

The Conflicts Between Intellectual Property Protections when a Character Enters the Public Domain

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I. INTRODUCTION

A few lines sketched by a cartoon artist, a couple of phrases written by an author, an outfit placed on an actor by a costume director—are these all that characters are about? Many characters extend far beyond the boundaries of the works in which they originally appear. For instance, Superman flies over tall buildings in comic book pages, where the character made his debut, to land on the silver screen. There, Christopher Reeve dons the famed blue, skin-tight suit emblazoned with a yellow shield bearing a red letter S, gold belt and red cape, trunks and boots. Images of Superman appear in countless additional places, including T-shirts, watches, mugs, lunchboxes and costumes. He is also immortalized in action figures, calendars, posters, paintings, wallpaper, bedspreads and furniture.

Since 1938, Superman has entertained millions of people.¹ Yet, he offers more than amusement. The birth and commercialization of the character has created thousands of jobs for those who make Superman products. Furthermore, many companies that are authorized to craft Superman items have witnessed substantial profits from their use of

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¹ See *D.C. Comics, Inc. v. Unlimited Monkey Bus*, 598 F. Supp. 110, 112 (N.D. Ga. 1984).

the character. In publicly held corporations, these profits trickle down to the shareholders in the form of more valuable stock and / or greater dividends. In addition to Superman, many other characters have enjoyed great commercial success. For example, in 1988, the licensing of the characters in the movie, *Teenage Mutant Ninja Turtles*, netted \$175 million.² The following year, their licensing revenues reached \$350 million. Also in 1989, the movie, *Batman*, based on a comic book character, generated over \$251 million.

In view of the immense impact that characters have on the economy, the courts have utilized intellectual property laws to protect the creators of characters. This article addresses the roles played by copyright and federal trademark law in this arena.³ When a character is copyrighted, the holder of the copyright has a monopoly over the character that is limited in duration. Copyrights are designed to encourage authors to conjure up characters and reimburse authors for their endeavors. Trademarks, another form of character monopoly, can last perpetually. Guarding the public against confusion as to the source or authorization of the item bearing the trademark is the purpose of trademark law. The potential differences in duration between intellectual property rights can lead to a conflict when a character, as it first appeared, enters the public domain.

This article begins by providing an overview of the copyright protections available to characters. Then, it discusses whether a copyright on a character that is derivative of a public domain character recalls the character from the public domain. In the next section, the article reviews the basics of trademark law as applied to characters. The conflict that arises between copyright law's consignment of a character to the public domain and the removal of the character from the public domain by trademark law is the final subject that is covered.

² See Michael T. Helfand, Note, *When Mickey Mouse is as Strong as Superman: the Convergence of Intellectual Property Laws to Protect Fictional Literary and Pictorial Characters*, 44 STAN. L. REV. 623, 626 (1992).

³ The portions concerning federal trademark law are equally applicable to federal service mark law.

II. COPYRIGHT PROTECTIONS FOR CHARACTERS

The copyright laws provide one avenue of safeguarding the creators of characters.⁴ When an author procures a copyright on a character, he gains a monopoly on the character which is limited in duration.⁵ One aim of copyrights is to prevent people from using characters without compensating the authors and being unjustly enriched.⁶ A copyright also acts as a stimulus for the creation of characters.⁷ In addition, the monopolies compensate authors for the time and resources they invest in the formation of characters. Only characters that are sufficiently developed fall within the confines of copyrightability.⁸ In certain jurisdictions, a character must also "constitute the story being told" to be copyrighted.⁹

A. Overview of Copyright Law

A copyright gives its holder a monopoly on the character for a limited time.¹⁰ This monopoly accords copyright owners the exclusive right to reproduce the character, prepare derivative works based on the character, distribute copies or phonorecords of the character to the public by sale or other transfer of ownership or by rental, lease or lending and display the character publicly.¹¹ A copyright attaches to a

⁴ See 17 U.S.C. § 101-1101 (1999).

⁵ See 17 U.S.C. § 106, 302-05 (1999).

⁶ See ROCHELLE COOPER DREYFUSS & ROBERTA ROSENTHAL K WALL, *INTELLECTUAL PROPERTY* 2-4 (David L. Shapiro et al. eds., The Foundation Press, Inc. 1996).

⁷ See Leslie A. Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, 11 U. MIAMI ENT. & SPORTS L. REV. 437, 439-41 (1994); See also Leslie A. Kurtz, *The Independent Legal Lives of Fictional Characters*, 1986 WIS. L. REV. 429, 439-41 (1986).

⁸ See *Titan Sports, Inc. v. Turner Broad. Sys.*, 981 F. Supp. 65, 66-69 (D. Conn. 1997); *Metro-Goldwyn-Mayer, Inc. v. American Honda Motor Co.*, 900 F. Supp. 1287, 1295-97 (C.D. Cal. 1995); *Jones v. C.B.S., Inc.*, 733 F. Supp 748, 749-53 (S.D.N.Y. 1990).

⁹ See *Warner Bros. v. Film Ventures Int'l*, 403 F.Supp 522, 523-25 (C.D. Cal. 1975); *Warner Bros. Pictures v. CBS, Inc.*, 216 F.2d 945, 950-51 (9th Cir. 1954), cert. Denied, 348 U.S. 971 (1955).

¹⁰ See 17 U.S.C. § 106, 302-05 (1999).

¹¹ See 17 U.S.C. § 106 (1999).

character when it is created, i.e., fixed in a tangible medium of expression for the first time.¹² Such fixation occurs when the character's embodiment in a copy or phonorecord is sufficiently permanent or stable to permit it to be perceived, reproduced or otherwise communicated for a period of more than transitory duration.¹³

No registration is required to obtain a copyright; it simply attaches upon creation of the character. However, an author needs to register the character with the United States Copyright Office to enforce most rights under the copyright.¹⁴ The duration of a copyright differs depending upon the date when the character was created.¹⁵ With minor exceptions, characters that were created on or after January 1, 1978 are copyrightable for the duration of the author's life plus 70 years.¹⁶ Generally, if a character was created before January 1, 1978, its copyright will endure for 28 years unless it is renewed for an additional 67 years.¹⁷

Support for the copyrightability of characters can be found in the Constitution.¹⁸ Article I, § 8, cl. 8 grants Congress the authority "to promote the progress of science and the useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries".¹⁹ Therefore, it appears that the Framers of the Constitution believed that the grant to authors of monopolies that were limited in duration would advance the progress of the useful arts.

Congress acted on this constitutional grant of power by enacting the Copyright Act of 1790.²⁰ Although the Copyright Act does not explicitly list characters as copyrightable subject matter, they can be

¹² See 17 U.S.C. § 101 (1999).

¹³ See *id.*

¹⁴ See 17 U.S.C. § 411 (1999).

¹⁵ See 17 U.S.C. § 106, 302-05 (1999); Copyrights - Term Extension and Music Licensing Exemption, Pub. L. No. 105-298, 112 Stat. 2827 (1998).

¹⁶ See Copyrights - Term Extension and Music Licensing Exemption, 112 Stat. 2827 (1998) (codified as amended at 17 U.S.C. § 302(a) (1999)).

¹⁷ See Copyrights - Term Extension and Music Licensing Exemption, 112 Stat. 2827 (1998) (codified as amended at 17 U.S.C. § 304(a,b) (1999)).

¹⁸ See U.S. Const. art. I, § 8, cl. 8.

¹⁹ See *id.*

²⁰ See 17 U.S.C. § 101-1101 (1999).

encompassed by the following statutory categories: 1) literary works, 2) musical works, 3) dramatic works, 4) pictorial, graphic and sculptural works, 5) motion picture and other audiovisual works and 6) sound recordings.²¹ In addition, Congress' failure to legislatively overrule the numerous cases placing characters in the ambit of copyrightability indicates approval. Since *Nichols v. Universal Pictures Corp.*, the first case to suggest that characters could be copyrighted, Congress has had 69 years to legislate that characters are excluded from copyrightability.²² Even if some members of Congress were unaware of the *Nichols* case, they were unlikely to have missed the extensive media coverage of copyright infringement suits concerning characters brought by entities like Disney.²³

To prevent the appropriation of their characters, authors need the protection of copyrights. If characters were not copyrighted, they could easily be employed by anyone once they were exposed to the public, as characters are public goods. This feature of a public good is known as the impossibility of exclusion.²⁴ The phrase captures the idea that it is generally impossible to exclude anyone from using a character after a single person has access to it. Once an uncopyrighted character is exposed to a member of the public, that person can pass the character on to others. Public goods are also characterized by jointness of supply - many people can simultaneously enjoy the benefits of a good without interfering with each other's enjoyment of the good. Thus, one person's use of a character in a movie does not affect another person's use of the character on an advertising logo at the same time. Without copyrights, the ease with which characters can be copied and the ability of each copy to contain the value of the original would enable people who have not invested in character development to employ a character without compensating its author. Copyrights prevent such people from being unjustly enriched through the unauthorized use of the character.

A copyright is a strong incentive for the investment of monetary

²¹ See 17 U.S.C. § 102(a) (1999).

²² See *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 119-23 (2d. Cir. 1930).

²³ See Jessica Litman, *Mickey Mouse Emeritus: Character Protection and the Public Domain*, 11 U. MIAMI ENT. & SPORTS L. REV. 429, 431-35 (1994).

²⁴ See DREYFUSS and KWALL, *supra* note 7, at 3-4.

and personnel resources in the creation of characters.²⁵ Few individuals or institutions would spend time or money creating characters if they did not expect to earn a profit. The holder of a copyright can receive a significant return from the absence of direct competition or by collecting royalties from those to whom he grants some or all of his exclusive rights under the copyright. Aside from the incentive function of copyrights, the profits arising from them reimburse authors for the time and effort spent in character development. Devoting time and money to such endeavors also entails opportunity costs as the author loses the profits he could have achieved had he directed his resources to another end. Furthermore, it is unfair not to compensate the author if the character provides society with a benefit, such as greater employment or profits, as previously mentioned.

Some contend that copyrighting characters will stall the progress of the arts by increasing the costs of utilizing copyrighted characters. Though a monopoly allows higher prices to be charged than direct competition, many of these characters would not have been developed if they were not copyrightable. If monopolies on characters were not available, many authors would turn to more rewarding pursuits. The heightened price of copyrighted characters also serves as an incentive for those who cannot afford the royalties to develop their own characters.

In addition, it can be argued that a copyright enables its holder to refuse to allow certain uses of his character, thus restraining creative endeavors. Although a copyright holder can deny people the use of his character, he can only do so for a limited period. At the expiration of the copyright on an expression of a character, the expression enters the public domain.

B. Limits on Copyrightability of Characters

In order to be copyrighted, a character needs to be sufficiently developed.²⁶ A character satisfies this standard when it is refined be-

²⁵ See Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 439-41; See also Kurtz, *The Independent Legal Lives of Fictional Characters*, *supra* note 7, at 439-41.

²⁶ See *Titan Sports, Inc. v. Turner Broad. Sys.*, 981 F. Supp. 65, 66-69 (D.Conn. 1997); *Metro-Goldwyn-Mayer, Inc. v. American Honda Motor Co.*, 900 F. Supp.

yond an idea, which is barred from copyrightability by the Copyright Act.²⁷ Some courts also demand that the character “constitute the story being told” to come within the circumference of copyrightability.²⁸ This criterion probably stems from the absence of characters in the catalogue of subject matter in the Copyright Act.²⁹

i. Sufficient Development Standard

The courts require that a character be sufficiently developed to be copyrighted.³⁰ When a character is indistinctly described or possesses only general traits, it is an idea, which the Copyright Act expressly excludes from protection.³¹ Ideas are beyond the reach of copyrightability because they are the raw materials from which all authors draw.³² There are only a limited number of ideas for creative works that are marketable at a given time. Therefore, if authors were allowed to monopolize ideas, it would not take long until every workable idea were copyrighted. Once all salable ideas were sheltered by copyrights, the incentive function of copyrights would be lost as there would be nothing left for which to strive. In addition, an idea is capable of many forms of expression, so it would be inequitable to allow an author to claim every possible form of an idea’s expression, including expressions of which he had not conceived. Therefore, only particular expressions of ideas are copyrightable. The courts have not precisely delineated when a character is sufficiently developed to fall within the aegis of copyright protection. Instead, they have decided each lawsuit on a case-by-case basis.

1287, 1295-97 (C.D. Cal. 1995); *Jones v. CBS., Inc.*, 733 F. Supp 748, 749-53 (S.D.N.Y. 1990).

²⁷ See 17 U.S.C. § 102(b) (1999).

²⁸ See *Warner Bros. v. Film Ventures Int’l*, 403 F.Supp 522, 523-25 (C.D. Cal. 1975); *Warner Bros. Pictures v. CBS, Inc.*, 216 F.2d 945, 950-51 (9th Cir. 1954), *cert. Denied*, 348 U.S. 971 (1955).

²⁹ See 17 U.S.C. § 102(a) (1999).

³⁰ See *Titan Sports, Inc.*, 981 F. Supp. at 66-69; *Metro-Goldwyn-Mayer*, 900 F. Supp. at 1295-97; *Jones*, 733 F. Supp at 749-53.

³¹ See 17 U.S.C. § 102(b) (1999).

³² See Kurtz, *The Independent Legal Lives of Fictional Characters*, *supra* note 7, at 439-44.

When a character has a visual image, the courts that apply the above test have readily found that the character is sufficiently developed to be copyrighted.³³ For example, in *Metro-Goldwyn-Mayer v. American Honda Motor Co.*, the court found that the plaintiffs would probably prove that the visually portrayed character, James Bond, as developed in 16 films, is copyrightable.³⁴ The court asserted that Metro-Goldwyn-Mayer was likely to demonstrate that the character is either sufficiently developed to be copyrighted or “constitutes the story being told”. As will be discussed later, for a character to be copyrightable under the requirement of constituting the story being told, it must also be sufficiently developed to be copyrighted. Therefore, the likelihood that the plaintiffs would satisfy either standard indicates that they would probably show that the character is sufficiently developed to call for copyrightability.

The case involved allegations by Metro-Goldwyn-Mayer that a commercial by American Honda Motor Co. infringed its copyright in the character, Bond, as developed in 16 films. The plaintiffs do not claim a copyright in Bond, himself, but a copyright in the character as developed in the 16 films to which they hold copyrights. This Bond is a young, tall, athletically-built, handsome, Caucasian man with dark, brown hair and a British accent. The character is famed for his expert marksmanship, readiness to kill, strength and grace under fire. As developed in 16 films, Bond is also sophisticated, witty, has a dry sense of humor and is attracted to his female companions.

Similarly, in *Titan Sports, Inc. v. Turner Broadcasting Systems*, the court determined that the visually depicted character, Diesel, is sufficiently developed to withstand a motion to dismiss a claim of copyright infringement.³⁵ Titan Sports styled the wrestler, Kevin Nash, into the character, Diesel. In the action, Titan Sports claimed that Turner Broadcasting Systems’ use of Nash, appearing as the character, Diesel, infringed its copyright in the character. Diesel sports sunglasses, a goatee and mustache. Black is his signature color as he adorns himself with the following black pieces of clothing: a finger-

³³ See *Titan Sports, Inc.*, 981 F. Supp. at 66-69; *Metro-Goldwyn-Mayer*, 900 F. Supp. at 1295-97.

³⁴ 900 F. Supp. at 1295-97.

³⁵ 981 F. Supp. at 66-69.

less glove on his right hand, wrist bands, elbow pads, a low cut tank top and leather pants, boots and a vest decorated with silver studs and tassels. His hair color and style are also unique. Diesel is an integral character to Plaintiff's televised stories that involve wrestling matches. These programs develop the character's personality, relationships and history. In addition to these broadcasts, Diesel appears in authorized commercial videotapes, which further refine the character.

Although a visual portrait weighs in favor of a character's sufficient development to be copyrighted, it does not automatically bring the character within the range of copyrightability.³⁶ In addition to having a visual depiction, a character must be sufficiently developed. Aspects of character development extend beyond the character's image and include its traits, relationships and other experiences. Therefore, if a character had a visual image, but lacked these other elements of character development, it would not be copyrightable.

If there are no visual representations of a character, the courts which require sufficient development to be copyrighted have typically found that the character is not sufficiently developed.³⁷ The courts' reluctance in this regard stems from the fact that even the most detailed verbal portrait of a character is applicable to many different expressions. When a number of expressions satisfy the verbal description of a character, the description constitutes an idea, which is outside the scope of copyrightability.

Thus, in *Nichols v. Universal Pictures Corp.*, the case in which this standard originated, the court found that none of the characters in Nichols' play are sufficiently developed to be copyrighted.³⁸ In the case, Nichols alleged that a movie produced by Universal Pictures infringed her copyright in the script of her play. Writing for the court, Judge Learned Hand declared:

If *Twelfth Night* were copyrighted, it is quite possible that a second

³⁶ See *id.*; *Metro-Goldwyn-Mayer*, 900 F. Supp. at 1295-97; See also *Anderson v. Stallone*, 11 U.S.P.Q.2d 1161, 1165-7 (C.D. Cal. 1989).

³⁷ *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 119-23 (2d. Cir. 1930); *Williams v. Crichton*, 860 F. Supp 158, 168-69 (S.D.N.Y. 1994), *aff'd* 84 F.3d 581 (2nd Cir. 1996); *Jones v. CBS., Inc.*, 733 F. Supp 748, 749-53 (S.D.N.Y. 1990).

³⁸ 45 F.2d at 119-23.

comer might so closely imitate Sir Toby Belch or Malvolio as to infringe, but it would not be enough 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. These would be no more than Shakespeare's ideas in the play, as little capable of monopoly as Einstein's Doctrine of Relativity, or Darwin's theory of the Origin of Species. It follows that the less developed the characters, the less they can be copyrighted; that is the penalty the author must bear for marking them too indistinctly.³⁹

Nichols' play, *Abie's Irish Rose*, revolves around a Jewish man, an Irish Catholic woman and their fathers.⁴⁰ The Jewish man and the Irish Catholic woman are characterized by their religious affiliations and as "loving and fertile".⁴¹ According to the court, these characters are not sufficiently developed to be copyrightable.⁴² The Jewish father is affectionate, patriarchal, ostentatious, quarrelsome and obsessed with his religion. In the court's eyes, these vague qualities lack sufficient development to justify the copyrightability of the character. The court viewed the Irish father as "a mere symbol for religious fanaticism and patriarchal pride."⁴³ Thus, the judges determined that he is insufficiently developed as a character to fall within the confines of copyrightability.⁴⁴

In an analogous manner, the court in *Williams v. Crichton* determined that characters which are not visually depicted are insufficiently developed to be copyrightable.⁴⁵ The case concerned Williams' assertion that Michael Crichton's novel and movie, *Jurassic Park*, infringed his copyright in the following children's books: *Dinosaur World*, *Lost in Dinosaur World*, *Explorers in Dinosaur World*, and *Saber Tooth: A Dinosaur World Adventure*. With respect to the characters, Williams specifically claimed infringement of his copyrights in Peter, Wendy and Jake DuMel, who appear in Williams' *Explorers in Dinosaur World*. Peter is presented as a child and dinosaur enthusiast who enjoys discussing dinosaurs with Jake DuMel. The only charac-

³⁹ *Id.* at 121.

⁴⁰ *Id.* at 120-23.

⁴¹ *Id.* at 122.

⁴² *Id.* at 120-23.

⁴³ *Id.* at 122.

⁴⁴ *Id.* at 120-23.

⁴⁵ 860 F. Supp 158, 168-69 (S.D.N.Y. 1994), *aff'd* 84 F.3d 581 (2nd Cir. 1996).

terization that Wendy receives is that she is a child and Peter's sister. Jake DuMel is described as an intelligent, rugged adult adventurer who is knowledgeable about dinosaurs. He is also friendly and somewhat paternalistic towards Peter and Wendy. The court reasoned that these character sketches are insufficiently developed to be copyrighted.

Jones v. CBS, Inc. is another case in which the court concluded that a character which lacks a visual portrayal is insufficiently developed to warrant copyrightability.⁴⁶ In the lawsuit, Jones alleged that CBS's television series, *Frank's Place*, infringed her copyright in a script for a proposed radio play series, *Peachtree Street*, and one of its characters, Sister Sadie. Sadie is an elegant, affluent, somewhat eccentric, older African-American woman who is consulted by the rich for her knowledge of spells, herbs, roots and bones. Steadfastly, she refuses to apply her spells to evil ends. The court stated that basic character types, like Sadie, are insufficiently developed to be copyrighted. In the court's view, Sadie is "not a developed character, but a category and categories are not copyrightable."⁴⁷

ii. The "Constitute the Story Being Told" Test

Instead of deciding the copyrightability of a character based on whether it is sufficiently developed to be copyrighted, some courts require that the character "constitute the story being told".⁴⁸ Though the courts treat these tests independently, under either standard, a character must be sufficiently developed to merit copyrightability or it would be an uncopyrightable idea. Therefore, the condition that a character constitute the story being told imposes an additional burden beyond that created by the criterion that the character be sufficiently developed to be copyrighted.

This extra requirement probably arises from the recognition that the Copyright Act does not specifically include characters in its list of

⁴⁶ 733 F. Supp 748, 749-53 (S.D.N.Y. 1990).

⁴⁷ *Id.* at 753.

⁴⁸ See *Warner Bros. v. Film Ventures Int'l*, 403 F.Supp 522, 523-25 (C.D. Cal. 1975); *Warner Bros. Pictures v. CBS, Inc.*, 216 F.2d 945, 950-51 (9th Cir. 1954), *cert. Denied*, 348 U.S. 971 (1955).

subject matter.⁴⁹ As Congress specifically indicated that certain types of works include accompanying words and music, it can be argued that if Congress intended any works to include accompanying characters, it would have stated that in the statute. However, history is replete with instances of legislative omissions of provisions which Congress would have included had it thought of them. If Congress disagreed with the issuance of copyrights on characters, it has had almost 70 years to legislatively overrule cases including characters within the sphere of copyrightability.⁵⁰ Congress' inactivity in this regard appears to indicate approval, as mentioned above.

The court which began this line of decisions, *Warner Bros. Pictures v. CBS, Inc.*, was also concerned that if an author sold his copyright in a story, he would be prevented from using the characters in subsequent stories if the characters were copyrightable.⁵¹ The court reasoned that depriving an author of his copyrights on the characters through the sale of his copyright in a story containing the characters would rob him of the tools with which to create new stories. Such a result would run counter to the Copyright Act's goal of stimulating the progress of the useful arts. Yet, the court determined that if a character "constitutes the story being told", the sale of the copyright to the story should include the copyright to the character. Presumably, this decision was designed to prevent the purchaser from being deprived of that for which he bargained.⁵²

Several cases have evinced confusion concerning whether *Walt*

⁴⁹ See 17 U.S.C. § 102(a) (1999).

⁵⁰ See *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 119-23 (2d. Cir. 1930).

⁵¹ 216 F.2d 945, 950-51 (9th Cir. 1954).

⁵² In my view, whether a character constitutes the story being told should not determine whether it can be copyrighted. A system that awards copyrights only to characters that constitute the story being told would lead to the extinction of well-developed minor characters. Knowing that copyrights would not be available to minor characters, authors would not invest much time in developing such characters, so they would become stock figures. Additionally, authors would distort a story by elevating minor characters so that they constitute the story being told in order to acquire copyrights on these characters. Most creative endeavors contain minor characters, so altering the degree of development and importance of these characters would have an adverse effect on the works. I believe that the correct criterion for copyrightability is that a character be sufficiently developed to be copyrighted, as discussed above.

Disney Productions v. Air Pirates limits the applicability of the criterion that the character constitute the story being told to verbally described characters.⁵³ *Air Pirates* focuses on claims that *Air Pirates'* use of Disney characters in a counter-culture magazine infringed Disney's copyrights in various cartoon drawings.⁵⁴ The court determined that comic book characters are more likely than literary characters to be sufficiently developed to justify copyright protection. This distinction arises from the assistance that a visual image lends to character development, according to the court. Literary characters, in the court's eyes, often embody little more than an unprotected idea. As the *Warner Bros.* case involved literary characters, the court concluded, "Because comic book characters are therefore distinguishable from literary characters, the *Warner Bros.* language [requirement that the character constitute the story being told] does not preclude protection of Disney's characters".⁵⁵ The 9th Circuit specifically asserted that it was unnecessary to endorse the lower court's conclusion that the characters constituted the story being told.⁵⁶

According to the courts that have raised alternate constructions of *Air Pirates*, the opinion can be interpreted in the following ways: 1) as implicitly holding that the characters constitute the story being told, or 2) as restricting the test of constituting the story being told to characters that lack visual images.⁵⁷ However, the court could not have implicitly determined that the characters constituted the story being told when it explicitly refused to decide this issue.⁵⁸ The second interpretation is logical as the court stated that the differentiation between comic book characters and literary characters made it unnecessary for comic book characters to constitute the story being told.

In *Anderson v. Stallone*, the court determined that the above two views are equally plausible.⁵⁹ However, it adopted the second inter-

⁵³ *Metro-Goldwyn-Mayer*, 900 F. Supp. at 1295-97; See also *Anderson v. Stallone*, 11 U.S.P.Q.2d 1161, 1165-7 (C.D. Cal. 1989).

⁵⁴ 581 F.2d 751, 754-55 (9th Cir. 1978).

⁵⁵ *Id.* at 755.

⁵⁶ *Id.* at 754-55.

⁵⁷ See *Metro-Goldwyn-Mayer*, 900 F.Supp. at 1295-97; *Anderson*, 11 U.S.P.Q.2d at 1165-7.

⁵⁸ See *Air Pirates*, 581 F.2d at 754-55.

⁵⁹ 11 U.S.P.Q.2d at 1165-7.

pretation, citing with approval Professor Melville B. Nimmer's stance on this issue. According to Nimmer, "the Sam Spade limitations on character copyrightability have now been limited [by *Air Pirates*] to word portraits, as distinguished from cartoon and other graphic representations".⁶⁰ However, the *Anderson* court evaluated the characters under both constructions "out of an abundance of caution".⁶¹ The court in *Metro-Goldwyn-Mayer* also endorsed the second interpretation.⁶² For support, it relied on *Anderson* and that case's reference to Nimmer's opinion. Yet, it also acknowledged the unsettled state of the law and applied both interpretations to be safe.

The courts have refrained from defining the parameters of the "constitute the story being told" standard. The early courts were very resistant to finding that even a major character constituted the story being told.⁶³ For example, in *Warner Bros. Pictures v. CBS, Inc.*, Warner Bros. claimed that CBS's radio broadcasts of *Adventures of Sam Spade* infringed its copyright in the literary work, *The Maltese Falcon*.⁶⁴ Warner Bros. had purchased the copyright to *The Maltese Falcon* from its author, while CBS later acquired from the author copyrights to the characters of *The Maltese Falcon*, outside of their use in *The Maltese Falcon*. The plaintiff asserted that its copyright to *The Maltese Falcon* included a copyright on its characters, so that the author's subsequent transfer of copyrights on the characters was invalid. Without a legitimate copyright on the characters, CBS' use of the characters in *Adventures of Sam Spade* would be an infringement of Warner Bros.' copyrights. After analyzing the contract assigning the author's copyright in *The Maltese Falcon* to Warner Bros., the court concluded that the assignment did not include the copyrights on the characters.⁶⁵

The court then considered whether the characters were within the

⁶⁰ See 1 M. NIMMER, THE LAW OF COPYRIGHT, § 2-12, pg. 2-176 (1988).

⁶¹ See *Anderson* at 1166.

⁶² 900 F.Supp. at 1295-97.

⁶³ See *Olson v. NBC*, 855 F.2d 1446, 1451-53 (9th Cir. 1988); *Warner Bros. Pictures*, 216 F.2d at 950-51; *Film Ventures Int'l*, 403 F.Supp at 523-25.

⁶⁴ *Warner Bros. Pictures v. CBS, Inc.*, 216 F.2d 945, 950-51 (9th Cir. 1954), cert. Denied, 348 U.S. 971 (1955).

⁶⁵ *Id.* at 948-50.

sphere of copyrightability.⁶⁶ Its reasoning in forging the requirement that the character constitute the story being told to be copyrighted is presented above. The work, *The Maltese Falcon*, focuses on the search for an incredibly valuable figurine of a bird by that name. Sam Spade, Brigid O'Shaughnessy, Gutman, two policemen and another man form the search party. In addition to tracing the course of the search, the work depicts the relationships between group members and the divisions that arise. The court concluded that the characters are "only the chessmen in the game of telling the story [..and . . .] vehicles for the story told".⁶⁷ Therefore, they fail to constitute the story being told.⁶⁸

If the criterion that the characters be sufficiently developed to be copyrighted were applied, none of these characters would probably qualify.⁶⁹ As components of a literary work, the characters in *The Maltese Falcon* lack visual depictions.⁷⁰ The absence of a visual image is usually fatal to a claim that a character is sufficiently developed to warrant copyrightability.⁷¹ This conclusion reinforces the court's determination that the characters are excluded from the aegis of copyrightability.⁷²

Warner Bros. Pictures v. Film Ventures International is another early decision in which the main character does not constitute the story being told.⁷³ In the case, Warner Bros. alleged that Film Ventures International's movie, *Beyond the Door*, infringed their copyrights in the movie, *The Exorcist*. *The Exorcist* revolves around Regan, a 12-year-old girl who is possessed by a demon. Regan experiences physical and emotional infirmities which increase in severity as the demon gains hold of her. When the girl is completely possessed by the de-

⁶⁶ *Id.* at 950-51.

⁶⁷ *Id.* at 951.

⁶⁸ *Id.* at 950-51.

⁶⁹ See *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 119-23 (2d. Cir. 1930); *Williams v. Crichton*, 860 F. Supp 158, 168-69 (S.D.N.Y. 1994); *Jones v. CBS, Inc.*, 733 F. Supp 748, 749-53 (S.D.N.Y. 1990).

⁷⁰ *Warner Bros.*, 216 F.2d at 950-51.

⁷¹ See *Nichols*, 45 F.2d at 119-23; , *aff'd* 84 F.3d 581 (2nd Cir. 1996); *Crichton*, 860 F. Supp at 168-69; *Jones*, 733 F.Supp at 749-53.

⁷² See *Warner Bros.*, 216 F.2d at 950-51.

⁷³ 403 F.Supp 522, 523-25 (C.D. Cal. 1975).

mon, she is transformed into a horrid, foul-mouthed creature who spews vomit and uses supernatural powers to move objects. Regan's mother brings in doctors to treat the girl, but to no avail. The mother then turns to two Jesuit priests who conduct an exorcism. After a long, harrowing ordeal, the priests are successful in expelling the demon. The court reasoned, "I cannot conclude that the story, *The Exorcist* was subordinated to the character Regan."⁷⁴

The court's decision that Regan does not constitute the story being told would not preclude her from being sufficiently developed to be copyrightable, if that condition were applied. The character is visually portrayed on the movie screen, so she is probably sufficiently developed to be copyrighted.⁷⁵ This conclusion stems from the fact that generally speaking, visually depicted characters are sufficiently developed to call for copyrightability.⁷⁶ A finding that Regan is sufficiently developed to be copyrighted would not affect the court's conclusion that she fails to constitute the story being told.

Incidentally, this case was decided before the appeal in *Air Pirates*.⁷⁷ Therefore, under the view that *Air Pirates* restricts the requirement that the character constitute the story being told to verbally conjured characters, this case would no longer be good law.⁷⁸ Yet, employing the alternate construction of *Air Pirates* that the court implicitly determined that the visually portrayed characters constituted the story being told, *Film Ventures International* would remain valid.

⁷⁴ *Id.* at 525.

I disagree with the court's conclusion that Regan does not constitute the story being told. *See id.* at 523-25. She is the principal character in the movie and the plot revolves around her experiences. If she were removed from the story, the story would cease to exist. How could a character with such a central role not constitute the story being told? The only explanation for the court's finding is the resistance of the early courts to the determination that a character constitutes the story being told. *See Olson v. NBC*, 855 F.2d 1446, 1451-53 (9th Cir. 1988)1-53; *Warner Bros. Pictures*, 216 F.2d at 950-51; *Film Ventures Int'l*, 403 F.Supp at 523-25.

⁷⁵ *See Titan Sports, Inc. v. Turner Broad. Sys.*, 981 F. Supp. 65, 66-69 (D. Conn. 1997); *Metro-Goldwyn-Mayer, Inc. v. American Honda Motor Co.*, 900 F. Supp. 1287, 1295-97 (C.D. Cal. 1995).

⁷⁶ *Id.*

⁷⁷ *See Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 752-60 (9th Cir. 1978).

⁷⁸ *See Metro-Goldwyn-Mayer, Inc. v. American Honda Motor Co.*, 900 F. Supp. 1287, 1295-97 (C.D. Cal. 1995); *Anderson v. Stallone*, 11 U.S.P.Q.2d 1161, 1165-67 (C.D. Cal. 1989).

In *Olson v. NBC*, an early court found that neither central characters nor peripheral characters constitute the story being told.⁷⁹ The case concerned claims that NBC's television series, *The A-Team*, infringed Olson's copyright in the script for a television series, *Cargo*. Olson's work focuses on the post-war adventures of five Vietnam veterans. The series opens after the war, when Van Druten, Tronski and Brown have moved their Vietnam-based scam operation to the United States. Kilgore and Brite, who have become Drug Enforcement Agents, threaten Tronski and Brown with unjustified drug smuggling charges. The agents promise to drop the charges if Tronski and Brown enlist the help of Van Druten in breaking up a large Colombian cocaine smuggling ring. However, Kilgore and Brite use the trio's interaction with the smugglers to frame them. Despite this, Van Druten, Tronski and Brown emerge unscathed and lead the Coast Guard to arrest Kilgore and Brite. In addition to these veterans, the literary work includes Marsha Bainwright, a minor character who is romantically involved with Tronski. According to the court, none of the characters constituted the story being told.

As an alternate basis for its holding, the court determined that none of the characters are sufficiently developed to be copyrightable.⁸⁰ In the script, the characters are described by three to four sentences each. Van Druten is compared to John Ritter and depicted as an old-money New York intellectual who has studied medicine. Tronski is a Nick Nolte type who is the group's impulsive, quick-thinking, Southern leader and strategist. Brown is portrayed as a large, athletic, sensitive Southerner and is likened to Rosie Greer. Kilgore is also from the South and is a militaristic, extremist schizoid. The court does not provide a description of Brite. Marsha Bainwright, who is wealthy and elegant, is designed to parallel Kate Jackson. In addition to these sparse descriptions, the court considered any insight into the characters it could discern from their dialogue and actions. It viewed the characters as too lightly sketched to be afforded copyright protection.

The later courts generally determine that a principal character constitutes the story being told.⁸¹ One such case is *Anderson v. Stallone*,

⁷⁹ 855 F.2d at 1451-53.

⁸⁰ *Id.* at 1452-53.

⁸¹ See *Metro-Goldwyn-Mayer*, 900 F. Supp. at 1295-97; *Anderson*, 11

in which Timothy Anderson claimed that his copyright on his script of a proposed *Rocky IV* film had been infringed by Sylvester Stallone's movie, *Rocky IV*.⁸² Anderson's script for the proposed *Rocky IV* film uses the characters from Stallone's previous *Rocky* movies. The movies, *Rocky I, II and III*, recount Rocky Balboa's efforts to become a boxing champion. They also revolve around the development and relationships of the characters, Rocky and Paulie Balboa, Adrian, Apollo Creed and Clubber Lang. Furthermore, they lack intricate plots or story lines. Due to these movies' concentration on character development and the central roles of these characters, the court determined that Rocky and Paulie Balboa, Adrian, Apollo Creed and Clubber Lang constitute the story being told. Since the characters are copyrightable, Anderson's work infringed Stallone's copyrights in them, instead of the reverse.

As an alternate basis for the decision, the court found that the visually portrayed characters are sufficiently developed to be within the range of copyrightability.⁸³ The court asserted, "The *Rocky* characters [Rocky and Paulie Balboa, Adrian, Apollo Creed and Clubber Lang] are one of the most highly delineated group of characters in modern American cinema".⁸⁴ The physical and emotional characteristic of the characters are set forth in tremendous detail in *Rocky I, II and III*, according to the court.⁸⁵ The court also viewed the fact that the name, "Rocky", appears in the titles of these three movies as indicating that Rocky is sufficiently developed to be copyrighted. As further evidence of the strong degree of development of Rocky, the court observed that he is identified with specific traits ranging from his speaking mannerisms to his physical characteristics.

In *Metro-Goldwyn-Mayer*, described above, the court concluded that the plaintiffs were likely to show that the central character, James Bond, as developed in 16 films, was copyrightable.⁸⁶ The judges

U.S.P.Q.2d at 1165-7.

⁸² 11 U.S.P.Q.2d at 1165-7.

⁸³ *Id.*

⁸⁴ *Id.* at 1166.

⁸⁵ *Id.* at 1165-7.

⁸⁶ *Metro-Goldwyn-Mayer, Inc. v. American Honda Motor Co.*, 900 F. Supp. 1287, 1295-97 (C.D. Cal. 1995).

stated, “James Bond is more like Rocky [constitutes the story being told] than Sam Spade [does not constitute the story being told]—in essence, that James Bond is a copyrightable character under either the Sam Spade ‘story being told’ test or the Second Circuit ‘character delineation’ test.”⁸⁷ Although the court declined to select either standard, it clearly believed that the plaintiffs would probably demonstrate that Bond, as developed in 16 films, constituted the story being told.⁸⁸ The court asserted, “Indeed, audiences do not watch Tarzan, Superman, Sherlock Holmes or James Bond for the story, they watch these films to see their heroes at work. A James Bond film without James Bond is not a James Bond film.”⁸⁹ The stories in these 16 action films involve Bond’s use of intelligence and high-tech gadgetry to enable himself and a beautiful woman to elude a grotesque villain.⁹⁰ As previously discussed, the court also determined that the character is sufficiently developed to justify copyrightability.

iii. Copyright and the Public Domain

Regardless of which standard is applied, a court’s determination that a character is copyrightable does not cloak it with eternal protection.⁹¹ Instead, the copyright will expire at the termination of a discrete time period, as previously outlined. The monopolies awarded to authors are limited in duration so that others will be able to freely make use of formerly protected expressions.⁹² The restraints occasioned by copyrights include the royalties that some people may be unable to afford and the refusal of some copyright holders to authorize particular uses of their characters. The lifting of these restrictions revitalizes the useful arts. Many authors build upon characters that they did not form.⁹³ Some of our greatest authors, including Shakespeare, Dickens, Moliere, Spenser, Byron, Rabelais and Hugo, borrowed

⁸⁷ *Id.* at 1296.

⁸⁸ *Id.* at 1295-97.

⁸⁹ *Id.* at 1296.

⁹⁰ *Id.* at 1295-97.

⁹¹ See 17 U.S.C. § 106, 302-05 (1999).

⁹² See Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 441-46; Kurtz, *The Independent Legal Lives of Fictional Characters*, *supra* note 7, at 435-38.

⁹³ See *id.*

characters from other authors.⁹⁴ Therefore, the more characters that are available, the larger the storehouse of knowledge from which an author can draw in creating his own story.

Today, authors continue to benefit from the ability to employ characters forged by others.⁹⁵ For instance, Tom Stoppard uses two characters from Shakespeare's *Hamlet* to probe the current nature of tragedy in *Rosencrantz and Guildenstern are Dead*. The cast of *Othello*, by Shakespeare, appears in Paula Vogel's *Desdemona, a Play about a Handkerchief*. In Vogel's work, Shakespeare's characters are used to examine his play from the perspective of its female characters.

Additionally, Sir Arthur Conan Doyle's Sherlock Holmes series has spawned a number of works utilizing its characters. *The Supreme Adventure of Inspector Lestrade*, by M. J. Trow, is one such literary endeavor. Steven Spielberg produced the movie, *Young Sherlock Holmes*, which describes Holmes' life as a 16-year-old. Biographies have been written about Holmes, Dr. Watson, Mycroft and Professor Moriarty.

Furthermore, Jean Rhys authored *Wild Sargasso Sea*, a novel chronicling the early years of the first Mrs. Rochester in Charlotte Bronte's *Jane Eyre*. The characters in Robert Louis Stevenson's *Dr. Jekyll and Mr. Hyde* are employed by Valerie Martin in the novel, *Mary Reilly*, which presents Stevenson's story through the eyes of the doctor's maid. Alice, from Lewis Carroll's *Alice in Wonderland*, is cast into an adventure through the alphabet in Gilbert Aldair's *Through the Needle's Eye*.

Authors are not the only ones who benefit from the placement of characters in the public domain.⁹⁶ For example, a school gymnasium that would like to illustrate its interior walls with Rocky Balboa could do so without restraint if he were in the public domain. The character's entrance into the public domain would enable the school to employ him without having to obtain a license or pay royalties. Thus, the

⁹⁴ See Kurtz, *The Independent Legal Lives of Fictional Characters*, *supra* note 7, at 435-38.

⁹⁵ See Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 441-46; See also Kurtz, *The Independent Legal Lives of Fictional Characters*, *supra* note 7, at 435-38.

⁹⁶ See Litman, *supra* note 23, at 431-35.

school would not be precluded from using Rocky due to a lack of resources or the copyright holder's refusal to license this use. Consumers also gain when the character passes into the public domain. With the expiration of the copyright, royalty payments cease, so the cost to the consumer of Rocky products decreases.

Therefore, the maintenance of a vibrant public domain is vital to future creative works and other expressions. When a character enters the public domain, the necessity of replenishing the public domain strongly opposes the character's withdrawal from the public domain by other intellectual property rights. These rights include copyrights on works that are derivative of the public domain character.

III. IMPACT ON PUBLIC DOMAIN OF COPYRIGHTS ON DERIVATIVE WORKS

A character's passage into the public domain could be obstructed by a copyright on a work which is derivative of the character. In the Copyright Act, a derivative work is denoted as:

a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed or adapted. A work consisting of editorial revision, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a derivative work.⁹⁷

A copyright on a character that is derivative of a public domain character applies only to the original aspects of the derivative work.⁹⁸ To be original, an aspect of a work need only be created by the author. The restriction of the copyright to the original aspects of the work arises from the Copyright Act, which provides:

The copyright in a derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed by the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent

⁹⁷ 17 U.S.C. § 101 (1999).

⁹⁸ See *Silverman v. CBS, Inc.*, 870 F.2d 40, 49-50 (2nd Cir. 1989); *Dr. Seuss Enters. v. Penguin Books U.S.A.*, 924 F.Supp 1559, 1565-66 (S.D. Cal. 1996); *aff'd*, 109 F.3d 1394 (9th Cir. 1997); *Harvey Cartoons v. Columbia Pictures Indus.*, 645 F.Supp. 1564, 1569-71 (S.D.N.Y. 1986).

of, and does not affect or enlarge the scope, duration, ownership,⁹⁹ or subsistence of, any copyright protection in the preexisting material.

In addition, the courts require that these original aspects be substantial to call for copyrightability.¹⁰⁰ The substantiality of the original aspects of a derivative work has been decided on a case-by-case basis.

Conan Properties v. Mattel, Inc. is a case in which the court found that a derivative work contained substantial original aspects.¹⁰¹ In the lawsuit, Conan Properties alleged that Mattel's He-man action figure infringed its copyrights in the character, "Conan of Cimmeria, the Barbarian". The court determined that the depictions of Conan in the eight comic books to which Conan Properties held copyrights are derived from the comic magazine illustrations of the character in the public domain. Both the public domain Conan and the one held by Conan Properties are square-jawed, broad-shouldered and inordinately strong. They sport scraps of clothing designed to reveal their enhanced muscles. Yet, the style of their musculature differs significantly. The court concluded that this original variation is substantial.

In *Harvey Cartoons v. Columbia Pictures Indus.*, the court determined that a derivative character lacked substantial original aspects.¹⁰² The case involved claims that Columbia Pictures' advertising logo for the movie, *Ghostbusters*, infringed Harvey Cartoons' copyright in the character, Fatso. According to the court, Harvey Cartoons' Fatso, used in comic books and animated movies, is derived from the illustrations of Fatso which had passed into the public domain. Although there are many depictions of the ghost, Fatso, in the public domain, the court utilized the versions from 1955 on as the points of comparison. In the court's eyes, the ghost's most distinctive feature, his top-knotted design, has not changed to any appreciable degree from these public domain characters to Harvey Cartoons' Fatso. Fatso also retains the same jowly cheeks and billowy contour in the public domain representations considered by the court and the derivative character. The

⁹⁹ 17 U.S.C. § 103(b) (1999).

¹⁰⁰ See *Dr. Seuss Enters.*, 924 F.Supp at 1565-66; *Conan Properties v. Mattel, Inc.*, 712 F. Supp. 353, 358-60 (S.D.N.Y. 1989); *Harvey Cartoons*, 645 F. Supp. at 1569-71.

¹⁰¹ 712 F.Supp. at 358-60.

¹⁰² 645 F.Supp. at 1569-70.

court viewed the public domain depictions since 1955 as almost identical to the illustrations held by Harvey Cartoons. Therefore, the court concluded that there are no substantial original aspects in the derivative work.

Thus, a copyright on a character that is derivative of a public domain character does not remove the character from the public domain. Instead, a balance is struck between the public domain and individual intellectual property rights. The public domain version of the character remains available for all to use, while the original aspects of the derivative character are protected by copyright law. Though the public domain remains intact when the copyright on a character tugs at the public domain character from which it is derived, the question remains, "Does using a character as a trademark recall it from the public domain?"

IV. SHELTERING CHARACTERS THROUGH FEDERAL TRADEMARK LAW

Federal trademark law serves as another protection for characters.¹⁰³ Unlike copyrights, trademarks do not expire at the termination of a finite time period.¹⁰⁴ Instead, trademarks last as long as they are employed to identify and distinguish articles and to identify the source of the articles. Thus, trademarks could persist perpetually. They are designed to guard consumers against confusion as to the source or authorization an item connected to a trademark.¹⁰⁵ To be registrable as a trademark, a character must be used in commerce or the applicant must have a bona fide intention to use it in commerce and have applied to the principal register.¹⁰⁶ In addition, a character needs to be distinctive and indicate a single source.¹⁰⁷

¹⁰³ See 15 U.S.C. § 1051-1127 (1999).

¹⁰⁴ See 15 U.S.C. § 1058 (1999); See also Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 441-46; Helfand, *supra* note 2, at 635-8; Kurtz, *The Independent Legal Lives of Fictional Characters*, *supra* note 7, at 474-506.

¹⁰⁵ See Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 441-46; Helfand, *supra* note 2, at 635-8; Kurtz, *The Independent Legal Lives of Fictional Characters*, *supra* note 7, at 474-506.

¹⁰⁶ See 15 U.S.C. § 1127 (1999).

¹⁰⁷ See *DeCosta v. CBS, Inc.*, 520 F.2d 499, 513 (1st Cir. 1975); *Silverman v. CBS, Inc.*, 632 F. Supp. 1344, 1356 (S.D.N.Y.) *aff'd* 870 F.2d 40, 49-50 (2nd Cir.

A. Brief Tour of Federal Trademark Law

Characters can serve as trademarks as they fall within the statutory subject matter of “any word, name, symbol, or device, or any combination thereof”.¹⁰⁸ A character can be classified as a symbol, generally, in combination with a name. A trademark provides its owner with a monopoly on the character’s use in connection with certain goods. The monopoly is limited to the articles for which the character is registered, plus a zone of product expansion. This zone attempts to reflect the natural course of expansion of a trademark owner’s product line. For instance, when a character is registered in connection with hamburgers, French fries would be within the zone of product expansion, but tires would not. A trademark need not be registered with the United States Patent and Trademark Office to be protected under the Lanham Act.¹⁰⁹ However, numerous remedies are limited to registrants on the Principal Register.¹¹⁰ Trademark protection endures as long as the character is used in commerce to identify and distinguish goods and to identify the source of the goods.¹¹¹ Therefore, trademarks could last infinitely.

Trademarks exist to shield consumers from confusion as to the source or authorization of the item bearing the trademark.¹¹² When characters are employed as trademarks, they serve as indicia of a particular quality. Consumers may learn to associate a given quality with a trademark through their experience with the goods associated with the character. Alternatively, a consumer’s perception of the quality

1989); Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 441-46; Helfand, *supra* note 2, at 635-8.

¹⁰⁸ See 15 U.S.C. § 1127; See also *M’Otto Enters. v. Redsand, Inc.*, 831 F.Supp. 1491, 1499 (W.D. Wash. 1993); Silverman, 632 F.Supp at 1356.

¹⁰⁹ See 15 U.S.C. § 1125 (1999).

¹¹⁰ See 15 U.S.C. § 1111, 1114, 1116-18 (1999).

¹¹¹ See 15 U.S.C. § 1058 (1999); Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 441-46; Helfand, *supra* note 2, at 635-8; Kurtz, *The Independent Legal Lives of Fictional Characters*, *supra* note 7, at 474-506.

¹¹² See Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 441-46; Helfand, *supra* note 2, at 635-8; Kurtz, *The Independent Legal Lives of Fictional Characters*, *supra* note 7, at 474-506.

designated by a trademark may arise through the reputation connected with the character. Thus, when consumers purchase articles under the same trademark, they are assured of equivalent quality. This standard is important to consumers as the quality of many items cannot be assessed until after their purchase. For instance, one cannot determine the quality of Peter Pan peanut butter until one eats it. Therefore, one must rely on the Peter Pan character as a quality indicator at the time of purchase.

Another possible function of a trademark is to signify that its use is authorized by the trademark holder. When the owner of a trademark licenses the character to others, he must exercise control over the quality of the goods with which the licensee connects the trademark. Through this control, he must maintain a consistent level of quality.

When a sweater displays an image of Mickey Mouse, consumers assume that Disney, the trademark owner, either manufactured the sweater or approved the depiction of its trademark on the sweater. Therefore, if the portrayal of Mickey Mouse is unauthorized, consumers will be deceived as to the source of the sweater or approval of the use of Mickey Mouse on the sweater. When choosing between competing products, consumers are injured by the withholding of data needed to make an informed decision.¹¹³ In addition, consumers can be hurt by being misled into purchasing an inferior product that they would not have bought without the unauthorized trademark. They can also suffer harm from paying more for an article than they would have had it not been stamped with the unauthorized trademark. Consumers are not the only ones who are affected by the employment of unauthorized trademarks. Trademark owners are also harmed as they lose the sales that are diverted to the items showing unauthorized trademarks.

B. Requirements for Registrability

Characters need to satisfy a number of criteria to fall within the realm of registrability. Under the Lanham Act, a character must be used in commerce, or its owner must have a bona fide intention to use

¹¹³ See Kurtz, *The Independent Legal Lives of Fictional Characters*, *supra* note 7, at 474-506.

it in commerce and have applied to the principal register.¹¹⁴ Distinctiveness and the ability to indicate a single source are also prerequisites.¹¹⁵

i. Use in Commerce or Intent to Use in Commerce

To merit registrability, a character must be used in commerce, or its owner must have a bona fide intention to use it in commerce and have applied to the principal register.¹¹⁶ The Lanham Act explicitly demands a bona fide intention to use in commerce, but fails to impose an express commercial requirement on actual use. However, the legislative purpose, as described in the statute, indicates that actual use must be in commerce:

The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce.¹¹⁷

Furthermore, the statute was enacted under the authority of the Constitution's Commerce Clause, so commerce must be involved.¹¹⁸

The Lanham Act defines use in commerce as:

the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For the purposes of this chapter, a mark shall be deemed to be in use in commerce

1) on goods when:

A) it is placed in any manner on the goods or their containers or the displays associated therewith or the tags or labels affixed thereto, or if the nature of the good makes such placement impracticable, then on documents associated with the goods or their sale, and

¹¹⁴ See 15 U.S.C. § 1127.

¹¹⁵ See DeCosta, 520 F.2d at 513; Silverman, 632 F.Supp. at 1356; Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 441-46; Helfand, *supra* note 2, at 635-38.

¹¹⁶ See 15 U.S.C. § 1127 (1999).

¹¹⁷ *Id.*

¹¹⁸ See U.S. CONST. art I, § 8, cl. 3.

B) the goods are sold or transported in interstate commerce, and

2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one state or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.¹¹⁹

Within the area of character protection, no courts have directly addressed use in commerce or bona fide intention to use in commerce. Therefore, we must examine cases concerning other types of trademarks. There are no cases regarding bona fide intention to use in commerce, but cases relating to use in commerce exist.

A trademark is used in commerce when at least one bona fide transaction occurs and is followed by activities showing continuous effort or intent to use the trademark.¹²⁰ In *Roux Laboratories v. Clairol, Inc.*, Roux appealed the Trademark Trial and Appeal Board's dismissal of its opposition to Clairol's registration.¹²¹ The registration in question was for the phrase, "HAIR COLOR SO NATURAL ONLY HER HAIRDRESSER KNOWS FOR SURE" for hair tinting, dyeing and coloring preparation. Clairol achieved use in commerce in two steps. There was one shipment in commerce of glass bottles containing hair dye packaged in cardboard containers decorated with the trademark. In addition, Clairol placed the trademark on over three million point-of-sale displays.

Delivery of trademarked goods in preparation for use in commerce is not viewed as use in commerce.¹²² Additionally, neither advertising nor documentary use of trademarks constitute use in commerce. In *Avakoff v. Southern Pacific Co.*, Avakoff appealed the Trademark Trial and Appeal Board's grant of Southern Pacific Co.'s motion for summary judgment in the opposition proceeding concerning the trademark for which he had applied. Avakoff had applied for a registration for "SP Software" and a design, both to be used on software.

¹¹⁹ 15 U.S.C. 1127 (1999).

¹²⁰ See *Avakoff v. Southern Pac. Trans. Co.*, 765 F.2d 1097, 1098 (Fed. Cir. 1985).

¹²¹ 427 F.2d 823, 823-27 (C.C.P.A. 1970).

¹²² See *Avakoff*, 765 F.2d. at 1097-98.

Although the manufacturer of the software shipped it interstate with the trademarks affixed to Avakoff, the court did not consider this a use in commerce. The Board characterized the shipment as delivery in preparation for offering goods for sale, as opposed to offering goods for sale. Avakoff also sent solicitations to retailers which contained the trademarks. In the Board's view, these letters were advertising and documentary use of the trademarks apart from the goods. Consequently, it failed to find that the solicitations were use in commerce. The court found that this determination was not in error.

ii. Distinctiveness

In order to identify and distinguish goods from those manufactured or sold by others, as required by the statute,¹²³ a trademark must be distinctive.¹²⁴ Distinctiveness can be inherent¹²⁵ or acquired through secondary meaning.¹²⁶ Secondary meaning arises when consumers learn to associate a trademark with its source.

a. Inherent Distinctiveness

One way to achieve distinctiveness is to be considered inherently distinctive¹²⁷. No cases have decided whether a character is inherently distinctive. Again, it is helpful to consult cases regarding other kinds of trademarks.

A trademark is inherently distinctive if it has distinctive proportions and arrangement of elements.¹²⁸ *In re Application of Esso Standard Oil Co.* is one case in which a trademark meeting this test was found to be inherently distinctive. The case concerned Esso Standard Oil's appeal of the Trademark Trial and Appeal Board's denial of

¹²³ See 15 U.S.C. § 1127 (1999).

¹²⁴ See *DeCosta*, 520 F.2d at 513; *Silverman v. C.B.S., Inc.*, 632 F.Supp. 1344, 1356 (S.D.N.Y. 1986), *aff'd* 870 F.2d 40 (2nd Cir. 1989).

¹²⁵ See *In re Application of Esso Standard Oil Co.*, 305 F.2d 495, 497-98 (C.C.P.A. 1962); *Marcalus Mfg. Co. v. Watson*, 258 F.2d 151, 152 (D.C. Cir. 1958).

¹²⁶ See *DeCosta*, 520 F.2d at 513; *Silverman*, 632 F.Supp. at 1356.

¹²⁷ See *In re Application of Esso Standard Oil Co.*, 305 F.2d at 497-98; *Marcalus*, 258 F.2d at 152.

¹²⁸ See *In re Application of Esso Standard Oil Co.*, 305 F.2d at 497-98.

registration of a label design used on containers of motor oil.¹²⁹ The label design contains a red horizontal band followed by a white horizontal band. Next, there is a thin, red horizontal stripe and then a dark blue horizontal band. Near each uppermost corner lies a dark blue oval, which falls approximately 80% in the top band and 20% in the next band. Above each oval is a small, white dot in the red band and beneath each oval is a small, red dot in the white band. Due to the distinctive proportions and arrangement of elements, the court determined the label design to be inherently distinctive.¹³⁰

When a trademark fails to differ significantly from other related words, names, symbols, devices, or combinations thereof, it is not inherently distinctive.¹³¹ In *Marcalus Manufacturing Co. v. Watson*, the applicant appealed from the Trademark Trial and Appeal Board's denial of registration of a logo background. The item sought to be registered was a maroon oval applied to paper products. The court noted that a number of parties surround trade names with ovals and place them on products. The maroon oval "consisted solely of a basic, common shape", so the court considered it to lack inherent distinctiveness.

b. Distinctiveness Through Secondary Meaning

A trademark can also become distinctive through the acquisition of secondary meaning, i.e., association of the trademark with its owner.¹³² When consumers are exposed to a trademark in connection with certain goods, they learn to connect it with its holder. Secondary meaning is achieved when a substantial segment of the relevant market has made this association. Secondary meaning may be demonstrated in a variety of ways.¹³³ Evidence may take the form of con-

¹²⁹ *Id.* at 496-97.

¹³⁰ *Id.* at 497-98.

¹³¹ *See Marcalus*, 258 F.2d at 152.

¹³² *See DeCosta*, 520 F.2d at 513; *Silverman*, 632 F. Supp. at 1356.

¹³³ *See Daniel I. Schloss, Marks of Distinction: Rethinking Secondary Meaning Standards in Trademark Law after Qualitex v. Jacobson*, 14 CARDOZO ARTS & ENT. L.J. 695, 704-27 (1996); David E. Rigney, *Application of Secondary Meaning Test in Action for Trademark or Tradename Infringement Under § 43(a) of the Lanham Act*, 86 A.L.R. 489 (1988).

sumer testimony, affidavits or unsolicited testimonials. Consumer surveys and statistical analyses can also be presented. In addition, secondary meaning can be shown through the amount of advertising and unsolicited media coverage. The volume of sales and the length of time that the trademark holder has used the trademark can serve as further evidence. Intentional copying of the trademark by entities attempting to capitalize on the goodwill associated with the trademark can also be influential in a finding of secondary meaning. The application of these factors and the weight assigned to each is discretionary.

In *M'Otto Enterprises v. Redsand, Inc.*, the court determined that the Timmons caricature has a secondary meaning indicating Redsand.¹³⁴ The case was brought by M'Otto Enterprises, seeking a declaratory judgment that its Red Eraser caricature did not infringe Redsand's trademark in the Timmons caricature. The caricature is modeled after the owner of Redsand, Steve Timmons, who is a professional volleyball player and has participated in three Olympic volleyball games. Timmons' high, flat-top, red hair and a pair of sunglasses are featured in the caricature. Redsand uses the Timmons caricature for display on loop labels, hangtags and screen printed patterns on its line of sportswear. Timmons was granted a registered trademark on the caricature and assigned the trademark to Redsand.

The court acknowledged that existence of a registered trademark gives rise to a strong presumption that the Timmons caricature is sufficiently distinctive to be registrable. Even if the caricature were not registered, the court reasoned, it has a secondary meaning denoting Redsand. In the court's view, Redsand's widespread use of the caricature on its goods weighs in favor of this determination. Since 1986, Redsand has had nationwide distribution and has sold \$15 million worth of articles of clothing, most of which retail for \$35-40. Thus, the numerous purchasers of trademarked Redsand clothing have learned to associate the caricature with the manufacturer through their personal knowledge of the products. Additionally, consumer recognition of the caricature as indicating Redsand as the source of an article bearing the caricature tips the balance towards finding secondary meaning signifying Redsand, according to the court. The judges did not disclose the basis for this determination.

¹³⁴ 831 F.Supp. 1491, 1499 (W.D. Wash. 1993).

Another case in which the court found that characters have secondary meaning is *Silverman v. CBS, Inc.*¹³⁵ In the case, Stephen Silverman sought a declaratory judgment that his use of characters from CBS's radio broadcast, *The Amos 'n' Andy Show*, and *Amos 'n' Andy* television series in a Broadway musical comedy did not infringe CBS's trademarks in the characters. The only detail that the district or appellate court provide concerning the *Amos 'n' Andy* characters is that they are African-Americans.¹³⁶ *The Amos 'n' Andy Show* was popular for almost 30 years, from 1928 to 1955.¹³⁷ The syndicated *Amos 'n' Andy* television series enjoyed similar popularity from 1951 to 1966. Due to the popularity of the radio and television programs and length of time for which they were broadcast, the district court concluded that the *Amos 'n' Andy* characters have secondary meaning indicating CBS.

iii. Single Source

Courts have interpreted the statute's requirement that the trademark indicate the source of the goods as necessitating a single source.¹³⁸ If a trademark were owned by a number of parties, then consumers would not know with whom to associate a product connected with that trademark. Then, the trademark would no longer specifically identify the source of the good or the authorization of the trademark's use. Even if only two parties possessed rights to the same trademark, a consumer would be confused as to which one manufactured the article. Confusion would also arise concerning which trademark owner authorized its employment.

In *M'Otto Enterprises* and *Silverman*, described earlier, the rights to the characters at issue were each held by a single, different source.¹³⁹ It was implicit in the courts' opinions that the unity of

¹³⁵ 632 F. Supp. 1344, 1356 (S.D.N.Y.) *aff'd* 870 F.2d 40, 49-50 (2nd Cir. 1989).

¹³⁶ See *Silverman*, 870 F.2d at 42, 50.

¹³⁷ See *Silverman*, 632 F.Supp. at 1356.

¹³⁸ See 15 U.S.C. § 1127; Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 441-46; Helfand, *supra* note 2, at 635-8; *Universal City Studios v. Nintendo Co.*, 578 F. Supp. 911, 923-26 (S.D.N.Y. 1983), *aff'd* 746 F.2d 112.

¹³⁹ See *M'Otto Enters.*, 831 F. Supp. at 1499; *Silverman* 632 F.Supp at 1356.

source in each case enabled consumers to perceive the trademarked products as stemming from Redsand and CBS, respectively. This connection allowed consumers to associate the trademark with these companies.

However, the need for a single source excludes many characters from trademark protection as the rights to characters are often splintered.¹⁴⁰ In *Universal City Studios v. Nintendo Co.*, Universal City Studios alleged that Nintendo's Donkey Kong video game infringed its trademark in the character, King Kong.¹⁴¹ In Donkey Kong, the player maneuvers "Mario, the Carpenter" along an unfinished building to rescue a girl held by a gorilla at the top. To reach the girl, Mario can climb ladders, run up ramps, jump on moving elevators or conveyor belts. Mario must also avoid obstacles such as cement tubs, foxfires and barrels, as well as beams hurled at him by the gorilla. While Mario tries to ascend the building, the gorilla walks back and forth, jumping periodically. The rights to the character, King Kong, are distributed in the following manner: 1) R.K.O. Radio Pictures owns the copyright on the character as he appears in the 1933 movie, 2) Cooper has the copyright on the character as he appears in the book and in the periodical installments, 3) Dino DiLaurentiis Corp. possesses the copyright on the character as he appears in the 1976 remake of the movie and 4) Universal owns any remaining rights in the character, although the court concluded that "exactly what shred of the King Kong character [...] Universal owns is far from clear".¹⁴²

R.K.O. Radio Pictures and Dino DiLaurentiis Corp. have employed their King Kong characters in advertisements for their movies.¹⁴³ They have also licensed their characters to more than 15 manufacturers of dolls, toys, games, watches, books and clothing. Therefore, they have used their characters as trademarks. Universal City Studios has employed its King Kong character as a trademark by licensing it to entities making costumes, video games and watches. In addition, numerous unauthorized parties have used variations of the

¹⁴⁰ See Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 441-46; Helfand, *supra* note 2, at 635-8.

¹⁴¹ 578 F.Supp. at 923-25.

¹⁴² *Id.* at 924.

¹⁴³ *Id.* at 923-26.

King Kong character as trademarks. The court reasoned that the variety of sources using King Kong characters as trademarks results in consumer confusion. Consequently, the court determined that Universal City Studios' King Kong lacks secondary meaning.

Once a character satisfies all the prerequisites to be registrable, it can be sheltered perpetually. Such a result is directly contrary to the foundations of copyright law, which place a character in the public domain after a limited time of protection. How should this dilemma be solved?

V. EFFECTS OF TRADEMARK LAW ON PUBLIC DOMAIN

The entrance into the public domain of a character may be opposed by the character's status as a trademark.¹⁴⁴ To date, no cases have been decided that directly concern the proper resolution of this conflict. If a trademarked character which copyright law cast into the public domain were employed by a source other than the trademark holder, consumers would be confused as to the work's source or authorization. For example, if Amos 'n' Andy belonged to the public domain, a story concerning their escapades would be perceived as created by the trademark owner, CBS, or authorized by CBS. Similarly, consumers would think that a lamp in the shape of the duo was manufactured or authorized by CBS. In situations like these, it is irrelevant that the manufacturer may or may not have intended to employ the character as an indicator of source or authorization. Trademark law prevents such confusing uses of a character.

Consumers would be hurt by confusion as they would be deprived of the data with which to make an informed purchase, as described above. Injury could also occur if a trademark led them to buy an inferior product. The presence of the trademark could also hurt consumers by causing them to pay more for a trademarked item than they would if it did not display the trademark.

Yet, if trademark law were to extract such confusing uses of the character from the public domain, people would lose the rights to use

¹⁴⁴ See Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 441-46; Helfand, *supra* note 2, at 635-8; Kurtz, *The Independent Legal Lives of Fictional Characters*, *supra* note 7, at 474-506.

the character that copyright law had assigned to them. As previously discussed, many creative endeavors build upon works that have come before them. Instead of having unfettered access to a character which would have entered the public domain under copyright law, authors would have to pay royalties to the trademark holder. Some authors would be unable to pay the heightened price brought about by the persistence of these trademark rights. The trademark owner could also deny authors access to the character.

Authors would not be the only people who would be adversely affected by the extraction of a character from the public domain. All members of the public would suffer a loss. The many people and industries that employ authors' creative endeavors would be injured by the lessened availability of characters. For example, a day care center that would like to illustrate its interior walls with Mickey Mouse would be forestalled from doing so without a license. The royalties could prevent the school from using the character. Also, the holder of the trademark could refuse to license this use of his work. Furthermore, consumers would suffer as the royalties would be passed on to them in the form of higher prices on trademarked goods.

Due to the penalties that would be exacted by the triumph of either trademark or copyright law, a compromise must be forged.¹⁴⁵ I agree with Leslie A. Kurtz that "[o]ne person's right is another person's restraint and the cultural heritage from which all may draw should not be indefinitely diminished".¹⁴⁶ When copyright law relegates a character that functions as a trademark to the public domain, the public should be able to employ the character as long as the works are labeled as not created or approved by the trademark owner.¹⁴⁷ This solution would allow access to characters, while guarding against consumer confusion. The nature of the public domain is inclusive, not exclusive. Therefore, those who are entitled to use a character should not be restricted to authors, but should encompass everyone.

¹⁴⁵ See Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 446-52; Helfand, *supra* note 2, at 654-60, 662, 673-74; Kurtz, *The Independent Legal Lives of Fictional Characters*, *supra* note 7, at 515-22, 525.

¹⁴⁶ See Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, *supra* note 7, at 451.

¹⁴⁷ See *id.* at 446-52; Helfand, *supra* note 2, at 654-60, 662, 673-74; Kurtz, *The Independent Legal Lives of Fictional Characters*, *supra* note 7, at 515-22, 525.

This compromise, however, would not be without costs. Some profits from the use of the character would be diverted from the trademark holder to other users of the trademark. Labeling a trademarked item that it is not produced or authorized by the trademark holder would limit, but not end, this diversion. The trademark holder would still lose sales to consumers who find that the price differential between an official and unofficial version is not justified or are indifferent to whether the product is official. The entry of competitors into the market might also force the trademark holder to lower his price, thereby forfeiting additional revenue. Yet, I believe that the benefits from this solution outweigh the costs, as do Leslie A. Kurtz and Michael T. Helfand.¹⁴⁸

VI. CONCLUSION

Characters have a substantial impact on the economy. They infuse life into literary publishers, radio stations, theaters and television. Yet, characters are not confined to the creative works in which they were born. They appear on numerous consumer products, such as T-shirts, watches, mugs, lunchboxes, costumes, calendars and posters. Their images are also captured in dolls, action figures, stuffed animals, paintings, wallpaper, bedspreads and furniture. In view of their immense effect on the economy, the courts have draped characters with intellectual property protections.

A copyright provides its holder with a monopoly on the character that is limited in duration. The monopoly prevents people from appropriating the character and becoming unjustly enriched. In addition, this form of intellectual property serves as an incentive for authors to create characters and reimburses authors for their efforts. The courts require that a character be sufficiently developed to fall within the scope of copyrightability. Some jurisdictions impose the further criterion that the character constitute the story being told.

Another monopoly on a character can arise in the form of a trademark. Trademarks endure as long as they are used in commerce to identify and distinguish items and to identify the source of the items. Therefore, they can last perpetually. When a character serves as a

¹⁴⁸ See *id.*

trademark, it shields consumers from confusion as to the source or authorization of the article bearing the trademark. To merit trademark registrability, a character must be used in commerce or the applicant must have a bona fide intention to use it in commerce and have applied to the principal register. The character also needs to be distinctive to achieve the status of a trademark. Distinctiveness can be either inherent or acquired through secondary meaning. Furthermore, the trademark must indicate a single source.

Different intellectual property rights to the same character can terminate at divergent times. This can create a conflict when the character, as it originally appeared, enters the public domain, while other intellectual property rights persist. The public domain was designed to provide people with raw materials with which to work upon the expiration of copyrights. When a work is derivative of a public domain character, the copyright on the derivative work only covers its original aspects. These original aspects need to be substantial to warrant copyrightability. If copyright laws consign a character that acts as a trademark to the public domain, I believe that the public should be able to employ the character, provided that the works are labeled as not created or approved by the trademark holder.