt leaves Eleanor severely damaged. *Gone* (2000), at 0:22:38, 0:47:20, 1:20:41, 1:27:38, 1:38:40. One wonders what level of difficulty the panel would have considered sufficient to establish this trait.

damage while “driven in a climactic police chase,” and (with her driver) being “‘good at evading police’ and ‘surviving spectacular jumps.’” App.4a, 12a. The decision does not mention any other car that possesses this set of features. But the decision ultimately concludes, “Nothing distinguishes Eleanor from any number of sports cars appearing in car-centric action films.” App.12a. According to this Ninth Circuit panel, Eleanor is distinctive, to some degree, but not distinctive *enough*.

This is an arbitrary, undefinable standard. Eleanor herself provides the clearest illustration of this. The previous panel found her “especially distinctive,” *Halicki Films*, 547 F.3d at 1225; this panel did not, App.12a.

This arbitrary line-drawing should not matter. It is clear that Remake Eleanor is sufficiently distinctive to possess commercial value: respondents have decided to copy nearly all of her features in the GT500CR. Copyright law ought to recognize and protect Eleanor’s originality and prevent this copying.

* * *

Eleanor is a poster child for the failure of the Ninth Circuit’s approach to character copyright. Based on its own prior decisions, in 2008, the Ninth Circuit concluded in dicta that Eleanor probably is copyrightable. *Halicki Films*, 547 F.3d at 1224–25. Based on those same decisions, and on *Halicki Films* itself, the Ninth Circuit in *Towle* formally adopted a test for character copyright. Yet here we are almost twenty years later, litigating the very same issue, under what purports to be the same standard, and the district court and Ninth Circuit have come up with the opposite answer.

No wonder. The *Towle* test is arbitrary, and the decision below has cut any connection it ever had to other copyright law. The test has nothing to do with the defining copyrightability standard laid out in the Constitution, *Feist*, and the Copyright Act: originality.

The Ninth Circuit’s approach to character copyright creates uncertainty and spawns litigation. It is as good as no standard at all. Even worse, it is the governing standard of the Circuit that probably sees more copyright cases than any other, and it therefore has major commercial and economic consequences.

The Ninth Circuit has strayed far from the originality standard. The Court should grant review.

II. REVIEW IS NECESSARY TO SETTLE A LONGSTANDING CIRCUIT SPLIT REGARDING THE TEST FOR WHETHER A CHARACTER IS ENTITLED TO COPYRIGHT PROTECTION.

A. The courts agree that characters are copyrightable but disagree over the standard.

The Copyright Act does not specify whether characters are copyrightable. Instead, the Act affords protection to “original works of authorship fixed in any tangible medium of expression,” and it lists eight categories of works, many of which can include characters as elements. 17 U.S.C. § 102(a). As a result, every Circuit Court to consider the issue has acknowledged that characters can be protected by copyright. (The Ninth Circuit’s early *Warner Bros.* decision was an outlier, which the Circuit’s own subsequent decisions all but overrule. *See* pp. 12–16, *supra*.)

It makes sense for characters to be copyrightable. Characters can manifest great originality, often outshining and outliving the works in which they appear and carrying substantial economic value. Protecting them encourages this originality.

Though the courts uniformly recognize characters' copyrightability, they do not apply a uniform standard. As noted, the Ninth Circuit applies the *Towle* test, which petitioners submit is completely detached from the standard of originality.⁸ See pp. 11–24, *supra*. In contrast, the Second, Seventh, and Eleventh Circuit Courts of Appeal apply a rule that fits *Feist*'s “originality” standard. In these Circuits, copyrightability of an independently created character, as of any work of authorship, requires only a modicum of creativity. See *Feist*, 499 U.S. at 345–46. A character need only be distinctive from a stock character. Remake Eleanor easily satisfies this rule.

The Court should grant review to resolve this acknowledged Circuit split, adopt the Second, Seventh, and Eleventh Circuits' rule to make character copyrightability follow the same standard as other copyrightability questions, and ultimately hold that Remake Eleanor satisfies this standard.

8. We know of no Circuit Court decision outside the Ninth Circuit that has cited *Towle* or *Daniels*. A handful of district court decisions outside the Ninth Circuit have cited *Towle* and *Daniels* on character copyright, but never to formally adopt the *Towle* test. See *Wozniak v. Warner Bros. Ent. Inc.*, 726 F. Supp. 3d 213, 230 (S.D.N.Y. 2024); *Clancy v. Jack Ryan Enters., Ltd.*, No. ELH-17-3371, 2021 WL 488683, at *38–39 (D. Md. Feb. 10, 2021); *Conan Props. Int'l LLC v. Sanchez*, No. 17-cv-162, 2018 WL 4522099, at *13 (E.D.N.Y. June 8, 2018); *Culver Franchising Sys., Inc. v. Steak 'N Shake Inc.*, No. 16 C 72, 2016 WL 4158957, at *7 (N.D. Ill. Aug. 5, 2016).

B. The Second, Seventh, and Eleventh Circuits hold that characters warrant copyright protection to the extent that they are distinctive from mere stock characters.

The Second, Seventh, and Eleventh Circuits apply a standard to character copyright that follows *Feist*'s originality standard.

Their standard originates with Judge Learned Hand, writing for the Second Circuit. In *Nichols v. Universal Pictures Corp.*, 45 F.2d 119 (2d Cir. 1930), Judge Hand hypothesized that two plays, "quite independently of the 'plot' proper," may correspond closely enough "as to the characters" to constitute infringement: "If Twelfth Night were copyrighted, it is quite possible that a second comer might so closely imitate Sir Toby Belch or Malvolio as to infringe." *Id.* at 121. However, "it would not be enough" to constitute infringement "that for one of his characters he cast a riotous knight who kept wassail to the discomfort of the household, or a vain and foppish steward who became amorous of his mistress." *Id.* That would copy only the ideas behind those characters. "It follows that the less developed the characters, the less they can be copyrighted; that is the penalty an author must bear for marking them too indistinctly." *Id.*; see also *Detective Comics v. Bruns Publ'ns*, 111 F.2d 432, 433 (2d Cir. 1940) (defendant's "Wonderman" comics infringed on the plaintiff's "Superman" comics; because the plaintiff's Superman character "involves more than the presentation of a general type he may copyright it").

Judge Posner addressed character copyrightability on behalf of the Seventh Circuit in *Gaiman*, 360 F.3d 644.

Citing *Nichols*, the Seventh Circuit adopted the Second Circuit’s approach: a character attains copyright protection by being “distinctive” from a generic “stock character,” and to the extent that it is distinctive. *Gaiman*, 360 F.3d at 659–61. *Gaiman* says one “could not copyright a character described merely as an unexpectedly knowledgeable old wino.” *Id.* at 660. But give that character “a specific name and a specific appearance,” and the result is different. *Id.* For example, regarding a certain comic book character, *Gaiman* holds that his “age, obviously phony title (‘Count’), what he knows and says, his name, and his faintly Mosaic facial features combine to create a *distinctive character*. No more is required for a character copyright.” *Id.* at 660 (emphasis added).⁹

The Eleventh Circuit has cited *Nichols* and adopted this same standard. See *Herzog v. Castle Rock Ent.*, 193 F.3d 1241, 1258–59 (11th Cir. 1999) (citing *Nichols*, 45 F.2d 119, and holding that the characters at issue are similar only with respect to an “uncopyrightable idea”).¹⁰ Under the rule of these decisions, characters obtain copyright

9. See also *Silverman v. CBS Inc.*, 870 F.2d 40, 49–50 (2d Cir. 1989) (“Amos ‘n’ Andy” “were sufficiently delineated in the pre-1948 radio scripts” to be recognized by copyright law); *Klinger v. Conan Doyle Estate, Ltd.*, 755 F.3d 496, 503 (7th Cir. 2014) (“Holmes and Watson were distinctive characters” and “therefore copyrightable.”).

10. In its decision, pre-*Towle*, on the issue of character copyright, the Eighth Circuit cited and relied on the Second Circuit’s decision in *Silverman*, 870 F.2d 40, and the Seventh Circuit’s decision in *Gaiman*, 360 F.3d 644—but also cited and relied on the Ninth Circuit’s decision in *Rice*, 330 F.3d 1170, for its “consistency” requirement. See *Warner Bros. Ent., Inc. v. X One X Prods.*, 644 F.3d 584, 597–602 (8th Cir. 2011). It is unclear what approach the Eighth Circuit would take now.

protection if “sufficiently delineated”—beyond mere stock characters.

In addition to distinguishing the original from the derivative, these decisions map the boundary between unprotected ideas and protected expression. *See* 17 U.S.C. § 102(b) (copyright protection does not extend to ideas). “[C]opyrights protect ‘expression’ but not the ‘ideas’ that lie behind it.” *Google LLC v. Oracle Am., Inc.*, 593 U.S. 1, 18 (2021). A stock character is an idea; an author’s additional, individual delineation is the expression that copyright protects.

Remake Eleanor easily satisfies this standard. She is not a stock car. No car from before the *Gone in 60 Seconds* remake possesses her unique combination of physical features; no car from before the remake possesses her unique combination of character traits. *See* pp. 2–3, *supra*. She manifests the “modicum of creativity,” and then some, that *Feist* requires for copyright protection. *Feist*, 499 U.S. at 345.

C. The Court should adopt the distinctiveness test.

This split between the Circuit Courts of Appeal is real, deep, and disruptive. The split leaves “the standard for character copyrightability fractured.” Caitlin E. Oh, *Inside Out, Upside Down: Circuit Court Confusion Over Character Copyrightability*, 72 Emory L. J. 629, 634 (2023) (Oh).¹¹ “[N]ew content is constantly uploaded” to the

11. *See also* Zahr K. Said, *Fixing Copyright in Characters: Literary Perspectives on a Legal Problem*, 35 Cardozo L. Rev. 768, 783–87 (2013) (lamenting this Circuit split).

internet, much of it including novel, original characters. *Id.* But “disparate and heightened standards for an author to achieve copyright protection may leave an immense amount of work unprotected.” *Id.* at 634–35.

Because of the Circuit split, the outcome of a character copyright claim depends on where it is brought. An original character embodying a modicum of creativity is protected by copyright in the Second, Seventh, and Eleventh Circuits. It is not protected in the Ninth Circuit unless it also possesses anthropomorphic qualities and crosses arbitrary thresholds of consistency and especial distinctiveness.

Copyright law needs “a uniform standard to determine character copyrightability.” Oh, *supra*, at 635. *Feist* tells us that copyright protects what is original: the result of “independent creation plus a modicum of creativity.” *Feist*, 499 U.S. at 345–46. The distinctiveness test makes character copyright follow the originality standard. The Ninth Circuit’s *Towle* test does not. The Court should resolve the split and adopt the distinctiveness test.

CONCLUSION

For the foregoing reasons, petitioners respectfully submit that the petition for writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX

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**APPENDIX A — OPINION OF THE UNITED STATES
COURT OF APPEALS FOR THE NINTH CIRCUIT,
FILED MAY 27, 2025**

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

No. 23-3731
D.C. No. 8:20-cv-01344-MCS-DFM

CARROLL SHELBY LICENSING, INC.,
A CALIFORNIA CORPORATION;
CARROLL HALL SHELBY TRUST,

Plaintiff-ctr-defendants-Appellees,

v.

DENICE SHAKARIAN HALICKI,
AN INDIVIDUAL; ELEANOR LICENSING, LLC,
A DELAWARE LIMITED LIABILITY COMPANY;
GONE IN 60 SECONDS MOTORSPORTS, LLC,
A DELAWARE LIMITED LIABILITY COMPANY,

Defendant-ctr-claimants-Appellants,

CLASSIC RECREATIONS, LLC;
JASON ENGEL; TONY ENGEL; SPEEDKORE
PERFORMANCE GROUP, LLC,

Counter-defendants-Appellees.

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No. 23-4008

D.C. No. 8:20-cv-01344-MCS-DFM

CARROLL SHELBY LICENSING, INC.;
CARROLL HALL SHELBY TRUST,

Plaintiff-ctr-defendants-Appellants,

v.

DENICE SHAKARIAN HALICKI;
ELEANOR LICENSING, LLC; GONE IN
60 SECONDS MOTORSPORTS, LLC,

Defendant-ctr-claimants-Appellees,

CLASSIC RECREATIONS, LLC; JASON ENGEL;
SPEEDKORE PERFORMANCE GROUP, LLC;
TONY ENGEL,

Counter-defendants-Appellees.

Appeal from the United States District Court for the
Central District of California
Mark C. Scarsi, District Judge, Presiding

Argued and Submitted March 24, 2025,
Pasadena, California

Filed May 27, 2025

*Appendix A***OPINION**

KERNODLE, District Judge:

The central question in this case is whether “Eleanor” is a copyrightable character. Eleanor is a collection of Ford Mustangs featured across four films, most recently in *Gone in 60 Seconds* (2000). Appellants argue that Eleanor is copyrightable under this Court’s test for independent character copyright protection. *See DC Comics v. Towle*, 802 F.3d 1012, 1021 (9th Cir. 2015).

But Appellants’ argument stalls at the starting line: we hold that Eleanor is not a character, much less a copyrightable one. As explained below, we affirm in part and reverse in part.

I. Background**A. The Films**

At the heart of this case are four films: *Gone in 60 Seconds* (1974), *The Junkman* (1982), *Deadline Auto Theft* (1983), and the remake of *Gone in 60 Seconds* (2000). The films feature several Ford Mustangs called “Eleanor.” A summary of each film is helpful to the forthcoming analysis.

In the original *Gone in 60 Seconds*, the film’s protagonist and his team are tasked with stealing forty-eight types of cars. To discuss the targets discreetly, each type of vehicle is assigned a common, feminine codename

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such as “Donna” or “Karen.” One target, a yellow Fastback Ford Mustang with black stripes, is designated “Eleanor.” The protagonist encounters four “Eleanors” throughout the film, stealing all of them and driving one in a climactic police chase.

In a meta turn, *The Junkman* features a protagonist who is the fictional director of *Gone in 60 Seconds*—a film within the film. The plot involves the protagonist evading an assassination attempt before the fictional premiere of *Gone in 60 Seconds*. “Eleanor” is made to look like the vehicle that the protagonist drove and severely damaged in the climactic police chase in *Gone in 60 Seconds*. The side of the car is painted with the message: “‘Eleanor’ from the movie *Gone in 60 Seconds*,” and a pull quote exclaiming, “The most hair raising chase scene ever filmed!”

Deadline Auto Theft recycles and repurposes footage from the first two films in service of a slightly revised plot of the original *Gone in 60 Seconds*. Accordingly, Eleanor’s appearances are largely the same as in the original.

The *Gone in 60 Seconds* remake features a familiar plot. The protagonist must steal fifty cars within a few days to save his brother’s life from a gangster. Again, a common, feminine codename is designated for each type of car targeted. This time, “Eleanor” is the codename for a Shelby GT-500 Ford Mustang. Two versions of Eleanor appear in the film. The first is gray with black stripes and is stolen by the protagonist and driven in a climactic police chase. The second is rusty and stripped of paint, gifted to the protagonist at the film’s conclusion.

*Appendix A***B. Preceding Litigation**

This case is not the beginning of the parties' disagreement.¹ Halicki owns the copyrights to the first three films and the merchandising rights to Eleanor as it appears in the remake film. After the remake's release in the early 2000s, Shelby licensed a custom car shop to produce "GT-500E" Mustangs. Believing that the car unlawfully copied Eleanor's design, Halicki filed suit against Shelby and the car shop for several claims, including copyright infringement. Halicki and Shelby ultimately settled the lawsuit in 2009.

The peace did not last. Shortly after the settlement, Shelby licensed CR to produce "GT-500CR" Mustangs. Halicki interpreted this as a violation of the settlement agreement. Accordingly, Halicki contacted GT-500E owners and auction houses to assert a copyright interest in the vehicles, and also contacted CR to demand they cease and desist in the production of GT-500CRs.

Shelby thereafter initiated this lawsuit, asserting several claims against Halicki, including for breach

1. Appellants and Cross-Appellees are Denice Halicki and her corporate entities Eleanor Licensing, LLC, and Gone in 60 Seconds Motorsports, LLC. For brevity, we collectively refer to these parties as "Halicki." Appellees and Cross-Appellants are Carroll Shelby Licensing, Inc., and Carroll Hall Shelby Trust. For brevity, we collectively refer to these parties as "Shelby." The remaining Appellees are Classic Recreations, LLC, and its sole members Jason Engel and Tony Engel. For brevity, we collectively refer to these parties as "CR."

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of the settlement agreement and declaratory relief. Halicki brought counterclaims, including for copyright infringement and breach of the settlement agreement. Halicki also named CR as a third-party defendant and asserted several claims, including for copyright infringement.

Three holdings by the district court are relevant in this appeal. First, in resolving cross motions for summary judgment, the district court held that Eleanor was not entitled to character copyright protection. Second, after a bench trial, the district court dismissed Halicki's breach of contract claim against Shelby based on the settlement agreement. Third, also after a bench trial, the district court denied Shelby's request for a declaration that the GT-500CR does not infringe any of Halicki's rights.

We affirm on all grounds except as to the denial of declaratory relief, which we reverse and remand for further proceedings.

II. Character Copyrightability

We begin with the question of whether Eleanor is entitled to character copyright protection.² We review questions of character copyrightability de novo. *Towle*, 802

2. Another panel of this court previously suggested that Eleanor could be a character entitled to copyright protection. *See Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1225 (9th Cir. 2008). But this was dicta. The court acknowledged it was a "fact-intensive issue [that] must be remanded to the District Court" to address in the first instance. *Id.*

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F.3d at 1019. However, because “the district court here addressed this question in detail, we consider its factual findings in analyzing this issue.” *Id.* at 1021.

A. *Towle* Test

Federal copyright law enumerates several categories of protected subject matter, such as literary works, motion pictures, and more. *See* 17 U.S.C. § 102(a). Although the statute is silent as to the protection of the characters within these enumerated works, “there is a long history of extending copyright protection to graphically-depicted characters.” *Daniels v. Walt Disney Co.*, 958 F.3d 767, 771 (9th Cir. 2020). But “not every comic book, television, or motion picture character is entitled to copyright protection.” *Id.* (quoting *Towle*, 802 F.3d at 1021) (cleaned up).

In *Towle*, we established a test to determine whether a character is entitled to copyright protection: (1) the character must have “physical as well as conceptual qualities,” (2) the character must be “sufficiently delineated to be recognizable as the same character whenever it appears” and display “consistent, identifiable character traits and attributes,” and (3) the character must be “especially distinctive” and contain “some unique elements of expression.” *Daniels*, 958 F.3d at 771 (quoting *Towle*, 802 F.3d at 1021) (cleaned up).

As we explain below, Eleanor fails at each prong of the *Towle* test. Accordingly, Eleanor is not entitled to character copyright protection.

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B. Application of the *Towle* Test to Eleanor

1. We first ask whether Eleanor is a character with “physical as well as conceptual qualities.” *Id.* Our precedent has primarily focused on “physical” qualities. *See, e.g., id.* (finding that characters satisfy prong one of *Towle* “[b]ecause they have physical qualities . . . [and thus] are not mere literary characters”); *Towle*, 802 F.3d at 1021 (finding the Batmobile satisfied prong one because it “appeared graphically in comic books, and as a three-dimensional car in television series and motion pictures, . . . and is thus not a mere literary character”); *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 755 (9th Cir. 1978) (explaining the importance of “a visual image” for character copyrightability).

But equally important are the “conceptual” qualities that all characters inherently possess. These include anthropomorphic qualities, acting with agency and volition, displaying sentience and emotion, expressing personality, speaking, thinking, or interacting with other characters or objects. *See Daniels*, 958 F.3d at 770-71 (finding “anthropomorphic emotions” to be characters that satisfy prong one); *Moonbug Entm’t Ltd. v. BabyBus (Fujian) Network Tech. Co., Ltd.*, 2023 U.S. Dist. LEXIS 242005, 2023 WL 11922845, at *7 (N.D. Cal. Mar. 7, 2023) (listing as “conceptual elements” of a character: feeling emotion, acting with agency, talking, moving, interacting with objects, and thinking); *Daniels v. Walt Disney Co.*, 2018 U.S. Dist. LEXIS 252110, 2018 WL 4849700, at *6 (C.D. Cal. Jan. 31, 2018) (listing as character traits: speaking, interacting with other characters, acting with

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agency, and personality), *aff'd*, 958 F.3d 767 (9th Cir. 2020); *Toho Co. v. William Morrow & Co.*, 33 F. Supp. 2d 1206, 1216 (C.D. Cal. 1998) (noting the morality, sentience, and actions of Godzilla’s character); *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, 900 F. Supp. 1287, 1296 (C.D. Cal. 1995) (noting the particular personality, emotions, and behaviors of James Bond’s character).

Of course, these conceptual qualities are by no means limited to human characters. Animals, objects, or even anthropomorphized emotions may possess the conceptual qualities of a character. *See, e.g., Air Pirates*, 581 F.2d at 753 & n.5, 755 (finding several animal characters “endowed with human qualities” to be copyrightable, including “Mickey and Minnie Mouse, Donald Duck, the Big Bad Wolf, the Three Little Pigs, and Goofy”); *Toho*, 33 F. Supp. 2d at 1215 (finding Godzilla is a copyrightable character); *Towle*, 802 F.3d at 1022 (finding the Batmobile is a copyrightable character); *Daniels*, 958 F.3d at 770-71 (noting “anthropomorphic emotions” were characters). Indeed, we have found a car to be a copyrightable character where it expressed personality and a demonstrated level of autonomy.³ *Towle*, 802 F.3d at 1022 (describing the Batmobile as “loyal” to Batman); *id.* at 1021 (describing the Batmobile as “waiting like an impatient steed straining at the reins shivering as its super-charged motor throbs with energy before it tears after the fleeing hoodlums”

3. We noted in *Towle* that a character can still be protectable even if it “lacks sentient attributes and does not speak (like a car).” 802 F.3d at 1021. This remains true. Sentience and the ability to talk are just two of many conceptual qualities of a character already discussed.

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(cleaned up)); *see also* Brief of 20 Professors of Law and Public Knowledge as Amici Curiae Supporting Appellants, at 15 (explaining that the Batmobile is “an autonomous-driving car with substantial intelligence—for example, politely stopping for passing children while driving itself “ to Batman’s aid).

Eleanor, however, lacks any such conceptual qualities. Indeed, Eleanor has no anthropomorphic traits. The car never acts with agency or volition; rather, it is always driven by the film’s protagonists. Eleanor expresses no sentience, emotion, or personality.⁴ Nor does Eleanor speak, think, or otherwise engage or interact with the films’ protagonists. Instead, Eleanor is just one of many named cars in the films. In this way, Eleanor is more akin to a prop than a character. Accordingly, Eleanor fails at prong one of the *Towle* test.⁵

4. Halicki suggests that Eleanor does have some anthropomorphic qualities. For example, Halicki notes that in the remake, “Eleanor’s engine sputters and dies—suggesting possible jealousy, because [the protagonist’s] girlfriend is in the car.” But this is pure speculation. Halicki is referring to the Eleanor gifted to the protagonist at the end of the remake. This version of Eleanor was rusty, old, and in clear need of maintenance work. A reasonable viewer attributes the breakdown to the car’s poor condition, not Eleanor’s feelings.

5. Halicki briefly argues that Eleanor as it appears only in the remake is also independently copyrightable under *Towle*. But Halicki cites no case where a character appeared in multiple works, and a court found the character to be copyrightability based on only a limited subset of those works. And our precedent suggests that if a character appears in multiple works, we consider all such works. *See Daniels*, 958 F.3d at 770, 773 (considering “every

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2. Turning to prong two of *Towle*, we ask whether Eleanor is “sufficiently delineated to be recognizable as the same character whenever it appears” and “display[s] consistent, identifiable character traits and attributes.” *Daniels*, 958 F.3d at 771 (quoting *Towle*, 802 F.3d at 1021). “Although a character that has appeared in multiple productions or iterations ‘need not have a consistent appearance,’ it ‘must display consistent, identifiable character traits and attributes’ such that it is recognizable whenever it appears.” *Id.* (quoting *Towle*, 802 F.3d at 1021). “By contrast, a character that lacks a core set of consistent and identifiable character traits and attributes is not protectable, because that character is not immediately recognizable as the same character whenever it appears.” *Id.* Indeed, the “key” analysis is the “persistence” of those core traits. *Towle*, 802 F.3d at 1020.

Here too, Eleanor fails. Across four films and eleven iterations in those films, Eleanor lacks consistent traits. For example, Eleanor’s physical appearance changes frequently throughout the various films, appearing as a yellow and black Fastback Mustang, a gray and black Shelby GT-500 Mustang, and a rusty, paintless Mustang in need of repair. Indeed, the latter Eleanors are unrecognizable until introduced as Eleanor by the protagonists. Halicki’s proffered Eleanor traits, moreover,

iteration” of the Moodsters including a pitchbook, a television episode, and a line of toys and books); *Towle*, 802 F.3d at 1016 (considering the Batmobile “since its creation,” including in comic books, TV shows, and films). In any event, for the same reasons already discussed, “remake Eleanor” similarly fails prong one of *Towle* and is not entitled to copyright protection.

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only serve to further highlight Eleanor's inconsistencies. Halicki claims Eleanor is always "incurring severe damage" and is "hard to steal." But fewer than half of the Eleanors ever appear damaged at all, and the damage ranges from body damage incurred by a police chase, to cosmetic damage, to being entirely shredded for scrap. And of the Eleanors stolen by the films' protagonists, most were stolen with little difficulty. Halicki also claims that Eleanor is "good at evading police" and "surviving spectacular jumps." But these traits are more readily attributable to the films' protagonists driving the cars, not to Eleanor. In sum, Eleanor is too "lightly sketched" to satisfy prong two of the *Towle* test. See *Daniels*, 958 F.3d at 771.

3. Finally, under prong three of *Towle*, we consider whether Eleanor is "especially distinctive" and "contain[s] some unique elements of expression." *Id.* at 773 (quoting *Towle*, 802 F.3d at 1021). To meet prong three, a character "cannot be a stock character such as a magician in standard magician garb." *Towle*, 802 F.3d at 1021. Nor is a character especially distinctive if it "fit[s] general, stereotypical categories" like "an older scholar," a "loyal friend," or a "military leader." *McCormick v. Sony Pictures Entm't*, 2009 U.S. Dist. LEXIS 155611, 2009 WL 10672263, at *14 (C.D. Cal. July 20, 2009), *aff'd*, 411 Fed. App'x 122 (9th Cir. 2011).

Eleanor is not especially distinctive. Nothing distinguishes Eleanor from any number of sports cars appearing in car-centric action films. *Cf. Towle*, 802 F.3d at 1021-22 (highlighting the Batmobile's distinct "bat-like

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appearance,” “jet engines and flame-shooting tubes,” and “ability to maneuver that far exceeds that of an ordinary car”). Nor is the name Eleanor unique; rather, it is a common female name—the normalcy of which was the entire point of codenaming vehicles in the films. *Cf. id.* at 1022 (noting the Batmobile’s “unique and highly recognizable name”). Eleanor is a “stock” sports car and fails prong three of *Towle*. *See id.* at 1021.

* * *

In sum, Eleanor is not really a character. And even if Eleanor were a character, it is not entitled to copyright protection under *Towle*. Accordingly, we **AFFIRM** the judgment of the district court that Eleanor is not entitled to character copyright protection.⁶

III. Settlement Agreement

We next consider Halicki’s claim that by licensing the GT-500CR, Shelby violated the parties’ settlement agreement. Contract interpretation is a question of law that we review de novo. *Schertzer v. Bank of Am., NA*, 109 F.4th 1200, 1208 (9th Cir. 2024).

California contract law controls here. A contract’s language governs its interpretation so long as it is clear, explicit, and does not involve an absurdity. Cal. Civ.

6. The parties raise additional issues that are contingent upon a finding that Eleanor is a copyrightable character. Because Eleanor is not copyrightable, we need not reach these issues.

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Code § 1638. California law provides several principles of contract interpretation to guide a court's analysis: (1) terms receive their ordinary and popular meaning unless a technical or special meaning should apply; (2) an interpretation giving effect to all provisions is favored over an interpretation rendering some provisions superfluous; (3) contracts should be read as a whole; and (4) absurd interpretations should be avoided. *Schertzer*, 109 F.4th at 1208-11.

Under California law, courts also consider extrinsic evidence if it supports a proffered interpretation of a disputed term. *Id.* at 1212. Extrinsic evidence is admissible if “the offered evidence is relevant to prove a meaning to which the language of the instrument is reasonably susceptible.” *Id.* (quoting *Dore v. Arnold Worldwide, Inc.*, 39 Cal. 4th 384, 391, 46 Cal. Rptr. 3d 668, 139 P.3d 56 (2006)).

The dispositive issue here is whether the settlement agreement prohibits Shelby from manufacturing or licensing cars copying (1) *any* of Eleanor's distinctive features or (2) *only* Eleanor's distinctive hood and inset lights. The district court held that the latter interpretation was correct. We agree.

A natural reading of the settlement agreement supports this interpretation. Section 4 of the agreement prohibits Shelby from manufacturing or licensing the “exaggerated, raised hump feature of the Eleanor hood” or the “specific design of the Eleanor small dual headlights [‘Eleanor inset lights’].” This is the only provision

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prohibiting Shelby from copying any specific Eleanor features. Because the text means what it says, we find the settlement agreement prohibits Shelby from copying only Eleanor’s distinct hood and inset lights.

We are unpersuaded by Halicki’s counterargument, which attempts to rewrite the settlement agreement and broaden the prohibition to include additional distinct Eleanor features. To do so, Halicki draws on §§ 8 and 17 of the agreement.

Halicki first cherry-picks § 8’s use of the term “Eleanor.” Section 8 of the agreement is an acknowledgement by Shelby that Halicki may continue to license “Eleanors.” Both parties agreed not to file suit against each other, and Shelby specifically agreed not to sue Halicki for licensing “Eleanors . . . as embodied in the photograph attached” to the agreement—a photograph that includes a list of eleven distinct Eleanor features. The term “Eleanor,” Halicki argues, must be interpreted to include that list of features every time it is used throughout the agreement—including § 17.

Halicki then relies on § 17 of the agreement. Section 17 is a narrow provision explaining how Shelby was to finish fulfilling its pre-existing “Eleanor contracts” with outstanding customers. It required Shelby to use its “best efforts to convince the customers to choose a different car that doesn’t have the Eleanor hood and Eleanor inset lights,” as prohibited by § 4. Halicki argues that § 17 creates two paths for these customers: (1) the customer *is not persuaded* by Shelby—therefore they receive a car

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with all Eleanor features *including* the hood and inset lights; or (2) the customer *is persuaded* by Shelby—therefore they receive a car with all distinctive Eleanor features *except* the hood and inset lights.

Having set up this false dichotomy, Halicki proceeds to another sentence in § 17 to complete the interpretive maneuver. Section 17 states: “Other than as set forth above, Shelby . . . shall not manufacture or sell any Eleanors.” The phrase “as set forth above,” Halicki argues, refers to both “Eleanors” in the two paths above; that is, Shelby is prohibited from manufacturing cars mimicking (1) all of Eleanor’s distinctive features including the Eleanor hood and lights; *and* (2) all of Eleanor’s distinctive features other than the hood and lights. The effect of Halicki’s interpretation, then, is that the agreement prohibits Shelby from producing cars copying *any* of Eleanor’s distinctive features, not just the hood and lights.

We will not adopt this expansive reading of the settlement agreement. Halicki’s use of § 8 to define “Eleanor” in the agreement is unavailing. The parties knew how to define terms because they did so in § 1. They did not do so for “Eleanor.” And this makes sense because “Eleanor” is used in different ways throughout the agreement, including as a character, a trademark, an idea embodied in appended photographs, and a type of contract. As such, the use of “Eleanor” in § 17 should be interpreted within the context it is used. And § 17 makes clear in context that “Eleanor” refers to a car with the prohibited Eleanor hood or inset lights.

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Halicki's reading of § 17, moreover, suffers from several problems. *First*, Halicki's interpretation relies on a flawed assumption: that customers who "choose a different car" simply redesign their cars to exclude the Eleanor hood and inset lights but retain all other distinctive Eleanor features. But the text makes no such assumption, and we decline to read it into the agreement. *See* Cal. Civ. Proc. Code § 1858 (explaining that when interpreting contracts, judges are "simply to ascertain and declare" its meaning, "not to insert what has been omitted, or to omit what has been inserted"). *Second*, Halicki's interpretation renders § 4 superfluous. If § 17 prohibits Shelby from making cars copying any of Eleanor's distinctive features, then § 4's specific prohibition regarding Eleanor's hood and inset lights need not exist. *See Schertzer*, 109 F.4th at 1209 ("An interpretation which gives effect to all provisions of the contract is preferred to one which renders part of the writing superfluous, useless or inexplicable." (quoting *Carson v. Mercury Ins. Co.*, 210 Cal. App. 4th 409, 420, 148 Cal. Rptr. 3d 518 (2012))). *Third*, and in the same vein, Halicki's interpretation foregoes common sense. Why would the parties explicitly prohibit Shelby from copying the Eleanor hood and inset lights in § 4 only to bury a far broader prohibition deep within § 17? Halicki cannot say.

Finally, Halicki offers extrinsic evidence that the settlement agreement was meant to create "permanent peace" and "completely resolve" the parties' Eleanor issue. But we need not consider such evidence as it sheds no light on the agreement's meaning. *See Schertzer*, 109 F.4th at 1212 (explaining "we consider extrinsic evidence *if it supports a proffered interpretation*" (emphasis added)).

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And it is rather unremarkable given that every settlement agreement is meant to create lasting peace.

Accordingly, we **AFFIRM** the judgment of the district court that Halicki fails to establish a breach of contract claim against Shelby based on the settlement agreement.

IV. Declaratory Relief

Finally, we consider Shelby's cross appeal seeking a declaration that the GT-500CR does not infringe any of Halicki's rights. After a bench trial, the district court denied Shelby's requested declaratory relief.

We begin by addressing the appropriate standard of review on appeal. This Court's precedent is difficult to square. One line of cases says to review the denial of declaratory relief de novo. *See Oregon Coast Scenic R.R., LLC v. Oregon Dep't of State Lands*, 841 F.3d 1069, 1072 (9th Cir. 2016); *United States v. Washington*, 759 F.2d 1353, 1356-57 (9th Cir. 1985) (en banc). Other cases say we review for abuse of discretion. *See Rigsby v. GoDaddy Inc.*, 59 F.4th 998, 1010 (9th Cir. 2023); *Arizona v. City of Tucson*, 761 F.3d 1005, 1009-10 (9th Cir. 2014).

We apply a de novo standard here for two reasons. First, the parties agree it is the proper standard. Second, it appears that our precedent applying an abuse of discretion standard may have been an error.⁷

7. To begin with, *Rigsby* cites *Arizona* to establish that an abuse of discretion standard applies. Then, *Arizona* cites

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Here, reviewing the district court’s denial of declaratory relief de novo, we reverse and remand. The Declaratory Judgment Act permits “any court” to “declare the rights and other legal relations of any interested party seeking such declaration.” 28 U.S.C. § 2201(a). Declaratory relief is appropriate “(1) when the judgment will serve a useful purpose in clarifying and settling the legal relations in issue, and (2) when it will terminate and afford relief from the uncertainty, insecurity, and controversy giving rise to the proceeding.” *Small v. Allianz Life Ins. Co. of N. Am.*, 122 F.4th 1182, 1201 (9th Cir. 2024) (quoting *Guerra v. Sutton*, 783 F.2d 1371, 1376 (9th Cir. 1986)).

This standard is met here. First, a declaration will clarify and settle the legal relations at issue between Shelby and Halicki. Indeed, the briefing makes clear that the parties disagree as to which claims remain unresolved after the district court proceedings. Second, a declaration will afford Shelby relief from the uncertainty giving rise to this proceeding. For example, Halicki issued a press release following the district court’s bench verdict making it appear that she will likely continue to hassle Shelby going forward based on the denial of declaratory relief. Halicki, moreover, has a history of mischaracterizing this Court’s opinions.

Having determined Shelby is entitled to declaratory relief, we offer brief guidance on the proper scope. Shelby

California Ass’n of Rural Health Clinics v. Douglas, 738 F.3d 1007 (9th Cir. 2013). The problem, however, is that *Douglas* clearly states that we “review de novo a grant of declaratory relief.” *Douglas*, 738 F.3d at 1011. Accordingly, *Arizona*’s citation to *Douglas* appears to be an error.

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is entitled to a declaration that is consistent with what has been adjudicated in this case. Accordingly, it would seem appropriate to declare that the GT-500CR does not infringe on Halicki's copyright interests in Eleanor or contractual rights under the settlement agreement. In considering the latter, the district court denied relief because Shelby failed to prevail on its own breach of contract claim. But that conflated Shelby's affirmative breach of contract claim (arguing that Halicki breached the settlement agreement) with its declaratory relief claim (seeking a declaration that Shelby did not breach the settlement agreement). Finally, we would also be inclined to grant Shelby's request for declarative relief as to the trademark and trade dress rights for the reasons stated in Shelby's briefing.

Sensitive to the fact-intensive nature of declaratory relief, however, we conclude that it is appropriate to remand the issue for full consideration by the district court in the first instance. Accordingly, we **REVERSE** the district court's denial of declaratory relief and **REMAND** for the narrow purpose of issuing the appropriate declaration.

V. Conclusion

We **REVERSE** and **REMAND** only as to the district court's denial of declaratory relief to Shelby. We **AFFIRM** on all other grounds.

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**APPENDIX B — ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE CENTRAL DISTRICT
OF CALIFORNIA, FILED NOVEMBER 29, 2022**

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Case No. 8:20-cv-01344-MCS-DFM

CARROLL SHELBY LICENSING, INC. *et al.*,

Plaintiffs,

v.

DENICE SHAKARIAN HALICKI *et al.*,

Defendants.

AND RELATED COUNTERCLAIMS.

Filed November 29, 2022

**ORDER RE: MOTIONS FOR SUMMARY
JUDGMENT (ECF NOS. 287, 290-91, 294, 296)**

(PROVISIONALLY FILED UNDER SEAL)

Carroll Shelby Licensing, Inc. and Carroll Hall Shelby Trust (collectively, “Shelby Parties”); Denice Shakarian Halicki, Eleanor Licensing, LLC, and Gone in 60 Seconds Motorsports, LLC (collectively, “Halicki Parties”); and Classic Recreations, LLC, Jason Engel, and Tony Engel (collectively, “CR Parties”) separately

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move for summary judgment on an issue central to this case: whether “Eleanor,” the designation used to refer to a series of automobiles across four feature films, is a character subject to copyright protection. (Shelby CMSJ, ECF No. 287; Halicki CMSJ, ECF No. 294; CR CMSJ, ECF No. 291.) The motions are fully briefed.

The Shelby Parties and Halicki Parties also filed motions for partial summary judgment concerning other issues. (Shelby MPSJ, ECF No. 296; Halicki MPSJ, ECF No. 290.) These motions are also fully briefed.

The Court heard oral argument on the motions on June 13, 2022. (Mins., ECF No. 328.) Based on the discussion at oral argument and arguments in the papers concerning ownership of the intellectual property interests at issue, the Court ordered the joinder of Hollywood Pictures and denied the motions without prejudice to renewal on July 1, 2022. (Order Requiring Joinder, ECF No. 336.) On August 7, 2022, after Hollywood Pictures submitted additional information, the Court vacated the joinder order, reopened the motions, and took the motions under submission. (Order Vacating Joinder Order, ECF No. 345.)

I. BACKGROUND

This case concerns the 1974 film *Gone in 60 Seconds*, the 1982 film *The Junkman*, the 1983 film *Deadline Auto Theft*, and the 2000 remake of *Gone in 60 Seconds*.¹ All

1. For disambiguation, the Court refers to the 2000 film as the remake.

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four films feature Ford Mustang cars given the designation “Eleanor.” The Halicki Parties own the copyrights to the first three films (the “trilogy”), and the Court assumes for the purpose of this Order that they own any intellectual property rights and interests in Eleanor as it² appears in the remake. Over a decade ago, the Halicki Parties and related entities initiated litigation against the Shelby Parties and related entities,³ claiming that the Shelby Parties were licensing improperly obtained trademarks relating to Eleanor for manufacture of imitation vehicles labeled GT500E. After years of litigation, including a trip to the circuit court and back, the parties entered a settlement agreement purporting to resolve the dispute.

The détente did not last. Under license from the Shelby Parties, the CR Parties make a series of cars with the designation GT500CR that the Halicki Parties claim infringes their rights in the Eleanor character. The Halicki Parties demanded that the CR Parties cease and desist, and they also began contacting GT500E owners and an auction house to assert their purported intellectual property interests in those vehicles and effectively prevent their resale. The Shelby Parties initiated this suit thereafter, claiming, *inter alia*, that the Halicki Parties’ conduct breaches the settlement agreement. The Halicki

2. The Court uses gender-neutral pronouns for Eleanor in this Order. *See Chicago Manual of Style* § 8.118 (17th ed. 2017).

3. Which particular entities were party to the prior proceedings is immaterial to the parties’ arguments and the Court’s analysis. For ease of reference, the Court refers to the parties to the previous litigation as the Shelby Parties and the Halicki Parties.

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Parties maintain counterclaims against the Shelby Parties and CR Parties for, inter alia, copyright infringement and breach of the settlement agreement.

II. LEGAL STANDARD

Summary judgment is appropriate where there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322, 106 S. Ct. 2548, 91 L. Ed. 2d 265 (1986). A fact is material when, under the governing law, the resolution of that fact might affect the outcome of the case. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S. Ct. 2505, 91 L. Ed. 2d 202 (1986). A dispute is genuine “if the evidence is such that a reasonable jury could return a verdict for the nonmoving party.” *Id.* The burden of establishing the absence of a genuine issue of material fact lies with the moving party, *see Celotex*, 477 U.S. at 322-23, and the court must view the facts and draw reasonable inferences in the light most favorable to the nonmoving party, *Scott v. Harris*, 550 U.S. 372, 378, 127 S. Ct. 1769, 167 L. Ed. 2d 686 (2007). To meet its burden,

[t]he moving party may produce evidence negating an essential element of the nonmoving party’s case, or, after suitable discovery, the moving party may show that the nonmoving party does not have enough evidence of an essential element of its claim or defense to carry its ultimate burden of persuasion at trial.

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Nissan Fire & Marine Ins. Co., Ltd. v. Fritz Cos., Inc., 210 F.3d 1099, 1106 (9th Cir. 2000). Once the moving party satisfies its burden, the nonmoving party cannot simply rest on the pleadings or argue that any disagreement or “metaphysical doubt” about a material issue of fact precludes summary judgment. *Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp.*, 475 U.S. 574, 586, 106 S. Ct. 1348, 89 L. Ed. 2d 538 (1986). There is no genuine issue for trial where the record taken as a whole could not lead a rational trier of fact to find for the nonmoving party. *Id.* at 587.

III. DISCUSSION**A. Evidentiary Issues**

The Halicki Parties submitted requests for judicial notice of certain documents. (RJN ISO Halicki MPSJ, ECF No. 290-5; RJN ISO Halicki Opp’ns, ECF Nos. 300-32, 301-32, 302-32.) The Shelby Parties objected to judicial notice of some of the documents on the basis of relevance. (Shelby Objs. to RJN ISO Halicki Opp’ns, ECF No. 324-1.) The Halicki Parties do not explain why the documents are judicially noticeable and which adjudicative facts they seek to extract from them. The Halicki Parties appear to rely on some of these documents, including judicial opinions and legal briefs, in support of their legal rhetoric. (*E.g.*, Halicki Opp’n to Shelby CMSJ 16, ECF No. 300 (citing appeal briefs of which they requested notice).) The Court has considered these documents for those limited argumentative purposes, *see* Fed. R. Evid. 201 advisory committee’s note (discussing judicial use of

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nonadjudicative facts), but does not need to take judicial notice of adjudicative facts in these documents to resolve the motions. The requests are denied accordingly.

The parties submitted voluminous evidentiary objections. (Halicki Objs. to Rhee Decl. ISO Shelby MSJs, ECF Nos. 300-33, 302-33; Shelby Objs. to Halicki & Leone Decls. ISO Halicki MSJs, ECF No. 308-1; Halicki Objs. to Cummings Decl. ISO Shelby Opp'ns, ECF No. 314; Halicki Objs. to Rhee Decl. ISO Shelby Opp'ns, ECF No. 315; Shelby Objs. to Halicki & Leone Decls. ISO Halicki Opp'ns, 324-2.) The Court need not resolve many of the objections to adjudicate these motions. *See Burch v. Regents of Univ. of Cal.*, 433 F. Supp. 2d 1110, 1118-19 (E.D. Cal. 2006) (lamenting overuse of evidentiary objections in motions for summary judgment). To the extent the Court relies on objected-to evidence in this Order, the relevant objections are overruled.

B. Copyrightability Claims

The parties dispute whether Eleanor is a character subject to copyright protection.⁴ Long have the parties

4. As a threshold issue, the Halicki Parties assert that the Shelby Parties should be estopped from contesting Eleanor's copyrightability because they agreed to transfer any copyright in Eleanor to the Halicki Parties in the parties' settlement agreement. (*E.g.*, Halicki CMSJ 20; Halicki Opp'n to Shelby CMSJ 18.) The Court rejects this argument for the same reasons the Court has rejected it twice before: "contract law cannot resolve a question that is reserved to federal copyright law." (Order Re: Mots. for Summ. J. 9, ECF No. 232 (citing *Kabehie v. Zoland*, 102 Cal. App. 4th 513, 523, 125 Cal. Rptr. 2d 721 (2002)); *accord*

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skirmished over this issue, but no court has definitively resolved it. In one of the leading cases in this circuit on character copyrightability, an appellate panel examining the Eleanor character suggested that Eleanor might be protectable but ultimately remanded “this fact-intensive issue . . . to the District Court for a finding in the first instance as to whether Eleanor is entitled to copyright protection.” *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1225 (9th Cir. 2008). The parties settled the matter (or at least attempted to) before the issue could be conclusively resolved on remand. Unfortunately, this did not stop another Ninth Circuit panel from reviewing *Halicki Films*, recharacterizing its facts, and advancing a discussion of copyrightability with the implied yet strong suggestion that Eleanor is subject to protection. *See DC Comics v. Towle*, 802 F.3d 1012, 1019-20 (9th Cir. 2015).⁵

Order Re: Mots. In Limine 8, ECF No. 256.) In any event, the settlement agreement resolves questions of ownership of the Eleanor intellectual property, not its validity. (*See* Settlement Agreement §§ 1-2, ECF No. 289-6.) The Shelby Parties are not estopped from taking a position on the validity of the property.

5. Curiously, the *DC Comics* panel concluded that “Eleanor’s ability to consistently disrupt heists by her presence was more pertinent to [their] analysis of whether the car should qualify as a sufficiently distinctive character than Eleanor’s make and model.” 802 F.3d at 1020 (citing *Halicki Films*, 547 F.3d at 1225). But neither Eleanor’s supposed heist-foiling presence nor its make and model were discussed at much length in the *Halicki Films* panel’s reasoning and, given the disposition of remand, what discussion there was amounted to no more than dicta. 547 F.3d at 1225.

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Much of the Ninth Circuit panel's commentary on the copyrightability issue appears to have stemmed from an unfortunate practice on the part of the Halicki Parties to embellish facts in their briefing. Due to space limitations or inadvertence, several of these exaggerations were left unchallenged and made their way into court orders when this matter was before prior judicial officers. From there, factual inaccuracies made their way into a published Ninth Circuit opinion that likely assumed the facts were true. Unfortunately, they were not. For example, the Ninth Circuit in *Halicki Films* stated that in the original and remake *Gone in 60 Seconds* films, "thefts of the other cars go largely as planned, but whenever the main human character tries to steal Eleanor, circumstances invariably become complicated." 547 F.3d at 1225. The Halicki Parties' briefs parrot a similar conclusion. (Halicki CMSJ 6 ("All cars are 'Gone in 60 Seconds' (boosted) as planned, but not Eleanor. . . .").) This conclusion is plainly false. In the original film, several vehicle heists take left turns, as one thief is surprised by a live tiger in the back seat of a vehicular mark, and others debate what to do after discovering bricks of heroin in another stolen vehicle. In the remake, one thief is surprised to discover a snake in a vehicle with license plate SNAKE, the apparent owners of one vehicle interrupt a heist by getting intimate in view of the vehicle, and keys for three vehicles must be retrieved from the bowels of a canine by feeding it laxatives. While the Court recognizes the importance of zealous advocacy, parties need always be mindful of their obligations to be candid with the Court and to fulfill their obligations under Rule 11(b).

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Accordingly, in connection with the copyrightability motions, the Court dispenses with the parties' argumentative characterizations of the facts (and other judicial officers' recitations of them). Instead, the Court has independently scrutinized the four feature films in which Eleanor appears. *See* 17 U.S.C. § 102(a) (conferring copyright protection "in original works of authorship fixed in any tangible medium of expression"—that is, not from commentary on such works); *Walker v. Time Life Films, Inc.*, 784 F.2d 44, 52 (2d Cir. 1986) ("[I]n copyright infringement cases the works themselves supersede and control contrary descriptions of them. As the finally released version of the film was the best and most relevant evidence on substantial similarity, the judge was not required to consider the voiceover version in deciding the motion for summary judgment."); *cf. Litchfield v. Spielberg*, 736 F.2d 1352, 1356 (9th Cir. 1984) (engaging in an "independent review of the works" on de novo review of summary judgment on issue of substantial similarity, noting limited usefulness of party's proffered list of similarities between copyrighted works as "inherently subjective and unreliable").⁶ Having done so, the Court concludes as a matter of law that Eleanor is not subject to copyright protection.⁷ The Ninth Circuit has adopted a

6. On this basis, the Court sustains the parties' objections to the portions of the Halicki, Leone, and Rhee declarations characterizing facts about the films' depictions.

7. To the extent the Court's order resolving an earlier round of summary judgment motion practice conflicts with this one, the prior order (ECF No. 232) is abrogated. After the Court resolved the prior motions, the Shelby Parties and Halicki Parties convincingly argued that the question of copyrightability could be

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three-element test to resolve whether a character featured in a work is independently copyrightable.⁸ As stated by the most recent Ninth Circuit panel to articulate the test:

Although characters are not an enumerated copyrightable subject matter under the Copyright Act, there is a long history of extending copyright protection to graphically-depicted characters. However, not every comic book, television, or motion picture character is entitled to copyright protection. A character is entitled to copyright protection if (1) the character has physical as well as conceptual qualities, (2) the character is sufficiently delineated to be recognizable as the same character whenever it appears and displays consistent, identifiable character traits and attributes, and (3) the character is especially

resolved in summary judgment proceedings because the Court may determine the issue as a matter of law given the limited and undisputed universe of works in which a car named Eleanor appears. (*See generally* Apr. 18, 2022 Hr’g Tr. 15-47, ECF No. 284.) *Cf. DC Comics*, 802 F.3d at 1022-23 (“Neither party disputes the relevant facts regarding the Batmobile here. Accordingly, we are well-equipped to determine whether, as a matter of law, these undisputed facts establish that the Batmobile is an ‘especially distinctive’ character entitled to copyright protection.”).

8. Copyright protection also extends to characters under an alternative “story being told” test. *Daniels v. Walt Disney Co.*, 958 F.3d 767, 773-74 (9th Cir. 2020). Because the parties do not advance a theory of copyrightability under the test, the Court assumes that Eleanor does not meet it. *See Indep. Towers of Wash. v. Washington*, 350 F.3d 925, 929-30 (9th Cir. 2003).

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distinctive and contains some unique elements of expression.

Daniels v. Walt Disney Co., 958 F.3d 767, 771 (9th Cir. 2020) (cleaned up); *accord DC Comics*, 802 F.3d at 1021; *Halicki Films*, 547 F.3d at 1224. The parties do not dispute the first element,⁹ which is readily met: across all four works, Ford Mustang automobiles are given the designation Eleanor and assigned feminine pronouns. Accordingly, the Court focuses its analysis on the second and third elements of the test.

In this analysis, the Court has considered the four films together as a closed, cohesive universe of works, which is consistent with how Ninth Circuit panels have applied the test. *See Daniels*, 958 F.3d at 772-73 (evaluating “every iteration” of the claimed characters); *DC Comics*, 802 F.3d at 1021 (noting characteristics of the Batmobile comprising “a consistent theme throughout the comic books, television series, and motion picture, even though the precise nature of the . . . characteristics have changed from time to time”). The Court acknowledges some ambiguity in the *Daniels* test that might cast doubt on the propriety of this approach—or the wisdom of the

9. The Shelby Parties conceded the first element at oral argument in a prior summary judgment proceeding. (Oct. 18, 2021 Hr’g Tr. 10, ECF No. 193.) The Court assumes that, by declining to discuss the first element in their brief opposing the Halicki Parties’ motion or respond to the Halicki Parties’ assertion that they conceded the point, the CR Parties also do not dispute that the element is met. (*See Halicki CMSJ* 20-21; *Halicki CMSJ CR Opp’n* 11-13, ECF No. 304.)

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test as articulated. The second prong requires courts to consider whether a character is “recognizable as the same character *whenever it appears*” and emphasizes the consistency of character traits and attributes. *Daniels*, 958 F.3d at 771 (emphasis added). This suggests, as the Carroll Shelby parties submit, (June 27, 2022 Hr’g Tr. 46-47, ECF No. 334), that a character cannot be afforded independent copyright protection unless there are multiple works in which the character appears, given that measuring consistency and recognizability across appearances would be fatuous without a collection of works to evaluate.

Further, the consistency inquiry raises the question of whether a character could become uncopyrightable, or whether the copyrightable interest in a character could mutate, upon the publication of a work or works featuring a copyrightable character with traits and attributes inconsistent with prior iterations. For example, the Ninth Circuit has long approved of a district court decision finding a copyrightable interest in the character of James Bond. *Daniels*, 958 F.3d at 771 (citing with approval *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Corp.*, 900 F. Supp. 1287 (C.D. Cal. 1995)); *DC Comics*, 902 F.3d at 1020 (same); *Rice v. Fox Broad. Co.*, 330 F.3d 1170, 1175 (9th Cir. 2003) (same). Under the *Daniels* framework, the Court wonders how the interest in Bond might be affected (and whether it *should* be affected) if the next actor to be cast in the role were a woman. *Cf. Metro-Goldwyn-Mayer*, 900 F. Supp. at 1296 (identifying “*his* overt sexuality” as one of the claimed “character traits that are specific to Bond” (emphasis added)). These reservations about the

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Daniels test, however, fall outside the scope of what this Court is asked, and has authority, to do here. The Court applies the test as best as it can be interpreted.

First, however, the Court briefly summarizes its observations from films depicting cars designated as Eleanor as relevant to the *Daniels* analysis.

1. Appearances in the Works

a. *Gone in 60 Seconds* (1974)

In *Gone in 60 Seconds*, the primary characteristic of cars with the Eleanor designation is their fungibility. In the film, protagonist Maindrian Pace and his team are assigned by an unnamed, apparently disreputable individual to steal 48 different automobiles of various makes and models within a limited amount of time. Pace asks his associate to assign each type of vehicle to be stolen a common, feminine given name as a codename, and he instructs his team to use only the codenames. The Eleanor designation apparently refers to a Ford Mustang.¹⁰ That is, the Eleanor designation primarily serves a taxonomic

10. Although the characters in the film use the Eleanor designation to identify only 1973 Ford Mustang fastbacks with yellow and black coloring, it is unclear whether the name designation is so specific. As depicted in one shot, the name designations may simply refer to makes or models. For example, “Judy” is a “Ferrari” of unknown model, and “Nancy” is an “El Dorado” of unstated (though implied) make. (App. fig. 1.) That said, Pace recounts that Eleanor is “the last of the Mustangs,” implying that multiple Ford Mustangs were on the list of cars to be stolen.

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or classificatory, rather than appellative, function. Accordingly, the heist team in the film refer to four different vehicles by the name Eleanor to denote that they fit the description of the car they must steal.

The gang of thieves encounters the first Eleanor at the airport. After Pace and his associate identify the vehicle as an Eleanor, the associate approaches the driver-side door to steal the vehicle only to encounter a woman with glasses and curlers apparently asleep in the driver's seat. (App. fig. 2.) Saving face, the associate explains, "I thought it was my car," and retreats with a heckling Pace. Having taken notice of the license plate, Pace locates the vehicle and steals it from the driveway of its owners, the woman with glasses and curlers and a man later identified as Harold Dwight Smith. Smith and a police vehicle pursue Pace. The police arrest Smith, who explains he was pursuing his stolen "yellow Mustang." The police return Smith to his house to find the Mustang in the driveway. Pace later explains that he returned the car to spite Smith, whom he dislikes for his mishandling of insurance claims.

The second Eleanor appears only briefly. A woman parks her Ford Mustang at a residence in Gardena, California. Pace pulls up to the residence and uses a tool to disengage the vehicle's lock and enter it. (App. fig. 3.) Later, Pace's ally alerts him to a classified advertisement in the newspaper indicating the vehicle is uninsured. Having sworn not to boost uninsured vehicles, Pace abandons the Mustang on a dirt road.

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The film spends the most screen time with the third Eleanor. Pace and an accomplice first encounter a Ford Mustang on the road after stealing the second. Pace remarks, “When you don’t need ‘em, they’re all over the place. . . . Never know, we might need another Eleanor.” He takes note of the vehicle’s apparent home, the International Towers in Long Beach. (App. fig. 4.) After abandoning the second vehicle, Pace steals the third from the International Towers. Having been tipped off by a disloyal member of Pace’s team, the police engage Pace in a chase sequence that lasts over 40 minutes. Over the course of the sequence, Pace’s vehicle sustains significant damage to its body. In the climax of the chase, Pace’s vehicle careens over an overturned vehicle and flies through the air in a minute-long slow motion shot. (App. fig. 5.) Having lost his pursuers, Pace leaves the vehicle with an attendant at a car wash.

Pace discovers the fourth Ford Mustang at the car wash. He convinces its owner to leave him with the vehicle under false pretenses. He drives off, replaces the license plate, and is allowed to drive off at a police checkpoint. (App. fig. 6.) No character refers to the fourth vehicle as an Eleanor.

In short, Eleanor in *Gone in 60 Seconds* is a taxonomical idea the protagonists apply to vehicles with a shared set of physical characteristics—apparently, their make and model. But each instance of Eleanor featured in the film has unique conceptual characteristics, such as ownership, provenance, and insurance status, and physical characteristics, such as distinct license plate numbers

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and, particularly in the case of the vehicle driven in the chase sequence, damage. Although “ELEANOR” is billed as the star of the film in its opening credits sequence, it is unclear to which instance of Eleanor, if any in particular, the credits refer. (App. fig. 7.) Further, although people in the film often refer to Eleanor instances by name and use feminine pronouns to discuss cars fitting the designation, no human addresses an Eleanor car as if it is human.

b. *The Junkman* (1982)

In contrast with the first film, Eleanor’s name in *The Junkman* serves an appellative function. In a meta turn, *The Junkman* is set against the backdrop of the fictionalized production of a film featuring car stunts and the premiere of *Gone in 60 Seconds*. Harlan Hollis, the fictional director of *Gone in 60 Seconds*, is targeted for assassination before the film’s premiere. A yellow and black Ford Mustang appears in four new sequences, one nondiegetic and three diegetic, and in clips from the first film.¹¹ In a single shot of the nondiegetic opening credit sequence, a toy car, a yellow and black Ford Mustang with damage mimicking that sustained to the vehicle in the chase scene from *Gone in 60 Seconds*, sits in a diorama and takes credit as a “Special Guest.” The vehicle is unnamed. (App. fig. 9.)

11. One clip depicts part of the chase scene within a video screen as Hollis directs the editing of *Gone in 60 Seconds*. (App. fig. 8.) Another displays images from the chase scene in quick succession as Hollis views footage from the film through a film camera. The slow-motion jump sequence from the first film intercuts shots featuring film crew names during the closing credits sequence.

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In the three diegetic scenes, the physical appearance of the single vehicle depicted is similar to that of the vehicle the protagonist drives and severely damages in the chase sequence in *Gone in 60 Seconds*. The damage to the body of the car matches the damage to the car from the prior film, but the car in *The Junkman* is painted with messages written across its side: “‘Eleanor’ from the movie *Gone in 60 Seconds*,” and a pull quote exclaiming, “The most hair raising chase scene ever filmed!” In the first scene, two people in a studio warehouse collection of vehicles, toys, and memorabilia argue over Eleanor’s present location. Referring to the vehicle by the name Eleanor, one directs the other to have the automobile transported to the location of the premiere of *Gone in 60 Seconds*. Neither talks to the vehicle. (App. fig. 10.) In the second scene, Hollis evades a gunman on foot through the warehouse. Eventually, Hollis locates the Mustang, drives it through a wall, and uses it to climb over another wall to escape the gunman. The people in the scene do not name the car or talk to it. (App. fig. 11.) In the third sequence, the climactic action sequence at the premiere of *Gone in 60 Seconds*, a stylized, painted depiction of a yellow Ford Mustang is featured on *Gone in 60 Seconds* posters, and Eleanor appears in the background of certain shots. The vehicle is depicted only fleetingly in frame. (App. fig. 12.)¹²

12. The Halicki Parties aver that this scene features “Eleanor at her world premiere . . . surrounded by her various posters and with the lead reporter wearing an Eleanor t-shirt.” (Halicki CMSJ 7.) This representation is an embellishment, to say the least. The Court has searched diligently for a depiction of reporter character Susan Clark wearing an Eleanor shirt and has not found one.

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In *The Junkman*, Eleanor appears as a film prop or an objet d'art. As demonstrated by Eleanor's diegetic appearances in a warehouse collection location and at the fictional premiere of the original film, its functions as a vehicle are secondary to its symbolic meaning as an emblem or relic of *Gone in 60 Seconds*.

c. *Deadline Auto Theft* (1983)

Deadline Auto Theft recycles and repurposes footage from *Gone in 60 Seconds* and *The Junkman* in service of a revised plot echoing the first film featuring protagonist Maindrian Pace. There are minimal differences between the original film and *Deadline Auto Theft* relevant to the analysis here: the scene at the airport with the first Eleanor is left on the cutting room floor, some dialogue is changed or removed, and Eleanor is not billed in any credits sequence.

d. *Gone in 60 Seconds* (2000)

In the remake, the codename Eleanor again serves a taxonomic function. Retired car thief Memphis Raines must steal 50 cars within a limited amount of time; else, a gangster will kill his brother. Raines assembles a team and assigns each type of vehicle to be stolen a feminine codename so the team may discuss their marks without garnering the attention of law enforcement. In this film, the Eleanor designation refers to a 1967 Ford Mustang Shelby GT500,¹³ an uncommon vehicle within the narrative.

13. The Halicki Parties submit that the vehicle portrayed on screen in the film is not a Ford Mustang Shelby GT500 in reality.

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The film establishes that Raines has never successfully stolen an Eleanor, notwithstanding multiple attempts. Raines describes Eleanor as a “unicorn.”

The film visually depicts two instances of cars of the Eleanor designation. The first is a vehicle painted gray and black located at the International Towers in Long Beach. (App. fig. 13.) The vehicle is the only auto fitting the Eleanor description in the area. Raines talks to this instance of Eleanor as if it is human on several occasions: “We’re going to get through this this time, right?” “I know we’ve got a history, Eleanor. . . . You take care of me, I’ll take care of you.”

This Eleanor is the last of the 50 vehicles to be stolen. At the International Towers, Raines uses tools to break into the car and start it. Upon his exit, he encounters law enforcement, beginning a chase that serves as the film’s climax. During the chase sequence, Raines skillfully drives the Eleanor through an urban area. Pursued by multiple police vehicles and a helicopter on the Los Angeles River, Raines engages the vehicle’s nitrous oxide system for a burst of speed. Raines breaks the Eleanor’s

(Halicki CMSJ 4.) This point is irrelevant to the copyrightability analysis. Nicolas Cage is not a car thief named Memphis Raines in reality. What matters here is how the purported character *appears* in the works. *See Daniels*, 958 F.3d at 771; *Walker*, 784 F.2d at 52. The CR Parties offer evidence showing that the filmmakers intended the vehicles in the remake to appear as GT500s, which is how the film portrays them and the Court perceives them. (*See* CR Parties’ Resp. to Halicki Parties’ Statement of Uncontroverted Facts ISO Halicki CMSJ ¶¶ 9-10, ECF No. 304-1.)

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side mirror, the vehicle's engine stops, and Raines pleads for it to restart. Raines circumvents a traffic jam by using the bed of a tow truck as a ramp and flying over the jam, resulting in further damage to the Eleanor. (App. fig. 14.) Upon delivery, the antagonist orders the vehicle to be destroyed.

During the film's denouement, Raines's brother presents Raines with keys to the second instance of Eleanor. Raines's brother explains that he lawfully purchased the vehicle. The car is rusting and stripped of paint, and its engine sputters and struggles. (App. fig. 15.)

The Eleanor designation in the remake serves a similar purpose to the designation used in the original film: it is a taxonomic identifier used to refer to cars of a similar physical description. The designation again describes *any* vehicle of a certain phenotype regardless of other physical and conceptual characteristics such as provenance, color, and operability. Notably, the car described by the Eleanor moniker here is different from the car described by the name in the trilogy.

Having reviewed the films, the Court now applies the *Daniels* test to the purported Eleanor character the Halicki Parties seek to protect.

2. Sufficient Delineation and Consistent, Identifiable Traits and Attributes

In the second prong of the character copyrightability test, courts examine whether “the character is sufficiently

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delineated to be recognizable as the same character whenever it appears and displays consistent, identifiable character traits and attributes.” *Daniels*, 958 F.3d at 771 (cleaned up). “Although a character that has appeared in multiple productions or iterations ‘need not have a consistent appearance,’ it ‘must display consistent, identifiable character traits and attributes’ such that it is recognizable whenever it appears.” *Id.* (quoting *DC Comics*, 802 F.3d at 1021). “By contrast, a character that lacks a core set of consistent and identifiable character traits and attributes is not protectable, because that character is not immediately recognizable as the same character whenever it appears.” *Id.*

According to the Halicki Parties, Eleanor is “a highly customized Ford Fastback Mustang” “continually referred to with the unique name ‘Eleanor.’” (Halicki CMSJ 21.) Eleanor is “hard to steal, and is a ‘unicorn’ or elusive beauty, sensitive, temperamental, and exhibits strength, talent, and endurance.” (*Id.*) Eleanor is “able to outrun and outmaneuver police,” “save[s] her leading man,” and is “capable of performing . . . death defying jumps and . . . hair raising long chase scenes.” (Halicki CMSJ Reply 2, ECF No. 319.) Eleanor also “breaks down” and “doesn’t start,” and “people talk to her.” (June 27, 2022 Hr’g Tr. 23.)

As should be evident from the summary above, most of these traits and attributes are not consistently or identifiably exhibited by the character in the works. Some are *never* exhibited. The Court acknowledges that a character may be protectable despite some level of inconsistency among depictions. *See DC Comics*, 802 F.3d

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at 1021 (concluding the second prong analysis favored protection of the Batmobile “even though the precise nature of the bat-like characteristics have changed from time to time”). Still, “the *persistence* of a character’s traits and attributes” are “*key* to determining whether the character qualifies for copyright protection.” *Id.* (emphases added). Here, the volume and primacy of the inconsistencies erode much of what the Halicki Parties claim is fundamental to the Eleanor character. In short, “changes across each iteration” of Eleanor illustrate the lack of delineation and “[l]ightly sketched” nature of the character. *Daniels*, 958 F.3d at 772-73 (internal quotation marks omitted). The Court considers each asserted characteristic in turn.

Physical appearance plays a role in the second-prong inquiry but “alone is not decisive.” *Id.* The films consistently depict cars of the Eleanor designation with the physical characteristics of Ford Mustangs (and, of course, attendant conceptual characteristics attaching to that make and model). However, the films’ inconsistent depictions of vehicles called Eleanors undercut any other delineating physical characteristics.

First, the type of Ford Mustang described by the Eleanor codename changes between the trilogy and the remake. In the trilogy, Eleanors are 1973 Ford Mustang fastbacks. They are modern vehicles common enough on the road that the heist teams in *Gone in 60 Seconds* and *Deadline Auto Theft* encounter multiple instances of such vehicles without actively searching for them. The unexceptional nature of the Eleanors in the trilogy

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is most apparent in *Gone in 60 Seconds*, where one of Pace's accomplices avoids the suspicion of an owner of a Ford Mustang he attempted to steal by explaining that he thought it was his car. The plausibility of the explanation rests on the premise that yellow Ford Mustangs are common enough to be mistaken for one another. In contrast, the Eleanors in the remake are 1967 Ford Mustang Shelby GT500s, which are classic, uncommon cars. One character in the remake remarks that this type of vehicle is one of the rarest on the list of vehicles to be stolen, and that there is only one such vehicle in the area. The contrasting makes, models, and years of the vehicle classes described by the Eleanor designations in the trilogy and the remake not only diminish the physical similarities between the depictions, but they also weaken any conceptual connotations about the vehicles that might be shared between depictions, such as value, rarity, and style.

Second, the physical condition and appearance of the Eleanors is not consistent among and within the films. In *Gone in 60 Seconds*, *Deadline Auto Theft*, and the remake, one instance of Eleanor appears first in pristine condition and, over the course of the film, sustains increasing amounts of damage during chase sequences. Other Eleanors have static physical appearances: three of the Eleanors in *Gone in 60 Seconds* and *Deadline Auto Theft* maintain an undamaged appearance, and the Eleanor in the diegetic scenes in *The Junkman* maintains a damaged appearance with cleanly painted messages printed along its body. The other depictions of a Ford Mustang in *The Junkman* are a toy in a diorama and an illustration on a

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poster. This physical appearance issue is most apparent in the remake. The vehicle gifted to the protagonist at the conclusion of the film is not immediately recognizable as an Eleanor by virtue of its physical characteristics as a Ford Mustang Shelby GT500. The Eleanor with the most screen time in the film is a sleek, shiny, fast car, whereas the Eleanor at the conclusion is rusty, decrepit, and slow. Had the vehicle not been identified as an Eleanor in spoken dialogue, a viewer might not recognize the vehicle as an Eleanor by physical appearance alone. Thus, the Eleanor character cannot be delineated on the basis of its physical condition, old or new, damaged or undamaged.

Third, physical customizations or modifications to the Ford Mustangs are not consistent or identifiable.¹⁴ The Halicki Parties submit that the Eleanors in the trilogy are “highly customized” and featured “a custom color that was not offered by Ford (or Shelby).” (Halicki CMSJ 6.)

14. At oral argument, counsel for the Halicki Parties suggested the modifications to Eleanor go to its originality in the third prong, not to considerations in the second prong. (June 27, 2022 Hr’g Tr. 26-27.) But the Court must examine which characteristics of Eleanor are identifiable and consistent such that the character is sufficiently delineated so as to be recognizable. Car modifications play a role here insofar as they are traits or attributes of the character. For example, in the second prong inquiry, a Ninth Circuit panel observed that part of what made the Batmobile sufficiently delineated was its nonstandard equipment with “high-tech gadgets and weaponry.” *DC Comics*, 802 F.3d at 1021 (internal quotation marks omitted). Analogously, the alleged “highly customized” nature of Eleanor should be considered at the second step if the Halicki Parties assert it as a defining trait of the character.

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There is nothing particularly identifiable about the color of the vehicles portrayed; it reads as a standard yellow car color and, within the context of the narrative of *Gone in 60 Seconds* and *Deadline Auto Theft* at least, is implied to be a standard car color. Any other customizations to the Eleanors in the trilogy are not readily identifiable in the works themselves. In any event, these characteristics are not shared with either of the Eleanors portrayed in the remake. The apparent modifications to the first Eleanor portrayed in the remake, such as the nitrous oxide switch with a button labeled “GO-BABY-GO” and unique inset lights, (*see* Halicki Parties’ Statement of Uncontroverted Facts ¶ 11, ECF No. 294-1), in turn are inconsistent with the identifiable modifications, if any, to the Eleanors in the trilogy. No set of modifications or customizations is consistently portrayed in connection with Eleanor vehicles. In short, the only consistent and identifiable physical attributes of automobiles designated Eleanor are their make and model.

The strongest conceptual link common to the cars named Eleanor across the films and within each film is the Eleanor designation itself. Not every Ford Mustang that appears on screen is called by the Eleanor designation, particularly in *The Junkman*, in which Eleanor’s name is not spoken except in a single scene of dialogue between two ancillary characters. But the vehicles in the other three films fitting the respective Eleanor descriptions are almost uniformly referred to by the Eleanor name. Notwithstanding, the use of the Eleanor designation in those three films to classify vehicle phenotypes, as opposed to naming specific vehicles, undermines the

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delineation of the purported character. For example, in *Gone in 60 Seconds* and *Deadline Auto Theft*, each instance of Eleanor is fungible, as only one must be stolen to complete the ordered heist. The taxonomic codename system in these films leads the viewer to conclude that each new Ford Mustang that appears on screen in a sequence is a *different* vehicle from the others that appeared in the film.¹⁵ In other words, because Eleanor is effectively synonymous with “1973 Ford Mustang fastback” in these films, its value as a delineating characteristic of any given instance of the class of vehicles is diminished. Regardless, the Court accepts for the purpose of argument that the Eleanor name is a consistent, identifiable trait.

The conceptual characteristics consistent among depictions of Eleanor virtually end there. Eleanor is not particularly “hard to steal”; Raines is able to secure the first Eleanor in the remake, and Pace is able to get behind the driver’s wheel of all four Eleanors depicted in *Gone in 60 Seconds* and *Deadline Auto Theft*, within a matter of seconds (i.e., 60). To the extent these depictions of Eleanor are hard to *keep* stolen, whether due to a police chase or

15. Eleanor’s fungibility apparently gave rise to an error in the Shelby Parties’ briefing. The Shelby Parties took the position that *five* instances of Eleanor appeared in *Gone in 60 Seconds*. (Shelby CMSJ 11.) Their counsel apparently did not recognize that the Eleanor Pace’s team encountered at the airport was the same Eleanor Smith pursues. Only through close attention to the dialogue and recognition of the woman with curlers in both sequences could a viewer understand that the vehicles depicted in these scenes are the same. That experienced counsel entrenched in the facts of this case could make this error lays bare the lack of delineation of the purported character name here.

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insurance status or else, other depictions of Eleanor are not portrayed as particularly easy or hard to steal because they are not subject to pilfering at all. No depiction of Eleanor in *The Junkman* is the target of theft, and the second Eleanor in the remake was lawfully purchased.

Many of the other conceptual characteristics identified by the Halicki Parties—that Eleanor can outmaneuver police vehicles, execute death-defying jumps, and endure long chases—apply only to the instances of Eleanor in *Gone in 60 Seconds*, *Deadline Auto Theft*, and the remake that are involved in the films’ chase sequences. Other vehicles designated Eleanor in those films do not exhibit those characteristics, and the Eleanor in *The Junkman* does not exhibit them at all. Other claimed conceptual characteristics apply to only the first instance of Eleanor depicted in the remake. Only that vehicle (or vehicle class) is described or portrayed as a “unicorn” with a certain “elusive beauty,” “mystique,” and “aura.” (Halicki CMSJ 5.) Only that vehicle exhibits any remotely human conceptual characteristics, such as sensitivity and temperament. Only that vehicle is spoken to by the protagonist as if it were human, contrary to representations made by the Halicki Parties. (CMSJ 8 (claiming characters in *The Junkman* “talked to” Eleanor “as a character in the movie”).) Only that vehicle breaks down and doesn’t start—and even then, one would be hard pressed to extrapolate from the single scene in which the vehicle malfunctions that the vehicle’s proclivity to break down is a character trait.

Finally, the Halicki Parties assign anthropomorphic characteristics to the character, such as strength,

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talent, endurance, and a tendency to “always sav[e] her leading man.” (Halicki CMSJ 6.) In the Court’s view, these characteristics are an invention of overzealous advocacy. Eleanor vehicles may have human names and feminine pronouns, but their anthropomorphic features begin and end there. Eleanor vehicles feature no more anthropomorphic traits than an ordinary automobile. The skillfulness and talent exhibited in the chase and action sequences in the films are more appropriately attributed to the human protagonists that drive the Eleanors, not metonymically to the vehicles themselves.

In short, at most, the Eleanor character’s consistent and identifiable traits and attributes that make it recognizable are that it is a Ford Mustang called by the name Eleanor. These characteristics hardly amount to a “core set” of traits rendering the character “immediately recognizable.” *Daniels*, 958 F.3d at 771. For example, anointing a 2023 Ford Mustang Mach-E with the name Eleanor would not make the vehicle immediately recognizable as an homage to, let alone an iteration of, the vehicles that appear in the *Gone in 60 Seconds* franchise. The characteristics shared by the automobiles depicted in the films are too lightly sketched to meet the second prong of the *Daniels* test.

3. Special Distinctiveness and Unique Elements of Expression

In the third prong of the test, courts consider whether the character is especially distinctive and contains some unique elements of expression. *Daniels*, 958 F.3d at 771.

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Characters do not meet this element if they are a “stock character” like a magician in standard magician garb, *DC Comics*, 802 F.3d at 1021, or a character that “fit[s] general, stereotypical categories” like a loyal friend or older scholar, *McCormick v. Sony Pictures Ent.*, No. CV 07-05697 MMM (RCx), 2009 U.S. Dist. LEXIS 138561, 2009 WL 10672263, at *14 (C.D. Cal. July 20, 2009), *aff’d*, 411 F. App’x 122 (9th Cir. 2011).

For the sake of argument, the Court assumes the second prong is met on the basis of Eleanor’s consistent and identifiable characteristics—that is, its name, make, and model. Given these characteristics, the Court examines whether Eleanor is especially distinct and exhibits unique elements of expression.

“[T]he mere delineation of a character name” is not “sufficient to satisfy the distinctiveness requirement.” *See Conan Props. Int’l LLC v. Sanchez*, No. 17-CV-162 (FB), 2018 U.S. Dist. LEXIS 98631, at *31 (E.D.N.Y. June 8, 2018) (applying analogous Second Circuit test), *adopted as modified*, 2018 U.S. Dist. LEXIS 138203 (E.D.N.Y. Aug. 15, 2018). The case at bar makes this principle obvious, as the Eleanor name is not especially distinctive or unique. In *Gone in 60 Seconds*, *Deadline Auto Theft*, and the remake, the heist teams use the car codename system to avoid arousing suspicion by law enforcement. That is, within the narrative of the films, the thieves employ common, feminine given names *because* they are indistinct. Eleanor is a common spelling of a standard feminine name frequently used in the United States. Assigning a human name and gendered pronouns to a car or other inanimate

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vehicle is not particularly unique,¹⁶ and certainly not unique enough to justify intellectual property protection. *Cf. Daniels*, 958 F.3d at 773 (“Developing a character as an anthropomorphized version of a specific emotion is not sufficient, in itself, to establish a copyrightable character.”). Unlike the Batmobile, Eleanor is not a “unique and highly recognizable name” that would evoke recognition as the character from the *Gone in 60 Seconds* franchise. *DC Comics*, 802 F.3d at 1022.

It should be equally obvious that Eleanor’s make and model do not make it especially distinctive. Even within the narrative of the *Gone in 60 Seconds*, *Deadline Auto Theft*, and the remake, Ford Mustang cars fitting the Eleanor designation are not unique. The name describes a class of vehicles. In *Gone in 60 Seconds* and *Deadline Auto Theft*, Eleanors are practically a dime a dozen. The Ford Mustang characteristics of Eleanor make it no more than a stock Ford Mustang. *See DC Comics*, 802 F.3d at 1021 (to be protectable, a character “cannot be a stock character such as a magician in standard magician garb” (citing *Rice*, 330 F.3d at 1175)).

16. For example, popular media is littered with named, gendered vehicles, *see generally, e.g., Sentient Vehicle*, TV Tropes, <https://tvtropes.org/pmwiki/pmwiki.php/Main/SentientVehicle> (last visited Nov. 28, 2022), and gendering vessels is common enough for grammatical rules to be constructed around the practice, *Chicago Manual of Style* § 5.43 (“Pronouns enhance personification when a feminine or masculine pronoun is used as if the antecedent represented a female or male person (as was traditionally done, for example, when a ship or other vessel was referred to with the pronoun *she* or *her*).”).

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Considered together or alone, Eleanor's consistent and identifiable characteristics do not make the character distinct enough for independent copyright protection. The third prong of the *Daniels* test is unmet.

4. Conclusion

For the reasons discussed above, the Shelby Parties' motion for partial summary judgment on the issue of copyrightability is granted in substantial part, and the Halicki Parties' motion on the issue is denied. Eleanor is not entitled to standalone copyright protection as a matter of law. On this basis, the Court dismisses the Halicki Parties' fourth, sixth, seventh, and ninth counterclaims in their entirety.¹⁷

Because Eleanor is not subject to copyright protection, the Shelby Parties' motion for partial summary judgment on the issue of substantial similarity, which assumes that Eleanor is copyrightable, (Shelby MPSJ 3), is moot. The Court denies that motion accordingly. In their motion for partial summary judgment on the issue of copyrightability,

17. The Shelby Parties also requested judgment in their favor on the Halicki Parties' second and fifth claims for breach of contract, (*see* Shelby CMSJ Proposed Order, ECF No. 287-15), but for the reasons described *infra*, the copyrightability issue is not entirely dispositive of these claims. Although the Shelby Parties did not request judgment in favor of the CR Parties as relief, (*see id.*), the claims against the CR Parties may be dismissed on the same basis the Court dismisses the claims against the Shelby Parties, i.e., the lack of a copyright interest in Eleanor, *see Abagninin v. AMVAC Chem. Corp.*, 545 F.3d 733, 742-43 (9th Cir. 2008).

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the CR Parties raise arguments separate from the *Daniels* test. (See CR CMSJ 11-17.) Because the *Daniels* analysis here disposes of the copyrightability issue, the Court also denies the CR Parties' motion as moot.

C. Contract Claims

The Halicki Parties move for a finding that they are not liable on the Shelby Parties' claims for breach of contract and breach of the implied covenant of good faith and fair dealing and for a finding that the Shelby Parties and CR Parties are liable on the Halicki Parties' counterclaims for breach of contract. (Halicki MPSJ 2-3.) The Court examines each claim in turn.

1. Shelby Parties' Claim for Breach of Contract

The Shelby Parties claim that the Halicki Parties breached the settlement agreement that ended the previous federal action. (FAC ¶¶ 42-46, ECF No. 13; *see generally* Settlement Agreement, ECF No. 289-6.) The settlement agreement is governed by California law. (*Id.* § 20.) Under California law, a claim for breach of contract requires a plaintiff to show (1) the existence of a contract, (2) the plaintiff's performance or excuse for nonperformance, (3) the defendant's breach of a contractual obligation, and (4) damages. *Oasis W. Realty, LLC v. Goldman*, 51 Cal. 4th 811, 821, 124 Cal. Rptr. 3d 256, 250 P.3d 1115 (2011). The Shelby Parties claim the Halicki Parties breached the agreement by:

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- a. Denying the Shelby Parties' trademark, trade dress and other rights in the GT500 vehicles by contending that the Shelby Parties' business partners and licensees are not permitted to manufacture, market or sell GT500 vehicles;
- b. Asserting claims against the Shelby Parties' business partners and licensees for using the SHELBY Marks and trade dress of the GT500; and
- c. Asserting claims against the Shelby Parties' customer, which claims had been released by Defendants pursuant to the Settlement Agreement.

(FAC ¶ 44.)¹⁸ “The Halicki Parties acknowledge that they have asserted claims against the GT500E customers, as well as the Shelby Parties' licensees who are manufacturing the GT500CR vehicles. . . .” (Halicki MPSJ 26.) Notwithstanding, the Halicki Parties argue that the

18. In their brief, the Shelby Parties assert that the Halicki Parties breached the settlement agreement by authorizing their licensee to rebadge a Shelby GT500 to be sold as an Eleanor. (Shelby Opp'n to Halicki MPSJ 9, 16-17, ECF No. 307.) The Shelby Parties did not advance this theory in their pleading, (*see* FAC ¶¶ 42-52), and the deadline to amend the pleadings has long since passed, (*see* Order Re: Jury Trial § I, ECF No. 64). To the extent the Shelby Parties seek leave to amend their pleading to assert a new theory at this late stage of the case, the Court denies such leave for lack of good cause. *See* Fed. R. Civ. P. 16(b)(4); *Zivkovic v. S. Cal. Edison Co.*, 302 F.3d 1080, 1087 (9th Cir. 2002).

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text of the settlement agreement does not preclude them from asserting or threatening to assert claims against nonparties concerning the GT500E vehicles that were the subject of the prior litigation. (*Id.* at 23-26.) Citing section 17, the Shelby Parties contend that the Halicki Parties released any claims against innocent past, present, and future owners and vendors of GT500Es, so their conduct violates that provision of the agreement. (*See* Shelby Opp’n to Halicki MPSJ 9-11, ECF No. 307.)¹⁹

The Court determines as a matter of law that the settlement agreement is not reasonably susceptible to the Shelby Parties’ interpretation of section 17. Contract interpretation generally presents a question of law for the trial court. *Yi v. Circle K Stores, Inc.*, 258 F. Supp. 3d 1075, 1082-83 (C.D. Cal. 2017) (citing *Parsons v. Bristol Dev. Co.*, 62 Cal. 2d 861, 865, 44 Cal. Rptr. 767, 402 P.2d 839 (1965)). Courts apply a two-step approach when parties disagree about contractual meaning:

First, the court asks whether, as a matter of law, the contract terms are ambiguous; that is, the court considers extrinsic evidence to determine

19. The Shelby Parties apparently abandon any theories of breach resting on other provisions of the agreement, such as the Halicki Parties’ release of trade dress claims concerning the GT500. (*See* Shelby Opp’n to Halicki MPSJ 20 (“[T]rade dress . . . is not an issue in this case.”).) *See also* *USA Petroleum Co. v. Atl. Richfield Co.*, 13 F.3d 1276, 1284 (9th Cir. 1994) (“It is a well-settled rule that a party opposing a summary judgment motion must inform the trial judge of the reasons, *legal or factual*, why summary judgment should not be entered.” (quoting *Liberles v. County of Cook*, 709 F.2d 1122, 1126 (7th Cir. 1983))).

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whether the contract is reasonably susceptible to a party's proffered interpretation. Second, if ambiguity persists, the court admits extrinsic or parol evidence to help interpret the contract.

Yi, 258 F. Supp. 3d at 1083 (citation omitted). In the first step, courts decide “whether the language is ‘reasonably susceptible’ to the interpretation urged by the party”; if it is not, the analysis ends. *Dore v. Arnold Worldwide, Inc.*, 39 Cal. 4th 384, 393, 46 Cal. Rptr. 3d 668, 139 P.3d 56 (2006) (internal quotation marks omitted). If the language is reasonably susceptible to more than one meaning, but there is no material conflict in the extrinsic evidence, a court may interpret the contract as a matter of law. But if there is a conflict in the extrinsic evidence, the conflict must be resolved by the factfinder. *Wolf v. Walt Disney Pictures & Television*, 162 Cal. App. 4th 1107, 1127, 76 Cal. Rptr. 3d 585 (2008).

Section 17 of the agreement pertains to “the Eleanor contracts from customers of Unique Motorcars/Unique Performance.”²⁰ (Settlement Agreement § 17.) By its own text, the “provision only applies to contracts with . . . specific existing customers.” (*Id.*) The provision does not release any claims. Instead, the preceding section requires the dismissal of pending litigation and release of any existing or past claims between the Shelby Parties and the Halicki Parties. The release does not contemplate nonparties or future claims. (*Id.* § 16.) As admitted in the

20. The settlement agreement is written in all caps. For readability, the Court uses sentence case for quotations of the settlement agreement in this Order.

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Shelby Parties’ pleading, “the Settlement Agreement did not expressly address a release by Defendants of any potential claims against customers of the Shelby Parties or their licensees who had purchased vehicles manufactured by Shelby’s licensees.” (FAC ¶ 49.)

The Shelby Parties offer no material extrinsic evidence or cogent argument to support their position that the agreement “makes clear that innocent owners” of GT500Es, or any other nonparties to the settlement agreement, “are innocent and not to be harassed.” (Shelby Opp’n to Halicki MPSJ 10; *see also id.* at 15-16.) Section 17 contains no anti-harassment language. The Shelby Parties assert that their interpretation is viable because the Halicki Parties did not take action against GT500E owners for a decade after the agreement, (*id.* at 16), but the Halicki Parties’ inaction cannot generate a new contractual obligation untethered to the text of the settlement agreement, *see S. Cal. Edison Co. v. Superior Ct.*, 37 Cal. App. 4th 839, 851, 44 Cal. Rptr. 2d 227 (1995) (“[T]he conduct of one party to the contract is by no means conclusive evidence as to the meaning of the contract.”); *cf. Yi*, 258 F. Supp. 3d at 1084 (concluding that “even the extrinsic evidence, including the parties’ course of conduct and actions, does not render Plaintiff’s interpretation” of an assignment offer without an express price term “sufficiently reasonable” where parties did “not dispute that Defendant never made any promises, oral or otherwise regarding the Assignment Offer terms prior to signing”). Irrespective of whether the Halicki Parties have any valid claims against nonparties, (*see generally id.* at 11-15), the Shelby Parties have not tied the Halicki

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Parties' conduct to the breach of any obligation in the settlement agreement. As a result, the claim for breach of contract must be dismissed.

2. Shelby Parties' Claim for Breach of Implied Covenant

The Shelby Parties assert the Halicki Parties breached the implied covenant of good faith and fair dealing attaching to the settlement agreement by asserting claims against the Shelby Parties' customers and licensees concerning vehicles that allegedly infringe the Halicki Parties' intellectual property. (FAC ¶¶ 47-52.)

California law implies a covenant of good faith and fair dealing in every contract "to prevent a contracting party from depriving the other party of the benefits of the contract." *Moore v. Wells Fargo Bank, N.A.*, 39 Cal. App. 5th 280, 291, 251 Cal. Rptr. 3d 779 (2019). "The scope of conduct prohibited by the covenant of good faith is circumscribed by the purposes and express terms of the contract," but a "violation of an express provision is not required." *Id.* (cleaned up). "A party violates the covenant if it subjectively lacks belief in the validity of its act or if its conduct is objectively unreasonable." *Id.* (internal quotation marks omitted). Generally, this is a question of fact. *Id.* at 292.

Here, there are triable issues as to whether the Halicki Parties' conduct toward nonparties to the settlement agreement deprives the Shelby Parties of the benefits of the agreement and was objectively unreasonable.

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The settlement agreement, which arose from litigation over the intellectual property interests in GT500Es, releases past and present claims between the parties. (Settlement Agreement § 16.) The Halicki Parties agreed to transfer all intellectual property rights in the GT500 to the Shelby Parties, (*id.* § 5), and acknowledged that the Shelby Parties had trade dress rights in the Shelby GT500 and would “continue to manufacture, market, sell and/or license” them, (*id.* §§ 6-7). The Halicki Parties agreed not to “initiate any lawsuit against Shelby or his business partners or licensees for licensing or using the trade dress” of the GT500 and “release[d] and waive[d] any such claims.” (*Id.* § 7.) The Shelby Parties’ counsel from the prior litigation testified that he was under the impression that the agreement resolved the entire dispute as to the intellectual property interests in the vehicles at issue in the prior litigation. (*See* Cummings Dep. 105-12, ECF No. 289-11.)

Viewing the evidence in the light most favorable to the Shelby Parties, there is a genuine dispute as to whether the purpose and express terms of the settlement agreement, particularly its purpose to resolve the intellectual property dispute over the GT500Es and its express terms affirming the Shelby Parties’ intellectual property rights in the GT500, prohibit the Halicki Parties from asserting claims against nonparties concerning the GT500E. The Shelby Parties offer evidence and argument that could convince a jury that the Halicki Parties’ conduct lacked a valid legal foundation and thus was objectively unreasonable. (Shelby Opp’n to Halicki MPSJ 11-15.)

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The Halicki Parties assert that the Shelby Parties cannot maintain their claim because implying an obligation not to make claims against GT500E customers would contravene the express terms of the settlement agreement. (Halicki MPSJ 25-26 (citing, *inter alia*, *Carma Devs. (Cal.), Inc. v. Marathon Dev. Cal., Inc.*, 2 Cal. 4th 342, 374, 6 Cal. Rptr. 2d 467, 826 P.2d 710 (1992)).) Not so. Although the contract releases claims among the Shelby Parties, the Halicki Parties, and their business partners and licensees, (*see* Settlement Agreement §§ 7-8, 16), the contract is silent as to the release or maintenance of claims against GT500E owners.

This claim survives the Halicki Parties' motion.

3. Halicki Parties' Breach of Contract Claims against Shelby Parties

In their second and fifth claims, the Halicki Parties contend the Shelby Parties breached the settlement agreement and a side letter described in section 12 of the settlement agreement. (SACC ¶¶ 97-101, 116-23, ECF No. 69.)²¹ The settlement agreement and the side letter provide that the Shelby Parties "shall not use, or license in any way, shape or form any of the property rights as described herein transferred to" the Halicki Parties, which rights expressly include the copyright to the Eleanor character from the remake. (Settlement Agreement §§ 2-3; *accord*

21. The Court assumes the side letter binds the Shelby Parties, though its form and content suggest it serves as a public statement of some obligations imposed by the confidential settlement agreement, not as an independent contract.

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Shelby Acknowledgement, ECF No. 290-22.) The Shelby Parties also agreed not to sue the Halicki Parties “for licensing, using, manufacturing or selling Eleanors from the original or remake *Gone in 60 Seconds*,” as embodied in photographs attached to the settlement agreement. (Settlement Agreement § 8; *accord* Shelby Acknowledgement.) The Halicki Parties assert that the Shelby Parties breached the former obligation by licensing the GT500CRs and the latter obligation by initiating this lawsuit. (SACC ¶¶ 100, 121; Halicki MPSJ 29-30.)²²

The Shelby Parties assert that the Halicki Parties’ contract claims hinge on the copyright inquiry. (*See* Shelby Opp’n to Halicki MPSJ 17-21; *accord* Shelby CMSJ Proposed Order, ECF No. 287-15 (proposing summary judgment in favor of the Shelby Parties on the contract claims based on the issues presented in their copyrightability motion).) This is true in part but not in toto. First, even with the Court’s determination that there is no independent copyright in the Eleanor character, Shelby still agreed not to “use, or license in any way” the intellectual property rights in the remake film itself. (Settlement Agreement § 3; *see id.* § 1.) The intellectual property the Shelby Parties must refrain from using or licensing is broader in scope than the purported copyright in Eleanor. Second, the copyright question does not resolve the Halicki Parties’ second theory of breach, which is predicated on the Shelby Parties’ initiation of this lawsuit.

22. The Halicki Parties offer other breach theories in their pleadings that they do not present in their motion. (*See* SAC ¶¶ 100, 121.)

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Nevertheless, summary judgment in the Halicki Parties' favor is inappropriate for at least three reasons. First, there is a triable dispute as to whether the Halicki Parties performed their obligations under the settlement agreement. The Shelby Parties offer evidence that the Halicki Parties' licensee converted a Shelby GT500 into an Eleanor. (Shelby Parties' Resps. to Halicki Parties' Statement of Uncontroverted Facts ISO Halicki MPSJ ¶ 55, ECF No. 307-1.) Viewing this evidence in the light most favorable to the Shelby Parties, a reasonable factfinder could determine that this conduct amounts to a material nonperformance of the Halicki Parties' obligation not to allow entities they control to "use a 'Shelby GT-500' vehicle in manufacturing or selling of Eleanors." (Settlement Agreement § 8; *see id.* § 1.)²³ *See also Brown v. Grimes*, 192 Cal. App. 4th 265, 277, 120 Cal. Rptr. 3d 893 (2011) ("Normally the question of whether a breach of an obligation is a material breach, so as to excuse performance by the other party, is a question of fact.").

Second, the Halicki Parties do not meet their burden at summary judgment as to their theory of breach of the Shelby Parties' obligation not to use *Gone in 60 Seconds* and Eleanor intellectual property. This theory relies on a wholly conclusory substantial similarity argument

23. Although the Court does not authorize this as a theory upon which the Shelby Parties may rest their affirmative claim for breach of contract, *see supra* note 18, the Halicki Parties bear the burden of proving performance or excuse for nonperformance in support of their claim, so their purported nonperformance of this obligation properly may be considered in connection with the Halicki Parties' claim.

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insufficiently developed in the one paragraph of analysis the Halicki Parties devote to it in the moving brief. (Halicki MPSJ 29.) The Halicki Parties' assertion is particularly unavailing given the Court's determination that there is no independent copyright in Eleanor. In any event, the Shelby Parties proffer evidence giving rise to a genuine dispute as to whether the GT500CR's design is "substantially the same" as the vehicles previously produced by the CR Parties under a license from the Halicki Parties and, therefore, as to whether the Shelby Parties' licensing of those vehicles breaches the settlement agreement. (Shelby Parties' Resps. to Halicki Parties' Statement of Uncontroverted Facts ISO Halicki MPSJ ¶¶ 65-66.)

Third, the Halicki Parties do not meet their burden of production or persuasion as to their theory of breach of the Shelby Parties' obligation to refrain from bringing suit. *See Nissan Fire*, 210 F.3d at 1102. The Shelby Parties agreed not to sue the Halicki Parties for "licensing, using, manufacturing or selling Eleanors." (Settlement Agreement § 8.) The Halicki Parties fail to show the conduct for which the Shelby Parties sued the Halicki Parties—"asserting the rights that the Shelby Parties expressly acknowledged belonged to the Halicki Parties," (Halicki MPSJ 30)—fits within any of the four limited categories of conduct for which the Shelby Parties agreed not to sue the Halicki Parties—licensing, using, manufacturing, or selling Eleanors.

Summary judgment on the Halicki Parties' second and fifth counterclaims for breach of contract against the Shelby Parties is inappropriate.

*Appendix B***4. Halicki Parties' Breach of Contract Claim
against CR Parties**

The Halicki Parties rest their breach of contract claim against the CR Parties on a licensing agreement between the two sets of parties for the right to use “intellectual property rights, trademarks, and copyrightable material relating to ‘Gone in 60 Seconds’ and ‘Eleanor’ . . . consisting of the star car character ‘Eleanor’ from each movie.” (Eleanor License § 1.1, ECF No. 290-23; *see* SACC ¶¶ 89-96.) The licensing agreement is governed by California law. (Eleanor License § 23.1.) In the motion, the Halicki Parties assert that, by manufacturing GT500CR vehicles “substantially similar to the Eleanor car character replicas which the CR parties had been building under the Eleanor License,” (Halicki MPSJ 29), the CR Parties breached their agreement to “refrain from further use of the Licensed Properties or any further reference to it, direct or indirect, in connection with the manufacture, sale, distribution or promotion of Licensee’s products” after termination of the licensing agreement, (Eleanor License § 17.1).

For reasons similar to those discussed in the preceding section, the Halicki Parties have not met their summary judgment burden on this claim. The argument they advance concerning the purported breach amounts to no more than a bare conclusion that the GT500CR is substantially similar to vehicles the CR Parties previously produced under a license. Again, the Court questions the merit of this argument given that Eleanor is not subject to copyright protection. At the least, there is a triable issue of

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fact as to whether the GT500CR is substantially the same as the vehicles the CR Parties built under the licensing agreement and, accordingly, whether manufacturing the GT500CR violates the agreement. (CR Parties' Resp. to Halicki Parties' Statement of Uncontroverted Facts ISO Halicki MPSJ ¶¶ 65-66, ECF No. 303-1.)

Summary judgment on the Halicki Parties' first counterclaim for breach of contract against the CR Parties is inappropriate.²⁴

IV. CONCLUSION

The Court grants in substantial part the Shelby Parties' motion for partial summary judgment on the issue of copyrightability and denies the Halicki Parties and CR Parties' motions on the issue. The Court denies the Shelby Parties' motion for partial summary judgment on substantial similarity. The Court grants in part and denies in part the Halicki Parties' motion for partial summary judgment on the contract claims.

Eleanor is not entitled to standalone copyright protection as a matter of law. The Halicki Parties' fourth, sixth, seventh, and ninth claims advanced in the Second Amended Counterclaim are dismissed. The Shelby Parties' first claim for breach of contract advanced in the First Amended Complaint is dismissed.

24. The Court declines to reach the CR Parties' arguments for denying the motion.

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IT IS SO ORDERED.

Dated: November 29, 2022

/s/ Mark C. Scarsi
MARK C. SCARSI
UNITED STATES DISTRICT JUDGE

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APPENDIX

Figure 1: The list of vehicle descriptions and their codenames in *Gone in 60 Seconds*

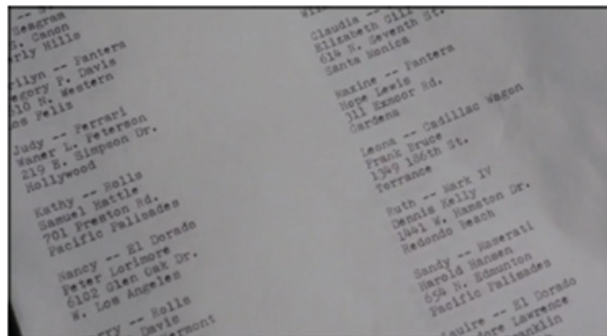


Figure 2: The unsuccessful attempt to steal the first Eleanor in *Gone in 60 Seconds*



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Figure 3: Pace prepares to steal the second Eleanor in *Gone in 60 Seconds*



Figure 4: Pace spots the third Eleanor in *Gone in 60 Seconds*



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Figure 5: The third Eleanor's slow motion jump in *Gone in 60 Seconds*



Figure 6: Pace at a police checkpoint with the fourth Eleanor in *Gone in 60 Seconds*



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Figure 7: Card featuring ELEANOR in the *Gone in 60 Seconds* opening title sequence



Figure 8: A clip from *Gone in 60 Seconds* shown through a screen in *The Junkman*



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Figure 9: The diorama version of the damaged vehicle in *The Junkman's* opening credits



Figure 10: Two men argue over Eleanor in *The Junkman*



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Figure 11: Hollis drives a vehicle through a wall to escape a gunman in *The Junkman*



Figure 12: An obscured vehicle at the film premiere in *The Junkman*



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Figure 13: Raines surveys the Eleanor at the International Towers in the remake



Figure 14: Raines flies through the sky with the Eleanor over a traffic jam in the remake



Figure 15: Raines's crew surprises him with another Eleanor in the remake



**APPENDIX C — BENCH VERDICT OF THE
UNITED STATES DISTRICT COURT FOR THE
CENTRAL DISTRICT OF CALIFORNIA,
FILED OCTOBER 31, 2023**

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Case No. 8:20-cv-01344-MCS-DFM

CARROLL SHELBY LICENSING, INC. *et al.*,

Plaintiffs,

v.

DENICE SHAKARIAN HALICKI *et al.*,

Defendants.

Filed October 31, 2023

BENCH VERDICT

On March 22–23 and June 5, 2023, the Court held a bench trial on the remaining claims asserted by Plaintiffs and Counterclaim Defendants Carroll Shelby Licensing, Inc. and Carroll Hall Shelby Trust (together, “Shelby Parties”) against Defendants and Counterclaimants Denice Shakarian Halicki, Eleanor Licensing, LLC, and Gone in 60 Seconds Motorsports, LLC (together, “Halicki Parties”), and the remaining claims asserted by the Halicki Parties against the Shelby Parties and Counterclaim Defendants Classic Recreations, LLC,

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Jason Engel, and Tony Engel (together, “CR Parties”). The Court has considered all the evidence and argument presented at the live hearings, written declarations of direct testimony, and arguments presented in briefs the Court authorized.

I. THRESHOLD ISSUES

Within their closing brief, the CR Parties move under Federal Rule of Civil Procedure 52(c) for special findings. (CR Closing Br. 23–31, ECF No. 423.) To the extent the findings the CR Parties seek are not made in this Verdict, the motion is denied without prejudice on procedural grounds. The Court ordered any Rule 52(c) motion to be filed separately from the closing briefs. (Tr. 548.)¹ The Court set word limits for the closing briefs anticipating that any Rule 52(c) motion would be ventilated separately. Given the constraints placed on the closing briefs, the Halicki Parties did not have a full and complete opportunity to respond to the CR Parties’ motion. Because the Rule 52(c) motion was not presented separately as ordered, C.D. Cal. R. 6-1; (Tr. 548), the Court does not consider it.

The parties submitted voluminous objections to the direct testimony declarations. (ECF Nos. 399, 402–04.) In the interest of judicial economy, the Court resolves only the objections necessary to the disposition in this Verdict.

1. The transcript for the first day of trial is filed as ECF No. 415, and the consecutively paginated transcript for the second day of trial is filed as ECF No. 416. The Court cites the page numbers supplied by the court reporter.

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Unless otherwise noted, objections to cited evidence are overruled. The Court reserves decision on all remaining objections.

The Shelby Parties argue that the Halicki Parties waived argument as to some of the Shelby Parties' claims and the Halicki Parties' affirmative defenses by failing to address them in their initial closing argument brief. (Shelby Resp. Br. 20, ECF No. 428.) The Court does not deem argument on these claims and defenses waived. The Court afforded the parties three separate opportunities to present argument after the close of evidence: initial closing briefs, responsive closing briefs, and oral argument at the June 5 hearing. (*See* Tr. 545.) The staged structure of closing argument permitted all parties to present their arguments and respond to others' in one way or another. The Shelby Parties do not provide, and the Court is unaware of, any authority supporting the proposition that a party may waive argument on claims or defenses by declining to address them at the first available opportunity. Such a rule would be injudicious given that closing argument in a bench trial is discretionary in the first place. Robert E. Jones et al., *Rutter Group Practice Guide: Federal Civil Trials & Evidence* § 17:25 (2023).

The Halicki Parties contend in various parts of their closing materials that the Court should make adverse inferences against the CR Parties based on spoliation of evidence. For example, they assert that the Court should draw an adverse inference that the CR Parties continuously used the Eleanor trademark in the advertisement of GT500CR vehicles, (Halicki Closing Br.

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32);² that Classic Recreations changed its name to CR Sales, LLC, (Halicki Resp. Br. 28, ECF No. 427); and that Classic Recreations’ limited liability company veil should be pierced, (*id.* at 28–30). These requests were untimely presented in the closing briefs, well after the deadline to file discovery motions or motions in limine in which an adverse inference properly might be sought as a sanction upon fair and full adversary briefing. Indeed, this is not the first time that the Court has rejected the Halicki Parties’ untimely requests for similar sanctions. (*See* 1st MSJ Order 20, ECF No. 232; Order Re: MILs 8, ECF No. 256.) The Court declines to entertain these untimely requests for adverse inferences and rests its Verdict solely on the evidence presented at trial.

II. RECITATION OF REMAINING CLAIMS AND DEFENSES

Since entry of the Final Pre-Trial Conference Order (“FPTCO,” ECF No. 408), the Shelby Parties withdrew their common law unfair competition claim and laches and unclean hands defenses. (Shelby Closing Br. 8 n.2, ECF No. 422.)

The Halicki Parties consistently maintained “affirmative” defenses of failure to state a claim. (Halicki Am. Mem. 36–37, ECF No. 398.) Failure to state a claim is not properly construed as an affirmative defense.

2. The Halicki Parties’ closing brief spans two consecutively paginated docket entries, ECF Nos. 421 and 421-1. The Court cites the page numbers supplied by Halicki Parties.

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Barnes v. AT&T Pension Benefit Plan, 718 F. Supp. 2d 1167, 1174 (N.D. Cal. 2010); *see Zivkovic v. S. Cal. Edison Co.*, 302 F.3d 1080, 1088 (9th Cir. 2002) (“A defense which demonstrates that plaintiff has not met its burden of proof is not an affirmative defense.”). Accordingly, the Court disregards these “affirmative” defenses in setting forth this Verdict but considers the Halicki Parties’ evidence and arguments favoring judgment in their favor on the Shelby Parties’ claims.

In their proposed findings of fact and conclusions of law, the Halicki Parties submit that they “proved by a preponderance of the evidence that the Shelby Parties have failed to mitigate their damages.” (Halicki Am. Proposed Findings of Fact & Conclusions of Law ¶¶ 88–89, ECF No. 420.) As confirmed in post-trial briefing, (Halicki Statement Regarding Affirmative Defense, ECF No. 437), the Halicki Parties maintain no failure-to-mitigate affirmative defense, (*see generally* FPTCO 8–65). Accordingly, the Court disregards failure to mitigate as an affirmative defense but considers the Halicki Parties’ evidence and arguments favoring judgment in their favor on the damages elements of the Shelby Parties’ claims.

Accordingly, retaining the numbering provided by the parties, the Court understands the live claims and defenses to be as follows.

The Shelby Parties assert against the Halicki Parties claims for (1) breach of contract; (2) breach of the implied covenant of good faith and fair dealing; (3) false designation of origin by reverse passing off in violation

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of the Lanham Act, 15 U.S.C. § 1125(a); (5) trade libel; (7) violation of the California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200; and (8) declaratory judgment. The Halicki Parties assert affirmative defenses of (1) lack of standing and (20) unclean hands.

The Halicki Parties assert against the Shelby Parties counterclaims for (2) breach of contract; (3) false designation of origin by reverse passing off in violation of the Lanham Act, 15 U.S.C. § 1125(a); (5) breach of contract; and (8) declaratory relief. The Shelby Parties assert affirmative defenses of (2) a statute of limitations bar and (4) waiver, estoppel, and acquiescence.

The Halicki Parties assert against the CR Parties counterclaims for (1) breach of contract; (3) false designation of origin by reverse passing off in violation of the Lanham Act, 15 U.S.C. § 1125(a); and (12) trademark infringement. The CR Parties assert affirmative defenses of (2) a statute of limitations bar; (3) laches; (4) waiver, estoppel, and acquiescence; and (5) unclean hands.

III. FINDINGS OF FACT³

A. The Shelby Parties

1. Carroll Shelby Licensing, Inc. is a Texas corporation with its principal place of business in California. (FPTCO Ex. A ¶ 4.)

3. In some instances, evidence presented at trial directly contradicts these findings. The Court's decision not to cite the contradictory evidence should not be mistaken for a failure to consider it; instead, the Court simply does not credit it.

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2. Carroll Hall Shelby Trust is a trust organized and existing under the laws of California. Its trustees are M. Neil Cummings and Joe Conway. (*Id.* ¶ 5.)

3. Carroll Shelby was a race car driver. After retiring from professional racing, he designed race cars. He passed away in 2012. (Cummings Decl. ¶¶ 3–4, ECF No. 390.)

4. The Carroll Hall Shelby Trust owns numerous trademarks consisting of or featuring the name Shelby and/or vehicles designed by Shelby. Carroll Shelby Licensing is the licensing agent of the Carroll Hall Shelby Trust. (*Id.* ¶¶ 6–9.)

B. The Halicki Parties

5. Denice Shakarian Halicki is an individual residing in California. (FPTCO Ex. A ¶ 1.)

6. Eleanor Licensing, LLC is a Delaware limited liability company with its principal place of business in California. (*Id.* ¶ 2.) Halicki is the majority member and manager of the company, and her mother is a minority owner. (Halicki Decl. ¶ 1, ECF No. 392; Tr. 258–59.) Halicki, her attorneys, and Michael Leone, a consultant to the Halicki Parties who assists with intellectual property issues, control the company. (Tr. 180, 259; Leone Decl. ¶ 1, ECF No. 391.)

7. Gone in 60 Seconds Motorsports, LLC is a Delaware limited liability company with its principal place of business in California. (FPTCO Ex. A ¶ 3; Halicki Decl. ¶ 1.)

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8. Halicki's late husband, H.B. "Toby" Halicki, produced, directed, financed, marketed, promoted, and acted in the 1974 film *Gone in 60 Seconds*. The film involves a group of car thieves who have a list of cars they must steal. (FPTCO Ex. A ¶¶ 9–11.)

9. *Gone in 60 Seconds* and two other films Toby Halicki produced, the 1982 film *The Junkman* and the 1983 film *Deadline Auto Theft* (all together, the "trilogy"), all feature Ford Mustangs identified in each film by the name Eleanor. (Halicki Decl. ¶¶ 32–33.)

10. Toby Halicki died in 1989. Halicki secured the rights to *Gone in 60 Seconds* from his estate in 1994. (FPTCO Ex. A ¶¶ 11–12.) Halicki owns the copyrights and trademarks to the trilogy. (Halicki Decl. ¶¶ 36, 82; Leone Decl. ¶ 42; Trial Exs. 765–69.)

11. With Halicki as an executive producer, Disney released a remake of *Gone in 60 Seconds* in 2000 starring Nicolas Cage, Angelina Jolie, and Robert Duvall (the "remake"). Like the original, the remake involves a group of car thieves who have a list of cars they must steal. (FPTCO Ex. A ¶ 13.) Halicki owns the merchandising rights to the Eleanor car as it appears in the remake, (Trial Exs. 512, 761; Halicki Decl. ¶ 70), but Disney owns the copyright to and other intellectual property interests in the motion picture, (Trial Ex. 512;⁴ Olson Decl. ¶ 2, ECF

4. The parties to the contract setting forth these rights are Halicki and Hollywood Pictures, but the distinction between Hollywood Pictures and Disney is immaterial to this Verdict. (See, e.g., Halicki Decl. ¶ 40 ("It is my understanding that [Hollywood Pictures] is a subsidiary and a dba of Disney Enterprises, Inc.")).

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No. 343-1⁵). Disney disclaims any intellectual property interest it has in the Eleanor car as it appears in the remake. (Halicki Decl. ¶ 70 (referring to Olson Decl. ¶ 3).)

12. The Court previously determined that “Eleanor is not entitled to standalone copyright protection as a matter of law.” (2d MSJ Order 23, ECF No. 350.)⁶

C. The CR Parties

13. Classic Recreations, LLC is an Oklahoma limited liability company with its principal place of business in Oklahoma. (FPTCO Ex. A ¶ 6.)

14. Jason Engel and Tony Engel are the sole members of Classic Recreations, LLC. (*Id.* ¶¶ 6–8; J. Engel Decl. ¶ 5, ECF No. 393; T. Engel Decl. ¶ 3, ECF No. 394.)⁷ Classic Recreations made and sold cars. Jason Engel ran the business. (J. Engel Decl. ¶ 8; T. Engel Decl. ¶ 6.)

5. The Olson declaration is part of the case record but not the trial record. The Court does not rest its findings on the declaration but cites it for context.

6. This is a conclusion of law, but the Court includes it here to provide context.

7. The company was suspended for much of this litigation, but it was reinstated on March 7, 2023. (*See* Closing Tr. 31–32, ECF No. 432.)

*Appendix C***D. Facts Pertaining to Claims Between the Halicki Parties and CR Parties**

15. In 2007, Eleanor Licensing and Classic Recreations entered into a license agreement with Classic Recreations (the “Eleanor License”). (FPTCO Ex. A ¶ 14; J. Engel Decl. ¶ 6; T. Engel Decl. ¶¶ 6–7; Halicki Decl. ¶ 132.) The Engels are not parties to the agreement in their individual capacity. (Trial Ex. 62 (“Eleanor License”), at 1, ECF No. 393-1; J. Engel Decl. ¶ 7; T. Engel Decl. ¶ 5; *see* Halicki Decl. ¶ 132.)

16. In pertinent part, the Eleanor License authorized Classic Recreations to:

use the following intellectual property rights, trademarks, and copyrightable material relating to “Gone in 60 Seconds” and “Eleanor” that are controlled by [Eleanor Licensing] in connection with a “Gone in 60 Seconds” automobile vehicle based on the “Gone in 60 Seconds” 1974 Original movie and the “Gone in 60 Seconds” 2000 Remake movie and consisting of the star car character “Eleanor” from each movie. (‘Licensed Properties’)[.]

(Eleanor License § 1. 1.)

17. Section 17 of the Eleanor License is titled “AFTER EXPIRATION OR TERMINATION.” Section 17.1 provides:

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After the expiration or other termination of this Agreement, all rights granted to [Classic Recreations] under this Agreement revert to [Eleanor Licensing]. [Classic Recreations] must refrain from further use of the Licensed Properties or any further reference to it, direct or indirect, in connection with the manufacture, sale, distribution or promotion of [Classic Recreations'] products.

(*Id.* § 17. 1.)

18. Under the Eleanor License, the CR Parties built and marketed vehicles using the licensed properties. (*See* Halicki Decl. ¶¶ 137–38; Trial Ex. 583.) Classic Recreations terminated the Eleanor License on October 16, 2009. (FPTCO Ex. A ¶ 24.)

19. Upon the termination of the Eleanor License, “CR stopped using the ‘Gone in 60 Seconds’ and ‘Eleanor’ marks and has not built any cars like the black and grey ‘Eleanor’ car in the Remake.” (J. Engel Decl. ¶ 33.)

20. Classic Recreations and Carroll Shelby Licensing subsequently entered a license agreement. The license term commenced November 1, 2009, and the license is still in effect today, though the current licensee is now nonparty CR Sales, LLC. (FPTCO Ex. A ¶¶ 25–28; Trial Ex. 128; Cummings Decl. ¶ 54.)

21. Beginning around 2010, the CR Parties manufactured cars labeled GT500CR pursuant to the

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license from Carroll Shelby Licensing. (FPTCO Ex. A ¶ 29; *see* J. Engel Decl. ¶¶ 39, 43.) Classic Recreations did not manufacture or sell the GT500CR Carbon, a car with the same look as the GT500CR but featuring carbon fiber materials. (Tr. 435; FPTCO Ex. A ¶ 30.) The GT500CR does not feature an exaggerated, raised hump feature or small dual headlights with a custom molded 3-inch hole and a 2-inch light inset from the main headlight. (J. Engel Decl. ¶ 37; Tr. 171–72.)

22. The Court credits the testimony of Jason Engel as to the following facts:

Neither CR nor [Jason Engel] have ever passed off a car either of [them] made as someone else's car design. Neither CR nor [Jason Engel] have ever taken another company's car or car part and removed its brand or name and replaced it with [their] own or Shelby's. . . . In every car that CR and [Jason Engel] ever sold, [they] never claimed that someone else's name, brand, or creation was [their] own or Shelby's.

(J. Engel Decl. ¶ 23; *accord* T. Engel Decl. ¶¶ 8–9 (declaring similarly).)

23. In February 2020, Leone encountered an advertisement that appeared in Google search results for the query “Eleanor star car.” The hyperlink text read: “Custom Eleanor Mustangs | Classic Recreations®.”

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(Trial Ex. 197; Leone Decl. ¶ 150.)⁸ In an undated text message to a contact at Classic Recreations’ marketing firm, Jason Engel expressed incredulousness concerning a similar internet advertisement inviting the consumer to build an “Eleanor Mustang”: “Wtf? We just paused this campaign. Why would anyone do this ?” (Trial Ex. 194, at 1; *see* Tr. 444–47.) The marketing firm did not create the “Custom Eleanor Mustangs | Classic Recreations®” advertising campaign on behalf of Classic Recreations. (Tr. 445.)

D. Facts Pertaining to the Claims Between the Shelby Parties and the Halicki Parties

24. On October 25, 2004, Halicki and affiliated entities filed a complaint against the Shelby Parties and others in the United States District Court for the Central District of California, Case No. 2:04-cv-08813-SJO-PJW. (FPTCO Ex. A ¶ 15.)

25. On October 23, 2007, Halicki, Eleanor Licensing, and affiliated entities filed a complaint against the Shelby Parties and others in the United States District Court for the Central District of California, Case No. 2:07-cv-06859-SJO-PJW. (*Id.* ¶ 16.)

26. On December 4, 2008, Shelby and his affiliates filed a complaint against Halicki and her affiliates, Classic

8. For reasons discussed in more detail *infra*, the advertisement in Trial Exhibit 197 has not been admitted as evidence, but the Court credits Leone’s testimony that he perceived such an advertisement.

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Recreations, and others in the United States District Court for the Central District of California, Case No. 2:08-cv-08004-SJO-PJW. (*Id.* ¶ 17.)

27. These cases concerned cars described as the GT500E, 40–50 of which were manufactured by Unique Performance under a license from Carroll Shelby Licensing and which were designed to look like one of the cars called Eleanor from the remake film. (Cummings Decl. ¶¶ 17–19.) GT500E vehicles built by Unique featured an exaggerated, raised hump feature on its hood and custom molded lights inset from the main headlight. (*See* Trial Ex. 7 (“Settlement Agreement”), at 9–11.)

28. On October 30, 2009, Carroll Shelby; Carroll Shelby Licensing; Shelby Automobiles, Inc.; Carroll Hall Shelby Trust; Carroll Shelby Engineering, Inc.; Carroll Shelby Motors, Inc.; Carroll Shelby International, Inc.; Halicki; the Original Gone in 60 Seconds LLC; Halicki Films, LLC; and Eleanor Licensing entered into a confidential settlement agreement. (FPTCO Ex. A ¶ 19; *see generally* Settlement Agreement.) Cummings and Leone, individuals involved in the negotiation of the Settlement Agreement, testified that its purpose was to resolve all issues between Shelby and his affiliates and Halicki and her affiliates regarding GT500E vehicles. (Cummings Decl. ¶¶ 24–25, 36, 39–41; Tr. 106–09, 110, 136–38, 142–43, 144.) Cummings acknowledged at trial, however, “that the settlement did not resolve all issues with respect to everyone in the world regarding the GT500Es that were built.” (Tr. 52.)

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29. Numerous provisions of the Settlement Agreement are relevant here. The Settlement Agreement transfers from the Shelby Parties, among others, to Halicki and Eleanor Licensing, among others, “all right, goodwill, title, intellectual property rights, and interest to the ‘copyrights’ in and to the following: remake of ‘Gone in 60 Seconds,’ and particularly the ‘Eleanor’ car character from the remake,” (Settlement Agreement § 1),⁹ as well as “all right, goodwill, title, intellectual property rights, and interest to the ‘trademarks’ in and to the following: ‘Eleanor’; ‘E’; and ‘Gone in 60 Seconds’ from the original, remake and sequels,” (*id.* § 2). The Shelby Parties agreed not to “use, or license in any way, shape or form any of the property rights transferred to Halicki described herein.” (*Id.* § 3.)

30. The Settlement Agreement further provides:

Shelby shall not use, manufacture, license, or copy, the exaggerated, raised hump feature of the Eleanor hood (“Eleanor Hood”), or the specific design of the Eleanor small dual headlights with custom molded 3-inch hole and 2-inch light inset from the main headlight (“Eleanor Inset Lights”), as seen in the remake *Gone in 60 Seconds*, unless Ford Motor Company is the one that has manufactured the product.

(*Id.* § 4.)

9. The Settlement Agreement is written in all caps. For readability, the Court uses sentence case for quotations of the Settlement Agreement.

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31. The Settlement Agreement provides: “Halicki and all other entities she owns or controls hereby transfer[] to Shelby all intellectual property rights in and to the ‘GT-500,’ ‘Shelby’ and ‘Carroll Shelby’ trademarks.” (*Id.* § 5.) Halicki acknowledged that Shelby has “trade dress rights in the ‘Shelby GT-500’ vehicle” depicted in a photograph appended to the contract, and Shelby acknowledged that Halicki has trade dress rights in the Eleanor Hood and Inset Lights. (*Id.* § 6.)

32. Halicki acknowledged that Shelby would continue to use the GT500 intellectual property and agreed not to “initiate any lawsuit against Shelby or his business partners or licensees for licensing or using the trade dress of the GT-500 as embodied in the photograph attached [to the Settlement Agreement], and hereby release[d] and waive[d] any such claims.” (*Id.* § 7.)

33. The Settlement Agreement states:

Shelby will not initiate any lawsuit against Halicki or her business partners or licensees for licensing, using, manufacturing or selling Eleanors from the original or remake Gone in 60 Seconds (vehicles or merchandise) as embodied in the photograph attached [to the settlement agreement], and hereby releases and waives any such claims.

(*Id.* § 8.)

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34. The agreement provides disparate treatment of Unique customers with “Eleanor contracts” that existed before Unique filed for bankruptcy. (*Id.* § 17.) The contract requires the Shelby Parties to “use best efforts to convince the customers to choose a different car that doesn’t have the Eleanor Hood and Eleanor Inset Lights,” but authorizes them to “complete and deliver” automobiles under the existing contracts. (*Id.*) “Other than as set forth above,” however, the Shelby Parties agreed that they and their licensees “shall not manufacture or sell any Eleanors.” (*Id.*)

35. Although the parties agreed to keep the Settlement Agreement confidential, the contract provided for the execution of a nonconfidential side letter by Shelby acknowledging the effects of certain provisions therein. (*Id.* § 12.) Pursuant to this provision, Shelby and the Carroll Hall Shelby Trust generated the acknowledgment letter dated November 2, 2009. (Cummings Decl. ¶ 42; “Shelby Acknowledgment,” Trial Ex. 104.)

36. Beginning in 2019, Cummings was informed that the Halicki Parties had demanded that GT500E owners remove Shelby badging from their vehicles and replace it with Eleanor badging. Barrett-Jackson, an auction house that had sold several GT500Es in the past, told Cummings that it would no longer sell GT500Es at auction given the Halicki Parties’ assertions of infringement. (Cummings Decl. ¶¶ 46–51; *accord* Davis Decl. ¶ 7, ECF No. 382 (“Barrett-Jackson’s policy was generally to refuse consignment of Shelby GT500E cars, as well as any other similar Mustangs that Mr. Leone identified as infringing

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on Ms. Halicki's character copyright.".) At least one GT500E owner attempted to list his vehicle for auction, but the auction house refused to do so unless he received a license from the Halicki Parties. (Rojany Decl. ¶¶ 2–6, ECF No. 385.)¹⁰

37. Mrs. Jordan,¹¹ Billy Wagner, and Matt Farncombe owned GT500E vehicles that more likely than not were manufactured by Unique. (Tr. 137, 165; Cummings Decl. ¶¶ 17–18.) The Halicki Parties entered licensing agreements with Jordan, Wagner, and Farncombe under which the GT500E owners agreed to market and sell their vehicles “with the official licensed badging and emblems” of Eleanor and *Gone in 60 Seconds*. (Trial Ex. 16 (Wagner license agreement); *accord* Trial Ex. 360 (requiring Farncombe to “market and sell [his] Vehicle with only the official licensed badging and emblems”); *see* Trial Ex. 18 (documents showing Eleanor Licensing issued a certificate of authenticity for Jordan's vehicle); Leone Decl. ¶ 124.) The Halicki Parties did not remove Shelby badging from these GT500Es or ask the GT500E owners or its licensee dealership, Fusion Motor Company, to do so. (Leone Decl.

10. Evidence probative of other GT500E owners' feelings about the Shelby Parties and Halicki Parties was excluded, (*see* Tr. 551), or not admissible for its truth, (*id.* at 459–60). Further, the Court sustains the Halicki Parties' objection to the testimony of James Hankerson on account of a failure to disclose the substance of the testimony prior to trial. (Halicki Evid. Objs. ¶ 92, ECF No. 399 (citing Fed. R. Civ. P. 37(c)(1)).)

11. The parties have not provided evidence of Mrs. Jordan's given name.

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¶ 128; Tr. 147.) No one removed the Shelby branding from Farncombe's GT500E. (Leone Decl. ¶ 128 .)¹²

38. In 2020, counsel for the Halicki Parties sent a letter to Classic Recreations, and Leone sent a letter to Classic Recreations' vendor, terminated party SpeedKore.¹³ The letters accused Classic Recreations and SpeedKore of violating the Halicki Parties' rights and demanded that they cease and desist "manufacturing and selling counterfeit Eleanors." (Trial Ex. 20; *accord* Trial Ex. 27.)

39. According to Cummings, the Shelby Parties incurred approximately \$5,000 in attorney's fees responding to these two letters "because Classic did not have its own counsel at the time." (Cummings Decl. ¶ 61; *see also* Trial Exs. 21, 30 (responsive correspondence by counsel for the Shelby Parties).)

40. Jason Engel declared that "at least two customers who had pending offers . . . confirmed that they were not going to purchase a Shelby GT500CR because of the risk that they would be sued by the person that licensed the Eleanor." (J. Engel Decl. ¶ 49.) Those customers' orders were for vehicles that cost approximately \$259,000 each,

12. The parties apparently agree on this fact, (*see* Shelby Closing Br. 20; Halicki Resp. Br. 45), although Leone's personal knowledge of Farncombe's sale rests on hearsay.

13. The Court dismissed the claims against SpeedKore for lack of personal jurisdiction. (Order Re: Pending Mots. 14, ECF No. 100.)

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and Shelby would have received 10% of that amount as royalties. (*Id.*)¹⁴

41. The Shelby Parties initiated the instant lawsuit in 2020, complaining that the Halicki Parties wrongfully demanded that GT500E owners replace Shelby badging with Eleanor marks, threatened to sue an auction company if it allowed a Shelby vehicle to be sold at auction without rebadging, and sent a cease-and-desist letter accusing the CR Parties of infringing their intellectual property by manufacturing and selling the GT500CR, among other allegations of misconduct. (*E.g.*, First Am. Compl. ¶¶ 32–41, ECF No. 13.)

IV. CONCLUSIONS OF LAW

A. Halicki Affirmative Defense 1: Standing

42. Because Halicki’s First Affirmative Defense presents a jurisdictional issue implicating all the Shelby Parties’ claims, the Court begins its analysis here. *See Scott v. Pasadena Unified Sch. Dist.*, 306 F.3d 646, 653–54 (9th Cir. 2002). The Halicki Parties submit that the Shelby Parties suffered no injury in fact “to the extent any claim exists for any impropriety in licensing the GT500E vehicles.” (FPTCO 26.) Instead, they claim, the GT500E owners are “the proper part[ies] with standing to assert any claims based on the negotiation and consummation of those license agreements, not the Shelby Parties.” (*Id.*)

14. For reasons discussed in more detail *infra*, the Court does not credit the evidence cited in paragraphs 39 and 40. Instead, the Court includes these paragraphs in the findings of fact only for context.

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43. To demonstrate Article III standing, a party must demonstrate it has “(1) suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the defendant, and (3) that is likely to be redressed by a favorable judicial decision.” *Spokeo, Inc. v. Robins*, 578 U.S. 330, 338 (2016). “[T]he injury must affect the plaintiff in a personal and individual way.” *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 n.1 (1992). Only in limited circumstances may a party have standing to vindicate a nonparty’s rights. *See McCollum v. Cal. Dep’t of Corr. & Rehab.*, 647 F.3d 870, 879 (9th Cir. 2011) (“[A] plaintiff must show his own injury, a close relationship between himself and the parties whose rights he asserts, and the inability of the parties to assert their own rights.”).

44. The Shelby Parties have not shown they have standing to vindicate the rights of nonparty GT500E owners, but they do not need to do so—they have standing to pursue their own claims of injury. They seek a remedy for damages they incurred due to alleged breaches of a contract to which they are parties. (*E.g.*, Shelby Mem. 11, ECF No. 364 (proffering that the Shelby Parties would present evidence of “reputational damages, corrective advertising expenses, and attorneys’ fees paid pre-litigation”).) The breach of a contractual obligation generates a concrete injury to a contracting party sufficient to confer constitutional standing, even in the absence of proof of damages. *See Perry v. Newsom*, 18 F.4th 622, 639 (9th Cir. 2021) (Ikuta, J., dissenting) (collecting authorities for the proposition that “a breach of contract is itself a concrete injury for purposes of Article III standing, regardless of whether a plaintiff suffers

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actual damages”); *cf. Uzuegbunam v. Preczewski*, 141 S. Ct. 792, 801 (2021) (noting that an award of nominal damages may provide redress sufficient to satisfy constitutional standing). Under their other claims, the Shelby Parties similarly seek remedies for damages they assert *they* suffered as a result of the Halicki Parties’ conduct, notwithstanding that some alleged conduct also—and, in some respects, more directly—impacted nonparty GT500E owners. (*E.g.*, Shelby Mem. 12, 14, 16–20; Shelby Closing Br. 12–13, 15–16, 22–26, 30.)

45. To the extent the Halicki Parties submit that the Shelby Parties cannot recover damages to vindicate injuries suffered by GT500E owners, they are correct; but this is a damages inquiry that must be examined in the context of each claim’s merits and is distinct from the constitutional injury-in-fact requirement.

46. The Court rejects Halicki’s Affirmative Defense 1.

B. Shelby Claim 1: Breach of Contract

47. The Shelby Parties contend that the Halicki Parties breached the Settlement Agreement “by asserting claims against the Shelby Parties’ business partners and licensees for manufacturing, marketing, and selling GT500CRs and GT500CR Carbons using SHELBY Marks and GT500 trade dress.” (FPTCO 8.)

48. To prevail on a claim for breach of contract, the claimant must prove by a preponderance of the evidence (1) that the claimant and the defendant entered into a

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contract; (2) that the claimant did all, or substantially all, of the significant things that the contract required, or that the claimant was excused from performance; (3) that the defendant failed to do something that the contract required it to do or did something the contract prohibited it from doing; (4) that the claimant was harmed; and (5) that the breach was a substantial factor in causing the claimant's harm. CACI No. 303.

49. The Shelby Parties, Halicki, and Eleanor Licensing, among other contracting parties, entered into a valid contract, the Settlement Agreement. The Shelby Parties have not proven that Gone in 60 Seconds Motorsports is party to the Settlement Agreement or by some other mechanism may be liable for a breach thereof.

50. The Shelby Parties did all, or substantially all, of the significant things that the Settlement Agreement required.¹⁵

51. The Shelby Parties assert that the Halicki Parties breached Sections 5 to 7 of the Settlement Agreement by “demanding that both CR and SpeedKore cease and desist manufacture of the GT500CR and/or GT500CR Carbon, asserting they were infringing [Halicki's] rights and threatening legal action based on the same.” (Shelby Closing Br. 12.)

15. The Shelby Parties' first claim and the Halicki Parties' fifth counterclaim mirror one another in that each accuses the other of breach of the Settlement Agreement. Accordingly, the analysis of breach in one claim informs the analysis of substantial performance in the other.

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52. Sections 5 and 6 of the Settlement Agreement do not contain provisions requiring the Halicki Parties to refrain from doing anything. They pertain to the transfer of intellectual property and proclaim acknowledgments of the contracting parties' respective intellectual property rights. Sending cease-and-desist communications is no breach of these provisions. *See Buzzed Barbers, LLC v. State Farm Gen. Ins. Co.*, No. 2:23-cv-03171-MCS-PD, 2023 U.S. Dist. LEXIS 111994, at *10 (C.D. Cal. June 28, 2023) (Scarsi, J.) ("It is axiomatic that a party cannot breach an obligation the contract did not impose.").

53. Section 7 contains another acknowledgment of rights, but it also affirmatively restricts Halicki and Eleanor Licensing from "initiat[ing] any lawsuit against Shelby or his business partners or licensees for licensing or using the trade dress of the GT-500." (Settlement Agreement § 7.) The Shelby Parties offer no interpretation of this provision under which sending cease-and-desist communications constitutes "initiat[ing] any lawsuit." Such conduct cannot breach Section 7.

54. For the first time in their closing brief, the Shelby Parties rest a theory of breach on the Halicki Parties' assertion of counterclaims against them, Classic Recreations, and SpeedKore in this lawsuit. (Shelby Closing Br. 12 ("Since the complaint in this matter was filed, Halicki has also sued Shelby, CR and SpeedKore for licensing and making the GT500CR, in flat violation of ¶ 7 [of the Settlement Agreement].").) The Shelby Parties never pleaded this theory. Before the FPTCO replaced the pleadings, the Shelby Parties' operative complaint

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was the First Amended Complaint, which predated the filing of any counterclaims. The Shelby Parties declined to amend their pleading to incorporate a breach theory resting on the Halicki Parties' counterclaims before the pleading amendment deadline. The Court will disregard this belated theory of the claim and strikes reference to it in the FPTCO. *See Polar Bear Prods. v. Timex Corp.*, 384 F.3d 700, 719 (9th Cir. 2004) (affirming district court's decision to rebuff claims that appeared for the first time in the pretrial order); *Missigman v. USI Ne., Inc.*, 131 F. Supp. 2d 495, 517–18 (S.D.N.Y. 200 1) ("Courts routinely refuse to allow parties to raise additional claims or defenses, for the first time, in the pretrial order after the completion of discovery.").

55. Even had the Shelby Parties proven a breach, they have not proven damages. The Shelby Parties seek lost royalties based on Jason Engel's testimony that two unidentified customers told him at some unspecified time they would not purchase GT500CRs because of the risk of being sued. (Shelby Closing Br. 12–13 (citing, inter alia, J. Engel Decl. ¶¶ 48–52).) Jason Engel's testimony to this end is plainly hearsay that must be discounted. Fed. R. Evid. 802. Even if some exception or exemption to the hearsay rule applied, the Court would not credit the testimony as establishing by a preponderance of the evidence that the unidentified customers would have completed the GT500CR transactions but for the cease-and-desist letters sent to Classic Recreations and SpeedKore or the filing of the counterclaims; there is no evidence that the customers even knew about the Halicki Parties' communications or counterclaims, as distinguished from their other acts

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in furtherance of protecting their claimed intellectual property interests. *See Sargon Enters., Inc. v. Univ. of S. Cal.*, 55 Cal. 4th 747, 773–74 (2012) (“The general principle is that damages for the loss of prospective profits are recoverable where the evidence makes reasonably certain their occurrence and extent.” (cleaned up).) The Halicki Parties also seek to recover attorney’s fees they incurred “to respond to Mr. Brandon’s letters . . . because Classic [Recreations] did not have its own counsel at the time.” (Cummings Decl. ¶ 61; *accord* Shelby Closing Br. 12–13.) Even assuming the cease-and-desist communications compelled the Shelby Parties to respond through counsel in a manner sufficient to prove causation of damages,¹⁶ the Shelby Parties have not proven the quantity of fees with reasonable certainty, such as by substantiating Cummings’s declaration with facts about the amount of time spent drafting responses and the billable rate of the drafting attorneys sufficient even to provide a ballpark estimation of the lodestar. *Cf. Roberts v. City & County of Honolulu*, 938 F.3d 1020, 1023–24 (9th Cir. 2019) (discussing lodestar method to calculate reasonable attorney’s fees). Without such support, the Court finds incredible Cummings’s representation that the two letters counsel sent on behalf of the Shelby Parties in response to the Halicki Parties’ correspondence, which total six

16. That the Shelby Parties acted *because* Classic Recreations was unrepresented at the time suggests that the Halicki Parties’ correspondence was not a proximate cause of the Shelby Parties’ expenditure of fees. Cal. Civ. Code § 3300. The issue is underexplored in the parties’ papers, and attorney’s fees are not an available remedy for other reasons, so the Court declines to rest its decision here on causation of damages.

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pages, represent \$5,000 worth of attorney work. (Trial Exs. 21, 30.)

56. Shelby Claim 1 is dismissed.

C. Shelby Claim 2: Breach of the Implied Covenant of Good Faith and Fair Dealing

57. The Shelby Parties assert that the Halicki Parties frustrated the purpose of the Settlement Agreement, deprived the Shelby Parties of its benefits, and breached the implied covenant of good faith and fair dealing “by asserting claims against GT500E owners for allegedly infringing the Halicki Parties’ purported copyright.” (FPTCO 8.)

58. Under California law, in every contract there is an implied promise of good faith and fair dealing. This implied promise means that each party will not do anything to unfairly interfere with the right of any other party to receive the benefits of the contract. Good faith means honesty of purpose without any intention to mislead or to take unfair advantage of another. Generally speaking, it means being faithful to one’s duty or obligation. However, the implied promise of good faith and fair dealing cannot create obligations that are inconsistent with the terms of the contract. CACI No. 325.

59. To prevail on a claim for breach of the implied covenant of good faith and fair dealing, a claimant must prove by a preponderance of the evidence (1) that the claimant and the defendant entered into a contract;

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(2) that the claimant did all, or substantially all, of the significant things that the contract required it to do, or that the claimant was excused from performance; (3) that the defendant prevented the claimant from receiving the benefits under the contract; (4) that, by doing so, the defendant did not act fairly and in good faith; and (5) that the claimant was harmed by the defendant's conduct. *Id.*

60. As provided in paragraphs 49 to 50 of this Verdict, the Shelby Parties have shown that the Settlement Agreement is a contract binding them, Halicki, and Eleanor Licensing, but not Gone in 60 Seconds Motorsports. The Shelby Parties did all or substantially all of the significant things the contract required them to do.

61. The Shelby Parties assert that the Halicki Parties breached the implied covenant “by wrongfully harassing owners of GT500Es and blocking their attempts to resell their vehicles to extort money from them and force them to replace the Shelby Marks thereon with Eleanor marks.” (Shelby Closing Br. 14.) The Court understands this invective to mean that the conduct of which the Shelby Parties complain is the Halicki Parties’ communications with GT500E owners requesting Eleanor licensing and rebadging and with auction houses threatening suit if they auctioned GT500Es not licensed by them. (*E.g.*, Davis Decl. ¶ 7; Trial Exs. 10, 45; Tr. 159–62.) The Shelby Parties have not proven by a preponderance of the evidence that this conduct “frustrate[d] [their] rights to the benefits of the agreement.” *Waller v. Truck Ins. Exch., Inc.*, 11 Cal. 4th 1, 36 (1995). The evidence demonstrates that the Settlement Agreement resolves claims related to the GT500E as between the Shelby Parties, Halicki, and

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Eleanor Licensing. (*E.g.*, Settlement Agreement preamble, at 1 (“[T]he parties now desire to settle and compromise all the claims *between them* that were brought or could have been brought. . . .”) (emphasis added).) With limited exception,¹⁷ the agreement does not expressly or impliedly confer benefits to noncontracting people or entities who own GT500Es or oversee transactions in GT500Es. Cummings acknowledged at trial that the Settlement Agreement did not require the Halicki Parties to globally release claims they have with respect to the GT500E. (*See* Tr. 52.) The Shelby Parties received the benefit of their bargain by, inter alia, securing the Halicki Parties’ release of claims against them. (*E.g.*, Settlement Agreement § 16.) The Court declines the Shelby Parties’ invitation to read the Settlement Agreement to foreclose the Halicki Parties from pursuing any claims related to the GT500E they have against nonparties, as their claim would require. *Cf. Balbo v. JAAM Transp. LLC*, No. SACV 22-1857 JVS (DFMx), 2023 U.S. Dist. LEXIS 34423, at *7 (C.D. Cal. Mar. 1, 2023) (“A claim for breach of the implied covenant of good faith and fair dealing involves frustrating the benefits of the contract between the parties, not between Defendants and a third party.”).

17. The contract might have had different implications for Unique customers whose orders the Shelby Parties fulfilled, (*see* Settlement Agreement § 17), but the evidence indicates that no such customers exist (*e.g.*, Tr. 117–18). The fact that the Settlement Agreement expressly discusses GT500E customers whose vehicles had not yet been delivered and provides no treatment of existing GT500E owners bolsters the conclusion that the contract’s benefits to the Shelby Parties did not extend to protect existing GT500E owners.

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62. Even had the Shelby Parties proven a breach, they have not proven damages. The Shelby Parties claim that the Halicki Parties' actions caused them a loss of goodwill and reputational damages, so they should recover money damages commensurate with the expense of corrective advertising. (Shelby Closing Br. 16.)¹⁸ The Court rejects this argument for three independent reasons. First, although the cost of corrective advertising is a recognized remedy to address damage to goodwill and reputation in intellectual property infringement cases, *e.g.*, *Adray v. Adry-Mart, Inc.*, 76 F.3d 984, 988 (9th Cir. 1995), its availability as a remedy for this contract-based claim is unclear. The Court is particularly skeptical given that the circuit court has recognized that corrective advertising awards are "crude measures of damage" to goodwill even in the intellectual property context. *Harper House, Inc. v. Thomas Nelson, Inc.*, 889 F.2d 197, 209 n.8 (9th Cir. 1989). The Shelby Parties have not cited any authority, or provided any evidence, suggesting that the measure of the loss of goodwill and reputational damage caused by the Halicki Parties' conduct here is commensurate, or even correlated, with the cost of corrective advertising. The Court has found no supporting authority and questions the relation between the proposed campaign and the goodwill loss. For example, accepting that the Halicki Parties' communications with an individual GT500E owner cast a pall over that individual's perception of the Shelby Parties'

18. The Shelby Parties previously asserted they were entitled to fees and reputational damages separate from corrective advertising, (FPTCO 13), but they did not assert such remedies in their closing materials, including their proposed findings of fact and conclusions of law.

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reputation, the mass-market advertising campaign the Shelby Parties propose is not commensurate with the harm; the lost goodwill instead could be recovered by a less costly, targeted campaign focused on the GT500E owners with whom the Halicki Parties made contact.

63. Second, even if corrective advertising expenses were recoverable, the Shelby Parties have not proven that the Halicki Parties' communications caused them a loss of goodwill and reputation. *See Quia Corp. v. Mattel, Inc.*, No. C 10-1902 JF (HRL), 2011 U.S. Dist. LEXIS 76157, at *15–16 (N.D. Cal. July 14, 2011) (“A plaintiff need not show a specific measure of harm to its goodwill and reputation in order to recover corrective damages. However, compensatory damages are appropriate only where a plaintiff has shown that in fact it has been injured; it still must present non-speculative evidence that goodwill and reputation . . . was damaged in some way.” (citation omitted)). In his declaration, Cummings stated that the Halicki Parties' conduct “caus[ed] Shelby's customers to become upset with and lose trust in Shelby and create[ed] the appearance that the Shelby brand and trademarks are of little, lesser, or no value.” (Cummings Decl. ¶ 65.) But this hearsay is contradicted by the Shelby Parties' own witnesses. A GT500E owner provided testimony about the high regard he has for the Shelby brand notwithstanding frustration caused by the Halicki Parties' actions. (Rojany Decl. ¶ 6.) Barrett-Jackson's president provided no testimony that the Halicki Parties' conduct had any effect on his esteem of the Shelby Parties. (*See generally* Davis Decl. ¶¶ 7–14.) If anything, the evidence demonstrates that the Halicki Parties' communications with GT500E

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owners and auction houses damaged the Halicki Parties' *own* goodwill and reputation, not the Shelby Parties'.

64. Third, the Court finds unpersuasive the evidence supporting the proposed corrective advertising campaign. “An award of the cost of corrective advertising, like compensatory damage awards in general, is intended to make the plaintiff whole. It does so by allowing the plaintiff to recover the cost of advertising undertaken to restore the value plaintiff’s trademark has lost due to defendant’s infringement.” *Adray*, 76 F.3d at 988. The Court excluded the opinion of the Shelby Parties’ expert on corrective advertising. (1st MSJ Order 15–17.) Although Cummings testified about the costs of certain corrective advertising measures, (Cummings Decl. ¶ 69), the Court determines that his opinion that the proposed advertising campaign is “need[ed] . . . to set the record straight and tell the truth,” (*id.*), is, if not an inadmissible expert opinion by a lay witness, (*see* Tr. 104 (reserving decision on this issue)), unpersuasive given the broad scope of the proposed campaign in light of the asserted harm.

65. Shelby Claim 2 is dismissed.

D. Shelby Claims 3 and 7: False Designation of Origin by Reverse Passing Off and Violation of the California Unfair Competition Law

66. The Shelby Parties claim that the Halicki Parties engaged in false designation of origin by reverse passing off by “(a) demanding that owners of at least four (4)^[19]

19. The Shelby Parties now assert only three such instances. (Shelby Closing Br. 20.)

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Shelby GT500Es remove the Shelby trademarks and emblems from his vehicles, replace them with Eleanor trademarks and/or other related markings, and pay a licensing fee; and (b) directing that Shelby trademarks and emblems be removed from at least two (2) Shelby GT500Es, and replaced with Eleanor trademarks and/or other related markings.” (FPTCO 8–9.) The Unfair Competition Law claim rests on the same theory. (*Id.* at 9.)

67. Reverse passing off in violation of the Lanham Act, 15 U.S.C. § 1125(a), occurs when a defendant “misrepresents someone else’s goods or services as his own.” *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 27 n.1 (2003). To prevail on a reverse passing off claim, a claimant must prove by the preponderance of the evidence that (1) the work at issue originated with the claimant; (2) the origin of the work was falsely designated by the defendant; (3) the false designation of origin was likely to cause consumer confusion; and (4) the claimant was harmed by the defendant’s false designation of origin. *Syngenta Seeds, Inc. v. Delta Cotton Co-operative, Inc.*, 457 F.3d 1269, 1277 (Fed. Cir. 2006) (citing *Lipton v. Nature Co.*, 71 F.3d 464, 473 (2d Cir. 1995)); *see also OTR Wheel Eng’g, Inc. v. W. Worldwide Servs., Inc.*, 897 F.3d 1008, 1018 (9th Cir. 2018) (requiring likelihood of confusion).

68. As a predicate issue, the Halicki Parties submit that the GT500Es were not used in commerce, so the Lanham Act does not apply. (Halicki Resp. Br. 45.) “‘Use in commerce’ is simply a jurisdictional predicate to any law passed by Congress under the Commerce Clause.”

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Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672, 677 (9th Cir. 2005). The phrase has a “sweeping reach” in Lanham Act cases; a claimant need only “show that the defendant’s conduct affects interstate commerce, such as through diminishing the plaintiff’s ability to control use of the mark, thereby affecting the mark and its relationship to interstate commerce.” *Browne v. McCain*, 612 F. Supp. 2d 1125, 1132 (C.D. Cal. 2009) (internal quotation marks omitted). The Shelby Parties show use in commerce here given evidence that the Halicki Parties’ licensing demands impacted the market for vehicles bearing Shelby marks.²⁰

69. The Halicki Parties assert that the Shelby Parties are not the producers of the GT500Es on the basis that Carroll Shelby Licensing was only a trademark licensor; Unique actually built the vehicles. (Halicki Resp. Br. 45; *see* Cummings Decl. ¶¶ 17– 18; Tr. 11.) “[T]he term ‘origin’ in section [15 U.S.C. § 1125] ‘refers to the producer of the tangible goods that are offered for sale, and not to the author of any idea, concept, or communication embodied in those goods.’” *OTR Wheel Eng’g*, 897 F.3d at 1016 (quoting *Dastar*, 539 U.S. at 37). The “producer” protected by the Lanham Act “include[s] not only the actual producer, but also the trademark owner who commission[s] or assume[s] responsibility for (‘st[ands] behind’) production of the physical product.” *Dastar*, 539 U.S. 32; *see id.* at 32 n.5 (discussing history of protection of trademark licensors under § 1125(a)). The evidence is sufficient to demonstrate that Carroll Shelby Licensing

20. Notwithstanding, as discussed below in paragraph 70, the Halicki Parties’ argument on this issue informs the false designation element of the claim.

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as licensor “stood behind” the GT500E vehicles produced by Unique. *Id.* at 32 (internal quotation marks omitted). However, there is not enough evidence in the trial record to show that Carroll Shelby Hall Trust was involved in the licensing either directly or as the principal of Carroll Shelby Licensing and may thus be considered the origin of the GT500E. The Court finds that the GT500Es at issue here originated with Carroll Shelby Licensing.

70. The Shelby Parties have not shown that the Halicki Parties falsely designated the origin of Jordan, Wagner, and Farncombe’s GT500Es. As an initial matter, the parties agree that no one removed and replaced Shelby branding from Farncombe’s GT500E; accordingly, there cannot be a misrepresentation about the origin of his vehicle. More broadly, this is not the paradigmatic reverse passing off case in which a defendant *sells* the claimant’s product as its own. *See* Anne Gilson Lalonde & Jerome Gilson, *Trademarks* § 7.02[5][b] (2d ed. 2023) (citing *Dastar*, 529 U.S. at 28 n.1). Instead, the Shelby Parties’ theory rests on the Halicki Parties’ licensing agreements with GT500E owners, under which the *owners* were obliged to market and sell their vehicles with Eleanor badging. The licensing agreements do not require the removal of Shelby branding, and the Halicki Parties did not themselves remove Shelby badging from these vehicles. The Shelby Parties assert in their responsive brief that their licensee dealership, Fusion, acted as the Halicki Parties’ agent when they removed the Shelby logos from Jordan’s car. (Shelby Resp. Br. 21.) They also ask the Court to determine Jordan and Wagner acted as the Halicki Parties’ agents when they removed and

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replaced Shelby badging given their communications with GT500E owners and auction houses that “GT500Es are ‘counterfeits’ that could not, on pain of litigation, be sold without [Halicki’s] permission, which [Halicki] was only willing to grant to owners who entered license agreements obligating them to pay [Halicki] and remove and replace the Shelby emblems on their cars with Eleanor ones.” (*Id.* at 21–22.) These novel theories of the Halicki Parties’ vicarious liability for acts of nonparty agents went unpleaded and have not been preserved for trial. Even if they had, the Shelby Parties have not proven that the Halicki Parties exercised the requisite control over their licensees to establish principal-agent relationships. *See Mavrix Photographs, LLC v. Livejournal, Inc.*, 873 F.3d 1045, 1054–55 (9th Cir. 2017) (discussing federal common law principles of agency). The Court credits Leone’s testimony that the Halicki Parties did not instruct Fusion to remove Shelby badging from Eleanor-licensed vehicles and finds that the Halicki Parties did not exert the requisite control over the removal of Shelby badging from Jordan’s vehicle. The Court declines to infer that Jordan and Wagner consented to act as Halicki Party agents, or that the Halicki Parties exercised a principal’s control over removal of Shelby badging by entering contracts simply obliging Jordan and Wagner to use Eleanor badging. *See PetConnect Rescue, Inc. v. Salinas*, __ F. Supp. 3d __, No. 20-CV-00527-RSH-DEB, 2023 U.S. Dist. LEXIS 26135, at *29–31 (S.D. Cal. Feb. 15, 2023) (discussing principles of vicarious liability under the Lanham Act, and noting that the Ninth Circuit has determined that “a financial or contractual relationship, without more, is not enough” to establish control); *cf. Gibson Brands, Inc. v. Viacom Int’l*,

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Inc., 640 F. App'x 677, 678 (9th Cir. 2016) (“[T]he degree of control necessary for a trademark licensing agreement does not, by itself, provide the degree of control necessary to impose vicarious liability. . . .”).

71. As the Shelby Parties note, (Shelby Closing Br. 26), their claim under the Unfair Competition Law lives or dies with the Lanham Act claim, *Cleary v. News Corp.*, 30 F.3d 1255, 1262–63 (9th Cir. 1994). The claim must be dismissed for the same reasons the Lanham Act claim must be dismissed.

72. Shelby’s Claims 3 and 7 are dismissed.

E. Shelby Claim 5: Trade Libel

73. The Shelby Parties submit that the Halicki Parties committed trade libel by “publicly making false statements of fact that the GT500E and GT500CR vehicles infringe upon the Halicki Parties’ rights associated with the Eleanor vehicle and/or are Eleanor vehicles, and not Shelby vehicles,” which “disparaged the Shelby Parties’ trademark and trade dress rights, and goods and services.” (FPTCO 9.)

74. To establish a trade libel claim under California law, the claimant must prove (1) the defendant made a statement that would be clearly or necessarily understood to have disparaged the quality of the claimant’s good or service; (2) the statement was made to a person other than the claimant; (3) the statement was untrue; (4) the defendant knew that the statement was untrue or

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acted with reckless disregard of the truth or falsity of the statement; (5) the defendant knew or should have recognized that someone else might act in reliance on the statement, causing the claimant financial loss; (6) the plaintiff suffered direct financial harm because someone else acted in reliance on the statement; and (7) the defendant's conduct was a substantial factor in causing the claimant's harm. CACI No. 1731.

75. The parties dispute whether the Halicki Parties knowingly made untrue, disparaging statements about the Shelby Parties' goods or services. (Shelby Closing Br. 27–31; Halicki Resp. Br. 41–44.) The Court declines to render a conclusion of law as to any of the first five elements because the sixth is dispositive.

76. For reasons similar to those stated in paragraph 55, the Shelby Parties have not proven that they suffered direct financial harm due to the purported trade libel. There is no persuasive, let alone admissible, evidence proving that two unidentified prospective GT500CR purchasers acted in reliance on the Halicki Parties' statements when they elected not to follow through with a purchase. *See Muddy Waters, LLC v. Superior Ct.*, 62 Cal. App. 5th 905, 925 (2021) (“[I]t is only the loss of specific sales that can be recovered. This means, in the usual case, that the plaintiff must identify the particular purchasers who have refrained from dealing with him, and specify the transactions of which he claims to have been deprived.” (internal quotation marks omitted)). This alone defeats the claim.

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77. Shelby Claim 5 is dismissed.

F. Shelby Claim 8: Declaratory Judgment

78. The Shelby Parties seek a judicial declaration that “(a) Shelby GT500CR vehicles do not infringe on any of the Halicki Parties’ rights, (b) the Shelby GT500E vehicles manufactured prior to the Settlement Agreement do not infringe on any of the Halicki Parties’ rights, and (c) the Halicki Parties have no right to prohibit or in any way constrain the ownership or sale of any Shelby vehicles, including Shelby GT500E vehicles.” (FPTCO 9–10.)

79. “In a case of actual controversy within its jurisdiction, . . . any court of the United States . . . may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.” 28 U.S.C. § 2201(a). “[D]istrict courts possess discretion in determining whether and when to entertain an action under the Declaratory Judgment Act,” *Wilton v. Seven Falls Co.*, 515 U.S. 277, 282 (1995), because “facts bearing on the usefulness of the declaratory judgment remedy, and the fitness of the case for resolution, are peculiarly within their grasp,” *id.* at 289. In deciding whether declaratory relief is warranted, the district court “[e]ssentially . . . must balance concerns of judicial administration, comity, and fairness to the litigants.” *Principal Life Ins. Co. v. Robinson*, 394 F.3d 665, 672 (9th Cir. 2005) (internal quotation marks omitted). “[T]he court may, after a full consideration of the merits, exercise its discretion to refuse to grant declaratory relief because the state of

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the record is inadequate to support the extent of relief sought.” *United States v. Washington*, 759 F.2d 1353, 1356 (9th Cir. 1985) (en banc); *see also Pub. Affairs Assocs., Inc. v. Rickover*, 369 U.S. 111, 113–14 (1962) (holding that declaratory relief “should rest on an adequate and full-bodied record”).

80. The substantive arguments and conclusions the Shelby Parties present in support of their claim for declaratory relief are coextensive with those offered in connection with their claims for breach of contract and breach of the implied covenant of good faith and fair dealing. (*E.g.*, Shelby Closing Br. 9 (“These allegations [concerning the Settlement Agreement] formed the basis of dueling breach of contract claims *and Shelby’s declaratory relief claim.*”); *id.* at 13 (“Because this constitutes textbook breach of contract, the Court should . . . issue a declaratory judgment. . . .”); Shelby Am. Proposed Findings of Fact & Conclusions of Law ¶¶ 43–44, ECF No. 422- 1 (resting proposed conclusions as to claim for declaratory relief on the Halicki Parties’ purported breaches).) For the reasons discussed *supra*, the Shelby Parties are not entitled to judgment in their favor on their contract-related claims, so their arguments in favor of a judicial declaration consistent with a judgment in their favor on those claims fail for similar reasons.

81. The declaratory relief the Shelby Parties seek reasonably may be construed to extend beyond the scope of their contract-related claims. To wit, the Shelby Parties seek a declaration that GT500CR and GT500E vehicles do not infringe upon “the Halicki Parties’ rights.” (FPTCO 9.) The parties have litigated several claims in

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this action concerning the Halicki Parties' contract *and* intellectual property rights. None of the Shelby Parties' claims required an adjudication concerning the extent of the Halicki Parties' intellectual property rights, including their interests in the Eleanor car (if any), and the Shelby Parties have presented no argument to support a judicial declaration that the GT500CR and GT500E do not infringe the Halicki Parties' intellectual property rights.²¹ Accordingly, to the extent the judicial declaration sought pertains to the Halicki Parties' intellectual property rights, the Court declines to exercise its discretion to issue such a declaration. *Washington*, 759 F.2d at 1356; *Rickover*, 369 U.S. at 113–14.

82. Shelby's Claim 8 is dismissed.²²

G. Halicki Affirmative Defense 20: Unclean Hands

83. The Halicki Parties assert that “the Shelby Parties have unclean hands based on their conduct which violated conscience, good faith, and other equitable principles.” (FPTCO 28.)

21. Nor might such a declaration be warranted upon the disposition of the Halicki Parties' counterclaims. In entering judgment against the Halicki Parties on their counterclaims, the Court merely concludes there is inadequate proof to warrant relief; the CR Parties' and Shelby Parties' defenses against those claims do not satisfy the Shelby Parties' *affirmative* burden to prove entitlement to declaratory relief.

22. For the reasons discussed in the preceding paragraph, judgment on this claim will be entered without prejudice to reflect the Court's partial refusal of jurisdiction over the claim.

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84. Because the Court has concluded the Shelby Parties are not entitled to relief on any of their claims, the Court declines to reach this affirmative defense.

H. Halicki Counterclaim 1: Breach of Contract (Eleanor License)

85. The Halicki Parties claim that the CR Parties breached the Eleanor License. (FPTCO 35.)

86. The elements of this claim are set forth in paragraph 48.

87. The Eleanor License is a valid contract between Eleanor Licensing on the one hand and Classic Recreations on the other.²³ The Halicki Parties have not proven that Halicki and Gone in 60 Seconds Motorsports are parties to the Eleanor License or by some other mechanism may pursue a claim for breach thereupon. The Halicki Parties have not proven that Jason Engel, Tony Engel, or nonparty CR Sales, LLC are party to the Eleanor License or by some other mechanism may be liable for a breach thereof.

88. Eleanor Licensing did all or substantially all of the significant things required by the Eleanor License. This element is not apparently in dispute. (*See* FPTCO 36; *see generally* CR Closing Br. 11–16 (presenting virtually no argument as to performance).)

23. The Court reaches this determination notwithstanding conclusions made *infra* calling into question whether a key licensing provision is illusory.

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89. The Halicki Parties assert two theories of breach: (1) the CR Parties “continu[ed] to use the Licensed Properties including reference to the Licensed Properties, direct or indirect, in connection with the manufacture, sale, distribution, or promotion of the CR Parties’ products” after termination of the Eleanor License; and (2) the CR Parties “us[ed] the Halicki Parties’ trademarks in labeling, marketing, selling, and offering for sale counterfeit Eleanor vehicles” after the termination of the Eleanor License. (FPTCO 36.)

90. The Halicki Parties’ second theory finds no purchase in Classic Recreations’ obligations under § 17.1: the contract does not expressly forbid the sale of “counterfeit Eleanor vehicles,” in the Halicki Parties’ parlance, except insofar as it is redundant to the first theory, which closely tracks the textual obligation. *See Buzzed Barbers*, 2023 U.S. Dist. LEXIS 111994, at *10. Accordingly, the Court considers the second theory only insofar as it overlaps with the first theory in deciding whether Classic Recreations breached its obligations under § 17.1.

91. The CR Parties contend that Section 17.1, the provision the Halicki Parties assert the CR Parties breached, did not survive the termination of the Eleanor License in 2009. (FPTCO 30.) The Court must interpret the provision to decide whether it survived termination. *See Yi v. Circle K Stores, Inc.*, 258 F. Supp. 3d 1075, 1082–83 (C.D. Cal. 2017) (citing *Parsons v. Bristol Dev. Co.*, 62 Cal. 2d 861, 865 (1965)). Courts apply a two-step approach to contract interpretation:

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First, the court asks whether, as a matter of law, the contract terms are ambiguous; that is, the court considers extrinsic evidence to determine whether the contract is reasonably susceptible to a party's proffered interpretation. Second, if ambiguity persists, the court admits extrinsic or parol evidence to help interpret the contract.

Yi, 258 F. Supp. 3d at 1083 (citation omitted). In the first step, courts decide “whether the language is ‘reasonably susceptible’ to the interpretation urged by the party”; if it is not, the analysis ends. *Dore v. Arnold Worldwide, Inc.*, 39 Cal. 4th 384, 393 (2006) (internal quotation marks omitted).

92. The CR Parties assert that the contracting parties included express survival language with respect to a different section of the Eleanor License, suggesting that the contracting parties only intended that provision to survive termination. (See FPTCO 30; *see also* Eleanor License § 13.2(b) (“This provision shall survive any expiration or termination of this Agreement.”).) But Section 17.1 is not reasonably susceptible to an interpretation that the obligations set forth therein extinguish upon termination. Section 17 of the Eleanor License is titled “AFTER EXPIRATION OR TERMINATION,” indicating that the entire section governs the contracting parties’ post-termination obligations. Section 17.1 expressly obliges Classic Recreations to “*refrain* from further use of the Licensed Properties.” This provision would be nonsensical if it applied only during the contract term, during which Classic Recreations enjoyed the right to use the licensed

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properties. (Eleanor License § 1. 1.) The inclusion of the word “further” qualifying “use” supports a reading of Section 17.1 as a post-termination obligation: the contract contemplates Classic Recreations’ *use* of licensed properties during its term and no *further use* afterward. A provision precluding further use of the licensed properties after the contract term would be meaningless if it expired after the contract term. The Court finds the term insusceptible to the CR Parties’ proposed interpretation, which would render the obligation at issue an absurdity or surplusage. *See* Cal. Civ. Code § 1638 (“The language of a contract is to govern its interpretation, if the language is clear and explicit, and does not involve an absurdity.”); *Coral Farms, L.P. v. Mahony*, 63 Cal. App. 5th 719, 727 (2021) (“Contracts are construed to avoid rendering terms surplusage.” (internal quotation marks omitted)).

93. The Halicki Parties assert the CR Parties breached the Eleanor License by building GT500CR vehicles. (Halicki Closing Br. 27.) The Halicki Parties have not proven that Classic Recreations used or referenced any of the licensed properties by making the GT500CR. The licensed properties include “intellectual property rights, trademarks, and copyrightable material relating to ‘Gone in 60 Seconds’ and ‘Eleanor’ that are controlled by Licensor [i.e., Eleanor Licensing].” (Eleanor License § 1. 1.) The Halicki Parties do not argue and have not proven that the GT500CR vehicle embodies any of the intellectual property in *Gone in 60 Seconds* or the remake themselves. They have not argued or proven the GT500CR uses or references the Eleanor trademark. Instead, the Halicki Parties assert the GT500CR “look[s]

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like Eleanor.” (Halicki Closing Br. 27; *accord* Halicki Resp. Br. 21 (focusing argument on “the *appearance* of Eleanor from the Remake”).) The Halicki Parties do not taxonomize the species of intellectual property in the Eleanor car that might protect its appearance, perhaps because the most obvious is copyright, to which the Court after an exhaustive review determined the Eleanor car is not entitled.

94. Even assuming there exists an intellectual property right in the Eleanor car’s appearance, the Halicki Parties present insufficient proof that Eleanor Licensing controls it. The record demonstrates that Halicki, not Eleanor Licensing, owns the merchandising rights to the Eleanor car as it appears in the remake. Notwithstanding the two parties’ unity of interests in this litigation, given evidence that Halicki owns and acts through Eleanor Licensing, the Court cannot conclude that the latter controls rights owned by the former—instead, the Court infers the converse more likely to be true. (*E.g.*, Halicki Decl. ¶¶ 1, 76; Tr. 259.) Plus, whether Halicki’s merchandising rights encompass the intellectual property right in the Eleanor car’s appearance in the remake is uncertain and underexplored in the trial record. The Court already has expounded upon the uncertain nature of those rights. (Order Requiring Joinder 6–7, ECF No. 336, *vacated in part*, ECF No. 345.) In short, the Halicki Parties have not proven Classic Recreations used or referenced intellectual property Eleanor Licensing controls in the appearance of the Eleanor car as it appears in the remake by creating GT500CRs.

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95. The Halicki Parties also assert the CR Parties breached the agreement by using the Eleanor car name to market GT500CRs. (Halicki Closing Br. 31–32.) The evidence demonstrates that Halicki, not Eleanor Licensing, owns the trademark to the Eleanor car. There is not enough evidence for the Court to conclude that Eleanor Licensing controlled the trademark in the Eleanor car as it appears in the remake such that the trademark could constitute a licensed property Classic Recreations agreed to refrain from using or referencing.²⁴

96. Even if the Halicki Parties had proven a breach, they have not proven resulting damages. They presented virtually no evidence at trial of direct damages caused by Classic Recreations' putative breaches. Instead, the Halicki Parties claim they are entitled to all funds Classic Recreations received from sale of GT500CR vehicles. (Halicki Closing Br. 34–36.) This amounts to a theory of disgorgement, which is unavailable here for interrelated but independent reasons. First, disgorgement is generally not available as a remedy for breach of contract. *See, e.g., Watson Labs., Inc. v. Rhone-Poulenc Rorer, Inc.*, No. CV 99-7947-AHM (RZx), 2001 WL 1673258, at *3 (C.D. Cal. Aug. 15, 2001) (precluding plaintiff from seeking disgorgement as a contract remedy); *Mission Viejo Florist, Inc. v. Orchard Supply Co., LLC*, No. SACV 16-01841- CJC(KESx), 2018 U.S. Dist. LEXIS 225768, at *13–14 (C.D. Cal. Aug. 16, 2018) (same); *cf. Foster Poultry Farms, Inc. v. SunTrust Bank*, 377 F. App'x 665,

24. For the reasons set forth in more detail *infra* in paragraph 137, the Court also declines to find that Classic Recreations used the Eleanor mark in advertising.

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668 (9th Cir. 2010) (“Under California law, disgorgement of improperly obtained profits can be an appropriate remedy for breach of a contract protecting trade secrets and proprietary confidential information.”); *see generally* Kimberly A. Gaab & Sara Church Reese, *California Practice Guide: Civil Procedure Before Trial Claims & Defenses* § § 9:305– 37 (2022) (enumerating remedies available for breach, which do not include equitable remedies such as disgorgement). Second, the Halicki Parties fail to argue, let alone prove, that a damages award would be an insufficient remedy such that an equitable remedy such as disgorgement might be available. *Barranco v. 3D Sys. Corp.*, 952 F.3d 1122, 1129 (9th Cir. 2020) (“The necessary prerequisite for a court to award equitable remedies is the absence of an adequate remedy at law.” (internal quotation marks omitted)); *Ramona Manor Convalescent Hosp. v. Care Enters.*, 177 Cal. App. 3d 1120, 1140 (1986) (“[E]quitable relief will not be afforded when the plaintiff’s remedies at law are adequate to redress his or her injury.”). Other equitable remedies they seek as recompense for this claim, an accounting and a permanent injunction, (FPTCO 36), are unavailable for similar reasons.

97. Finally, the Halicki Parties claim section § 23.5 of the Eleanor License entitles them to attorney’s fees upon prevailing on a claim of breach. (Halicki Closing Br. 37.) That provision pertains to *arbitration* of disputes arising under the license. (Eleanor License § 23.5 (providing in section titled “Arbitration” that “[t]he *arbitrator* shall be authorized to award attorney’s fees and costs to the prevailing party” (emphasis added)).) The Halicki Parties

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offer no interpretation of the contract under which the Court might make a fee award, and the Court lacks any information suggesting the parties intended the provision to extend to a non-arbitral adjudication of any contract disputes. In any event, the Halicki Parties presented no evidence of the amount of fees and costs they incurred in prosecuting their claim.

98. Halicki's Counterclaim 1 is dismissed.

**I. Halicki Counterclaim 2: Breach of Contract
(Shelby Acknowledgment)**

99. The Halicki Parties claim that the Shelby Parties breached the Shelby Acknowledgment. (FPTCO 36.)

100. The elements of this claim are set forth in paragraph 48.

101. The Halicki Parties have not proven the Shelby Acknowledgment is a contract. To make a contract, there must be parties capable of contracting, their consent, a lawful object, and consideration. Cal. Civ. Code § 1550. The Shelby Acknowledgment serves as a nonconfidential statement of some obligations imposed by the confidential Settlement Agreement. It bears no indicia of the consent of anyone but its signatories, Shelby and Carroll Hall Shelby Trust. Its creation was a term of the Settlement Agreement; it is supported by no separate consideration. It is not a contract.²⁵

25. Even if it were, this claim would fail for all the reasons Halicki Counterclaim 5 fails.

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102. Halicki's Counterclaim 2 is dismissed.

J. Halicki Counterclaim 3: False Designation of Origin by Reverse Passing Off

103. The Halicki Parties assert that the Shelby Parties and the CR Parties are liable for false designation of origin under the Lanham Act under a theory of reverse passing off “by marking counterfeit Eleanor replicas using the unique aspects, look, image[,] and goodwill of the Eleanor car character with words, names, and symbols giving the false and misleading representation that the Shelby Parties and the CR Parties are authorized to license and sell Eleanor replicas.” (FPTCO 39; *see also* Order Re: Final Pretrial Conference 1, ECF No. 386 (memorializing “the Halicki Parties’ representation that their third counterclaim is a claim for reverse passing off”).)

104. The elements of this claim are set forth in paragraph 67.

105. The claim falters at the first element: the Halicki Parties have not proven the existence of a work at issue that originated with them that is protected by the Lanham Act. *Syngenta Seeds*, 457 F.3d at 1277. The “origin of goods” referred to in the Lanham Act “refers to the producer of the tangible goods that are offered for sale, and not to the author of any idea, concept, or communication embodied in those goods.” *Dastar*, 539 U.S. at 37. The work the Halicki Parties assert the other parties passed off is the nontangible characteristics of whatever intellectual property interest in the Eleanor car

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they control. But “a claim for reverse passing off cannot be brought to prevent the copying of intellectual property.” *OTR Wheel Eng’g*, 897 F.3d at 1012; *see also id.* at 1016 (“Copying is dealt with through the copyright and patent laws, not through trademark law.”). There is no evidence of a tangible good produced by the Halicki Parties that may be the subject of this claim.²⁶

106. Halicki’s Counterclaim 3 is dismissed.

**K. Halicki Counterclaim 5: Breach of Contract
(Settlement Agreement)**

107. The Halicki Parties claim the Shelby Parties breached the Settlement Agreement. (FPTCO 40.)

108. The elements of this claim are set forth in paragraph 48.

109. As stated in paragraph 49, the Shelby Parties, Halicki, and Eleanor Licensing, among other contracting parties, entered into a contract, the Settlement Agreement. The Halicki Parties have not proven that Gone in 60 Seconds

26. Contrasting with the conclusion the Court reached as to the Shelby Parties’ reverse passing off claim, the Halicki Parties have not proven that they are the intellectual property “owner who commissioned or assumed responsibility for (‘stood behind’) production of the physical product,” i.e., the GT500CR. *Dastar*, 539 U.S. 32. The evidence the Halicki Parties invoke, (Halicki Resp. Br. 47), undermines their claim: Classic Recreations produced the GT500CR purportedly in derogation of a terminated license, not in furtherance of a license the Halicki Parties stood behind.

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Motorsports is party to the Settlement Agreement or by some other mechanism may pursue a claim for breach thereupon.

110. Halicki and Eleanor Licensing did all, or substantially all, of the significant things that the Settlement Agreement required.

111. The Halicki Parties contend the Shelby Parties breached the Settlement Agreement “by (1) using and licensing the Halicki [P]arties’ intellectual property rights; (2) licensing the CR Parties to manufacture, build, produce, market, and sell counterfeit Eleanor replicas; and (3) filing this lawsuit against the Halicki Parties for the Halicki Parties['] permitted enforcement of the Halicki Parties’ rights.” (FPTCO 43.)

112. For reasons similar to those set forth in paragraph 90, the Court disregards the second theory of breach insofar as it departs from the Shelby Parties’ contractual obligations. The Settlement Agreement does not oblige the Shelby Parties to do or refrain from doing anything with respect to “counterfeit Eleanor replicas,” a phrase untethered to the text of the contract. The Settlement Agreement also does not restrict the Shelby Parties from building, producing, or marketing anything, except insofar as those acts are subsumed within the restrictions on use, licensure, manufacturing, copying, and sale set forth in the contract. Accordingly, the Court considers the second theory only under the framework of the restrictions set forth in the text of the Settlement Agreement.

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113. With this understanding, the Court finds that the Halicki Parties have not proven a breach under the first or second theories. The Settlement Agreement precludes the Shelby Parties from using or licensing “in any way, shape or form any of the property rights transferred to Halicki described herein.” (Settlement Agreement § 3.) The Shelby Parties also agreed not to “use, manufacture, license, or copy” the Eleanor Hood or Inset Lights “unless Ford Motor Company is the one that has manufactured the product.” (*Id.* § 4.) Further, the Shelby Parties affirmed that they and their licensees “shall not manufacture or sell any Eleanors,” with limited exceptions for existing customers. (*Id.* § 17.)

114. The Halicki Parties argue for an expansive reading of these promises: they assert that the contract precludes the Shelby Parties from using not only the copyright and trademark rights described in Sections 1 and 2, but also any and all intellectual property concerning the Eleanor car or *Gone in 60 Seconds*, including features depicted in annotated images of vehicles appended to the Settlement Agreement. (Halicki Closing Br. 22–25.) In short, the Halicki Parties interpret the contract to restrict the Shelby Parties from “get[ting] any closer to Eleanor than the agreed photograph of a 1967 GT500.” (*Id.* at 25.) The Shelby Parties proffer that the only provision relevant to this theory is Section 4, which precludes them from using, manufacturing, licensing, or copying the Eleanor Hood and Inset Lights. (Shelby Closing Br. 9–12.) The Settlement Agreement, which is not a model of clear contract drafting, is reasonably susceptible to both sides’ interpretations. Applying the interpretation framework

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set forth in paragraph 91, the Court determines that the Settlement Agreement is ambiguous as to the scope of the prohibitions on use, licensing, manufacturing, and copying to which the Shelby Parties agreed. The Court finds that the contract in relevant part only prohibits, with limited exceptions inapplicable here, the Shelby Parties from using and licensing the copyrights and trademarks expressly transferred in Sections 1 and 2; from using, licensing, manufacturing, or copying the Eleanor Hood and Inset Lights described in Section 4 and specified in attached images; and from manufacturing or selling automobiles that have the Eleanor Hood and Inset Lights²⁷.

115. The Court finds the text of the Settlement Agreement the most persuasive support for this interpretation. *See* Cal. Civ. Code §§ 1638–39. In Section 3, the Shelby Parties agreed not to “use, or license

27. The Court’s orders resolving the motions for summary judgment are abrogated insofar as they are inconsistent with this interpretation. Fed. R. Civ. P. 54(b). Specifically, the Court acknowledges it used overbroad, imprecise language in a prior order in which it stated, “The expansive text of the agreement, which forbids the Shelby Parties from using or licensing all intellectual property rights in Eleanor, precludes this cabined reading” of the Settlement Agreement by the Shelby Parties “that the agreement only protects the Eleanor hood and inset lights.” (1st MSJ Order 11.) For the reasons discussed below, the Court stands by its conclusion that summary judgment was inappropriate because “the parties’ agreement contemplates more than the hood and inset lights,” but repudiates any implication that the contract forbade use or license of “all intellectual property rights in Eleanor” or required reference to the attached photographs for interpretation. (*Id.*)

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in any way, shape or form any of the property rights transferred to Halicki described herein.” “Any way, shape or form” is an adverbial phrase modifying the verbs “use, or license”²⁸—not, as the Halicki Parties suggest, the “property rights transferred to Halicki.” (*See, e.g.*, Halicki Closing Br. 22–24.) The word “herein,” an adverb modifying the participle “described” that modifies “property rights transferred to Halicki,” “is inherently ambiguous.” *Herein*, *Black’s Law Dictionary* (11th ed. 2019). Given its placement in the provision directly after “property rights transferred to Halicki,” and its placement in the contract directly after the only sections of the agreement to memorialize property rights transferred to Halicki,²⁹ however, “herein” connotes the rights expressly transferred in the preceding sections.

116. Sections 1 and 2 are structured similarly to one another: the Shelby Parties agreed to transfer “all right, goodwill, title, intellectual property rights, and interest” to certain copyrights and trademarks. The Halicki Parties interpret these sections to confer any and all intellectual property rights regarding the Eleanor car. (Halicki Closing Br. 23.) But the transfer memorialized here is not so expansive: Section 1 transfers only copyrights to

28. Alternatively, the adverbial phrase might only modify the second verb, “license,” but this issue is immaterial to the disposition. *See United States v. Nishiie*, 996 F.3d 1013, 1021–22 (9th Cir. 2021) (discussing series-qualifier and last-antecedent canons of construction).

29. Section 9 of the agreement memorializes a *prospective* agreement to transfer rights conferred by the Patent and Trademark Office. It does not disturb this interpretation.

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the remake film and the Eleanor car character depicted in the remake, and Section 2 transfers only trademarks to Eleanor, E, and *Gone in 60 Seconds*. Notwithstanding the ostensibly broad reach of the phrase “all right, goodwill, title, intellectual property rights, and interest” used in these provisions, the text immediately following this phrase in each section cabins it to narrow flavors of intellectual property: “to the ‘copyrights,’” (Settlement Agreement § 1), and “to the ‘trademarks,’” (*id.* § 2). The provisions do not contemplate the transfer of rights other than copyrights and trademarks.

117. None of the first three sections of the contract reference the appended images. Later sections do. (*E.g.*, Settlement Agreement § 4 (“The specifications for the Eleanor Hood and Eleanor Inset Lights are shown on the attached photos.”); *id.* § 6 (“Halicki acknowledges that Shelby has trade dress rights . . . as depicted in the attached photograph. . . .”)) The lack of reference to the images in these sections and the ample references to them in other sections shows the parties did not intend the images to affect the restriction on use and licensing in Section 3 or the scope of the property rights transferred in Sections 1 and 2. The Court determines that the images do not modify the obligations in Sections 1 to 3, which are limited to the property rights expressly transferred in the text. *U.S. Fid. & Guar. Co. v. Annunziata*, 67 N.Y.2d 229, 233 (1986) (holding that an inclusion of a provision in one contract clause and an omission of a similar provision in another “must be assumed to have been intentional under accepted canons of contract construction”); *accord* Cal. Civ. Proc. Code § 1858 (“In the construction of a statute or

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instrument, the office of the Judge is simply to ascertain and declare what is in terms or in substance contained therein, not to insert what has been omitted, and to omit what has been inserted. . . .”). The Court interprets the restriction set forth in Section 3 to demand a reading of Sections 1–3 together without reference to any other parts of the contract, including the appended images. Accordingly, Section 3 precludes the Shelby Parties from using or licensing the copyrights in the remake film and the Eleanor character from the remake and the trademarks in Eleanor, E, and *Gone in 60 Seconds* from the original and remake.

118. Section 4 provides that the Shelby Parties “shall not use, manufacture, license, or copy” the Eleanor Hood or Inset Lights specified in the text and in attached images “unless Ford Motor Company is the one that has manufactured the product.” The Halicki Parties assert that this provision should be read only to authorize use of the Eleanor Hood and Inset Lights in certain circumstances, i.e., that Section 4 operates as an exception to Section 3 in their broad construction of the provision. (*See* Halicki Closing Br. 24.) Not so; this is a restrictive provision separate from the restriction on use and licensure set forth in Section 3. This provision pertains to elements of trade dress, the Eleanor Hood and Inset Lights, that were not expressly transferred in Sections 1 and 2 and restricted in Section 3. The acts forbidden by Section 4 exceed those forbidden by Section 3: the Shelby Parties may not “use, manufacture, license, or copy” the Eleanor Hood and Inset Lights, (Settlement Agreement § 4), but they need only refrain from “use, or license” of

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the transferred copyrights and trademarks, (*id.* § 3). The “unless” clause provides an exception to the “shall not” restriction set forth in the preceding clauses in the section. Read as a whole, the provision restricts Shelby from using, licensing, manufacturing, or copying the Eleanor Hood and Inset Lights unless Ford makes products featuring them. This restriction is separate from and irrespective of the use and licensing restrictions set forth in Section 3.

119. Section 17 pertains to existing “Eleanor contracts” with customers of Unique Motorcars and Unique Performance. In short, the provision allows the Shelby Parties to fulfill those contracts. It then provides, “Other than as set forth above, Shelby or any of his licensees shall not manufacture or sell any Eleanors.” (*Id.* § 17.) The term “Eleanors” is undefined and ambiguous. The parties ascribed different meanings to the terms “Eleanor” and “Eleanors” in different contexts and sections of the contract. For example, the term is used to denote a character, (*id.* § 1), a trademark, (*id.* § 2), and an idea embodied in appended photographs, (*id.* § 8). Thus, other provisions of the Settlement Agreement do not elucidate the meaning of the term as used in this one. Notwithstanding, within the context of Section 17, the parties ascribed a consistent meaning to “Eleanors”: automobiles that have the Eleanor Hood and Inset Lights. The provision uses the words “Eleanor(s),” “car(s),” and “automobile(s)” interchangeably: “the names of any customers who desire the making of an *Eleanor* shall be provided to Halicki”; “Shelby shall only complete *automobiles* for customers that have existing contracts for the *automobiles*”; “manufacturing work on such *cars*

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shall only be performed by . . . licensees for Shelby.” (*Id.* § 17 (emphases added).) Key to this interpretation is the requirement that the Shelby Parties persuade customers “to choose a *different car that doesn’t have the Eleanor Hood and Eleanor Inset Lights*.” (*Id.* (emphasis added).) This clause indicates that a car that does not have those features is “different” from the “car” described by the word Eleanor. This, in turn, suggests that the Eleanor Hood and Inset Lights are defining features of Eleanor as that term is used here. Accordingly, the Court understands “Eleanors” in Section 17 to refer to vehicles bearing the Eleanor Hood and Inset Lights like the automobiles Unique agreed to make, and thus that Section 17 restricts the Shelby Parties from manufacturing or selling automobiles with the Eleanor Hood and Inset Lights (with limited exceptions for unfulfilled Unique customers inapplicable here).

120. The Court does not find the extrinsic evidence introduced by the parties at trial persuasive enough to disturb the interpretation this close reading engenders.

121. Given this interpretation, the Halicki Parties have not proven a breach of Sections 3, 4, or 17. There is no independently copyrightable interest in the Eleanor car as a character; accordingly, the Halicki Parties have not proven the Shelby Parties used or licensed intellectual property that does not exist. The Halicki Parties have not proven that the Shelby Parties used or licensed the copyright in the remake itself.³⁰ The Halicki Parties have

30. Even if the Halicki Parties had shown use or licensure of the copyright in the remake, in addition to the remedies problems

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not proven that the Shelby Parties used or licensed the trademarks in Eleanor, E, or *Gone in 60 Seconds*. The Halicki Parties have not proven that the Shelby Parties used, licensed, manufactured, or copied the Eleanor Hood and Inset Lights. And the Halicki Parties have not proven that the Shelby Parties manufactured or sold any automobiles bearing the Eleanor Hood and Inset Lights.

122. The third theory of breach lacks merit. The contract forbids the Shelby Parties from initiating suit against Halicki and Eleanor Licensing “for licensing, using, manufacturing or selling Eleanors from the original or remake *Gone in 60 Seconds*.” (Settlement Agreement § 8.) Although the Halicki Parties appear to contend that the conduct for which the Shelby Parties initiated suit falls within the meaning of “licensing . . . Eleanors,” (*see* Halicki Closing Br. 10), they have not proffered any interpretation of “licensing” that might envelop the conduct giving rise to the Shelby Parties’ claims, any interpretation of “Eleanors” that might extend to vehicles at issue in the Shelby Parties’ claims, or any evidence or argument supporting the susceptibility of the provision to their preferred interpretations. Given the facts set forth in paragraph 41, the Halicki Parties similarly fail to show that the alleged conduct for which the Shelby Parties initiated suit fits within any of the four limited categories of conduct for which the Shelby Parties agreed not to sue the Halicki Parties—licensing, using, manufacturing, or

described below, the Halicki Parties have not proven resulting damages given that they do not own the film copyright—Disney does.

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selling Eleanors. (*See, e.g.*, First Am. Compl. ¶¶ 44, 51; FPTCO 8– 10.)³¹

123. Even had the Halicki Parties proven a breach, they have not proven damages. As previously noted, the Halicki Parties adduced virtually no evidence of damages at trial. For reasons similar to those stated in paragraph 96, the Halicki Parties have not shown equitable remedies of disgorgement, an accounting, or an injunction are available as a remedy for their claim of breach. (*See* Halicki Closing Br. 33–34 (seeking recovery of the Shelby Parties’ royalties); FPTCO 43 (requesting an accounting and injunction).)

124. The Halicki Parties further seek attorney’s fees and costs as “[d]irect damages for the Shelby Parties breaching their agreement not to sue the Halicki Parties,” (Halicki Closing Br. 36), and pursuant to Section 13 of the Settlement Agreement, which allows “the prevailing party” to recover “all reasonable costs and attorney’s

31. Before trial, the Halicki Parties asserted that the Shelby Parties’ First Amended Complaint presented an allegation that pertained to their licensing activities: the Shelby Parties alleged the Halicki Parties sent a letter to a GT500E owner demanding the owner remove Shelby marks, replace them with Eleanor marks, and pay a licensing fee. (Proposed FPTCO Ex. B, at 24–25, ECF No. 380-2 (citing First Am. Compl. ¶ 32).) The Halicki Parties did not develop this line of argument further at trial. Regardless, even accepting that the Halicki Parties sent the letter in an effort to secure a license, the Court declines to conclude that the conduct of which the Shelby Parties complain, sending a demand letter, falls within the scope of what the parties intended by “licensing . . . Eleanors.”

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fees actually incurred,” (Settlement Agreement § 13; *see* Halicki Closing Br. 36–37). But they have not adduced evidence of the sum of attorney’s fees and costs they incurred in the defense of this lawsuit.

125. Halicki’s Counterclaim 5 is dismissed.

L. Halicki Counterclaim 8: Declaratory Relief

126. “The Halicki Parties seek declaratory relief that (1) neither the Shelby Acknowledgment nor the [Settlement Agreement] convey[s] any rights to parties other than the Halicki Parties and the Shelby Parties; and (2) neither the Shelby Acknowledgment nor the [Settlement Agreement] provide[s] any release or license to any imitation Eleanor replicas produced by or under license from the Shelby Parties.” (FPTCO 43–44.)

127. Paragraph 79 states the legal standard governing this claim.

128. The Halicki Parties offer virtually no argument on this claim in their closing argument materials. The Halicki Parties are not entitled to the declaratory relief sought for many of the reasons the Court rejected Halicki Counterclaims 2 and 5. For example, the Shelby Acknowledgment is not a contract, so it could not have conveyed rights or provided releases or licenses.

129. The Court also rejects the claim for unique reasons largely stemming from the Halicki Parties’ imprecise articulation of the relief sought. They ask for

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a declaration that the Settlement Agreement does not convey rights to anyone other than the Shelby Parties and the Halicki Parties—defined as Carroll Shelby Licensing, Carroll Hall Shelby Trust, Halicki, Eleanor Licensing, and Gone in 60 Seconds Motorsports. (Halicki Am. Proposed Findings of Fact & Conclusions of Law ¶¶ 1, 4, 161.) But the Settlement Agreement contemplates the rights of other Shelby- and Halicki-affiliated contracting entities, (Settlement Agreement preamble, at 1), as well as their heirs, successors, and assigns, (*id.* § 21). The Halicki Parties request a declaration that the Settlement Agreement does not release or license “Eleanor replicas produced by or under license from the Shelby Parties,” (Halicki Am. Proposed Findings of Fact & Conclusions of Law ¶ 162), but “Eleanor replicas” is not a term used in the Settlement Agreement, the Halicki Parties do not explain what they mean by it, and the Court declines to conjure an alternative judicial declaration tethered to the rights and obligations of the Settlement Agreement that might provide “specific relief through a decree of a conclusive character.” *Aetna Life Ins. Co. v. Haworth*, 300 U.S. 227, 241 (1937). In sum, the Halicki Parties are not entitled to the declarations they request, and absent argument elucidating what the Halicki Parties seek to achieve through this claim, the Court declines to exercise its jurisdiction to provide any other form of declaratory relief. *Washington*, 759 F.2d at 1356.

130. Halicki’s Counterclaim 8 is dismissed.³²

32. *See supra* note 22.

*Appendix C***M. Halicki Counterclaim 12: Trademark Infringement**

131. The Halicki Parties argue that the CR Parties infringed their trademarks “by (1) using ELEANOR trademarks on advertising vehicles online, including but not limited to Google Ads; and (2) using ELEANOR trademarks on engine and car badging.” (FPTCO 44–45.)

132. “A trademark is a word, name, symbol, or device, or any combination of these items that indicates the source of goods. The owner of a trademark has the right to exclude others from using that trademark or a similar mark that is likely to cause confusion in the marketplace. The main function of a trademark is to identify and distinguish goods or services as the product of a particular manufacturer or merchant and to protect its goodwill.” *Ninth Circuit Model Civil Jury Instructions* § 15.1.

133. The claimant has the burden of proving by a preponderance of the evidence that the claimant is the owner of a valid trademark and that the defendant infringed that trademark. *Id.*; accord *Lodestar Anstalt v. Bacardi & Co.*, 31 F.4th 1228, 1245 (9th Cir. 2022) (“[T]he two elements of trademark infringement . . . are (1) a protectible ownership interest in the mark; and (2) a likelihood of consumer confusion in the defendant’s use of its allegedly infringing mark.” (internal quotation marks omitted)).

134. To succeed on a claim of infringement, the claimant must prove by a preponderance of the evidence

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that the defendant, without the claimant's consent, used in commerce a reproduction, copy, counterfeit or colorable imitation of the claimant's mark in connection with the distribution or advertisement of goods, such that the defendant's use of the mark is likely to cause confusion as to the source of the goods. It is not necessary that the mark used by the defendant be an exact copy of the claimant's mark. Rather, the claimant must demonstrate that, viewed in its entirety, the mark used by the defendant is likely to cause confusion in the minds of reasonably prudent purchasers or users as to the source of the product in question. *Ninth Circuit Model Civil Jury Instructions* § 15.1.

135. The Halicki Parties have proven that Halicki has a valid ownership interest in the Eleanor trademarks. They have not proven that Eleanor Licensing and Gone in 60 Seconds Motorsports have an ownership interest in the marks. There is no evidence or testimony to this effect, and the trademark registrations in the trial record only name Halicki. The CR Parties question Halicki's ownership of the Eleanor trademarks given her agreement to assign Disney all rights in any sequels or remakes of *Gone in 60 Seconds*. (CR Closing Br. 13–14 (quoting, inter alia, Trial Ex. 512 § 4).) Their argument might have some merit if this claim rested upon Halicki's trademark interest in any sequels to or remakes of *Gone in 60 Seconds*, but the claim instead rests on Halicki's asserted trademark interest in the Eleanor car. The CR Parties do not adduce any cogent interpretation of Halicki's contracts with Disney that would suggest she transferred or disclaimed any trademark interest she

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owns in the Eleanor car independent of any sequel to or remake of *Gone in 60 Seconds*. The Court instead gives due weight to Halicki's Eleanor trademark registrations. *See Pom Wonderful LLC v. Hubbard*, 775 F.3d 1118, 1124 (9th Cir. 2014) ("Registration of a mark is prima facie evidence of the validity of the mark, the registrant's ownership of the mark, and the registrant's exclusive right to use the mark in connection with the goods specified in the registration.").

136. The Court turns to the second element, toward which the Halicki Parties present two theories. The Halicki Parties have not proven infringement under their second theory, that Classic Recreations used Eleanor trademarks on engine and car badging without Halicki's consent. The Halicki Parties appear to concede this theory in their closing materials by declining to touch upon it in their closing brief, (*see* Halicki Closing Br. 31–33), and by stating in their responsive brief that the lack of Eleanor badging on GT500CRs "is irrelevant," (Halicki Resp. Br. 40). The Halicki Parties have neither argued nor shown that the CR Parties used Eleanor badging on vehicles they made without the Halicki Parties' consent.

137. As to their first theory, the Halicki Parties have not proven that the CR Parties used the Eleanor trademark in online advertising. The claim rests upon an advertisement that purportedly appeared in Leone's Google search results. (Trial Ex. 197; Leone Decl. ¶ 150.) The unauthenticated exhibit containing the advertisement was not admitted at trial, Fed. R. Evid. 901, and neither the advertisement nor Leone's testimony about it is

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admissible or persuasive proof that any of the CR Parties placed or paid for the advertisement, Fed. R. Evid. 802. Jason Engel's trial testimony and text messages instead show that the marketing firm published the advertisement without the direction, authority, consent, or knowledge of the CR Parties. Although the Halicki Parties would attribute the marketing firm's actions to the CR Parties, (Halicki Closing Br. 32), they offer no arguments or evidence supporting an agency relationship or any other mechanism by which this nonparty's actions might be attributable to any of the CR Parties. Without more, the Court declines to infer from the trial record that the CR Parties used the mark by placing or paying for the advertisement Leone encountered.

138. Halicki's Counterclaim 12 is dismissed.

N. Shelby and CR Defenses to Halicki Counterclaims

139. The Shelby Parties and CR Parties maintain affirmative defenses concerning the statute of limitations and the doctrines of waiver, estoppel, and acquiescence. (FPTCO 46–47, 53.) The CR Parties maintain additional defenses of laches and unclean hands. (*Id.* at 53–54.)

140. Because the Court has concluded the Halicki Parties are not entitled to relief on any of their claims, the Court declines to reach these affirmative defenses.

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V. CONCLUSION

All remaining claims and counterclaims are dismissed. The Court directs the Clerk to enter judgment consistent with this Verdict and the Court's prior orders.

IT IS SO ORDERED.

Dated: October 31, 2023

/s/_____
Mark C. Scarsi
United States District Judge

**APPENDIX D — JUDGMENT OF THE UNITED
STATES DISTRICT COURT FOR THE CENTRAL
DISTRICT OF CALIFORNIA, FILED OCTOBER 31, 2023**

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Case No. 8:20-cv-01344-MCS-DFM

CARROLL SHELBY LICENSING, INC.,
AND CARROLL HALL SHELBY TRUST,

Plaintiffs,

v.

DENICE SHAKARIAN HALICKI,
ELEANOR LICENSING, LLC, AND GONE IN
60 SECONDS MOTORSPORTS, LLC,

Defendants.

DENICE SHAKARIAN HALICKI,
ELEANOR LICENSING, LLC, AND GONE IN
60 SECONDS MOTORSPORTS, LLC,

Counterclaimants,

v.

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CARROLL SHELBY LICENSING, INC., CARROLL
HALL SHELBY TRUST, CLASSIC RECREATIONS,
LLC, JASON ENGEL, TONY ENGEL, AND
SPEEDKORE PERFORMANCE GROUP, LLC,

Counterclaim Defendants.

JUDGMENT

Pursuant to the Court's orders and bench verdict, it is ordered, adjudged, and decreed:

On all claims by Carroll Shelby Licensing, Inc., and Carroll Hall Shelby Trust, judgment is entered in favor of Denise Shakarian Halicki, Eleanor Licensing, LLC, and Gone in 60 Second Motorsports, LLC, and against Carroll Shelby Licensing, Inc., and Carroll Hall Shelby Trust. The claim for declaratory relief is dismissed without prejudice, and the other claims are dismissed with prejudice.

On all counterclaims by Halicki, Eleanor Licensing, and Gone in 60 Seconds Motorsports against Speedkore Performance Group, LLC, judgment is entered without prejudice for lack of personal jurisdiction.

On all counterclaims by Halicki, Eleanor Licensing, and Gone in 60 Seconds Motorsports against Carroll Shelby Licensing, Inc., and Carroll Hall Shelby Trust, judgment is entered in favor of the counterclaim defendants and against the counterclaimants. On all counterclaims by Halicki, Eleanor Licensing, and Gone in 60 Seconds Motorsports against Classic Recreations,

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LLC, Jason Engel, and Tony Engel, judgment is entered in favor of the counterclaim defendants and against the counterclaimants. The counterclaim for declaratory relief is dismissed without prejudice, and the other counterclaims are dismissed with prejudice.

No one shall take anything from this action.

IT IS SO ORDERED.

Dated: October 31, 2023

/s/ Mark C. Scarsi
MARK C. SCARSI
UNITED STATES DISTRICT JUDGE

**APPENDIX E — ORDER OF THE UNITED STATES
COURT OF APPEALS FOR THE NINTH CIRCUIT,
FILED JULY 11, 2025**

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

Nos. 23-3731, 23-4008
D.C. No. 8:20-cv-01344-MCS-DFM

CARROLL SHELBY LICENSING, INC.,
A CALIFORNIA CORPORATION;
CARROLL HALL SHELBY TRUST,

Plaintiff-ctr-defendants-Appellees,

v.

DENICE SHAKARIAN HALICKI,
AN INDIVIDUAL; ELEANOR LICENSING, LLC,
A DELAWARE LIMITED LIABILITY COMPANY;
GONE IN 60 SECONDS MOTORSPORTS, LLC,
A DELAWARE LIMITED LIABILITY COMPANY,

Defendant-ctr-claimants-Appellants,

CLASSIC RECREATIONS, LLC;
JASON ENGEL; TONY ENGEL; SPEEDKORE
PERFORMANCE GROUP, LLC,

Counter-defendants-Appellees.

Appendix E

Before: Jacqueline H. Nguyen and Salvador Mendoza, Jr.,
Circuit Judges, and Jeremy D. Kernodle, District Judge.*

The panel has voted to deny the petition for rehearing. Judge Nguyen and Judge Mendoza voted to deny the petition for rehearing en banc, and Judge Kernodle so recommended.

The full court was advised of the suggestion for rehearing en banc, and no judge has requested a vote on whether to rehear the matter en banc. Fed. R. App. P. 40.

The petition for rehearing and the suggestion for rehearing en banc are **DENIED**. No further petitions for panel or en banc hearing will be entertained.

FOR THE COURT:

MOLLY C. DWYER
CLERK OF COURT

* The Honorable Jeremy D. Kernodle, United States District Judge for the Eastern District of Texas, sitting by designation.