

# CONNECTICUT LAW REVIEW

---

VOLUME 41

FEBRUARY 2009

NUMBER 3

---

## Note

### PROTECTING FICTIONAL CHARACTERS: DEFINING THE ELUSIVE TRADEMARK-COPYRIGHT DIVIDE

KATHRYN M. FOLEY

*Fictional characters have become exceptionally valuable assets, now consistently the subject of lucrative licensing agreements. Their unique ability to serve expressive as well as source identifying functions supports such agreements by allowing strong intellectual property protection to be granted under both copyright and trademark doctrines. Nonetheless, the intellectual property protection afforded to fictional characters must be carefully considered in order to avoid unjustified encroachments upon the public domain. This Article examines the copyright and trademark protection available to fictional characters and offers a mechanism for ensuring that such protection does not lead to the creation of impermissible, perpetual copyrights. The protection available to fictional characters under copyright law is discussed at length, with a particular focus on the various standards of copyrightability. This Article also evaluates the protection available under trademark law, emphasizing the ability of general public recognition to distort the trademark analysis. Finally, in examining the broader consequences of providing both copyright and trademark protection to fictional characters, this Article proposes that the Supreme Court's holding in Dastar Corp. v. Twentieth Century Fox be explicitly incorporated into the trademark analysis for fictional characters. Careful adherence to the principals of Dastar will substantially improve the quality of trademark protection provided to fictional characters, thereby ensuring that any encroachment upon the public domain is in fact justified.*

## NOTE CONTENTS

I. INTRODUCTION.....	923
II. THE DEVELOPMENT OF COPYRIGHT PROTECTION.....	924
A. THE DISTINCT DELINEATION STANDARD .....	927
B. THE STORY BEING TOLD TEST .....	929
C. VISUALLY DEPICTED CHARACTERS.....	932
D. DERIVATIVE WORKS DOCTRINE.....	935
E. THE NECESSITY OF A TWO-PART INQUIRY.....	937
III. TRADEMARK PROTECTION .....	939
A. ACQUIRING DISTINCTIVENESS.....	940
B. SINGLE SOURCE IDENTIFICATION .....	942
C. PROTECTED ELEMENTS.....	944
D. LIKELIHOOD OF CONFUSION.....	946
E. DILUTION.....	950
IV. DUAL PROTECTION: COPYRIGHT AND TRADEMARK .....	953
A. CONCURRENT COPYRIGHT AND TRADEMARK PROTECTION .....	953
B. TRADEMARK PROTECTION AND THE PUBLIC DOMAIN .....	954
V. AVOIDING THE PERPETUAL COPYRIGHT .....	958
VI. CONCLUSION .....	960



# PROTECTING FICTIONAL CHARACTERS: DEFINING THE ELUSIVE TRADEMARK-COPYRIGHT DIVIDE

KATHRYN M. FOLEY\*

## I. INTRODUCTION

For over ninety years, *Forbes* has kept tabs on the rich, famous and infamous. From Bill Gates to Will Smith to General Electric, *Forbes* routinely calculates the net worth of billionaires, movie stars and Fortune 500 companies.<sup>1</sup> In 2002, *Forbes* added a new dimension to its collection of rankings, the Forbes Fictional Fifteen.<sup>2</sup> The Forbes Fictional Fifteen employs an enchanted formula reflecting both real-world and animated-world values to calculate the net worth of our favorite fictional characters.<sup>3</sup> The top breadwinner for 2007 was Walt Disney's own, Scrooge McDuck.<sup>4</sup> The uncle of Donald Duck, Scrooge McDuck was estimated to have a net worth of over \$28.8 billion.<sup>5</sup>

As bizarre as the Forbes Fictional Fifteen and its champion Scrooge McDuck may first appear, this imaginary list resonates with real world implications. Fictional characters have moved far beyond the traditional boundaries of books and magazines, landing on movie screens, television sets, video games, stuffed animals and Happy Meals®. Fictional characters have become such valuable assets that the licensing of Walt Disney characters alone generates nearly \$20 billion a year in retail sales.<sup>6</sup> Not surprisingly, the intellectual property protection available to fictional characters has expanded remarkably, in close parallel with their substantial rise in economic value.

This Article analyzes the intellectual property protection of fictional characters. Part II examines the protection available under copyright law.

---

\* University of Connecticut, Doctor of Pharmacy 2006; University of Connecticut School of Law, J.D. Candidate 2009. I would like to thank Professor Lewis Kurlantzick for his insightful comments and guidance. This Note is dedicated to my family for their constant support and encouragement throughout my academic career.

<sup>1</sup> See, e.g., Lea Goldman, *The Celebrity 100*, FORBES, July 2, 2007, at 82; Matthew Miller, *The Forbes 400 List of Billionaires*, FORBES, Oct. 8, 2007, at 72; Stewart Pinkerton, *America's 400 Best Big Companies*, FORBES, Jan. 7, 2008, at 97.

<sup>2</sup> Michael Noer, *The Forbes Fictional Fifteen*, FORBES.COM, Sept. 13, 2002, <http://www.forbes.com/2002/09/13/400fictional.html>.

<sup>3</sup> *Id.*

<sup>4</sup> Michael Noer, *The Forbes Fictional Fifteen*, FORBES.COM, Dec. 12, 2007, [http://www.forbes.com/2007/12/11/richest-fictional-characters-oped-books-fict1507-cx\\_mn\\_de\\_1211fictional15\\_land.html](http://www.forbes.com/2007/12/11/richest-fictional-characters-oped-books-fict1507-cx_mn_de_1211fictional15_land.html).

<sup>5</sup> *Id.*

<sup>6</sup> Andrea K. Walker, *The Allure of SpongeBob*, BALTIMORE SUN, Jan. 29, 2006, at 1D, available at LEXIS, News Library, BALSUN File.

Particular attention is paid to the development of different standards of copyrightability, including the weaknesses of early standards and the eventual convergence of circuit splits to standards similar in principal, if not in name. Part III evaluates the trademark protection available to fictional characters, emphasizing the ability of public recognition to warp the trademark analysis. Several methods for limiting the influence of a character's popularity are proposed, including separating the trademark analysis into its constituent parts and focusing on those areas where fictional characters often fail to meet the statutory requirements for protection.<sup>7</sup>

Part IV of this Article examines the broader consequences of providing both copyright and trademark protection to fictional characters. This section assesses the influence of trademark protection on the copyright fair use analysis as well as the value of providing trademark protection after the expiration of a copyright term. Part V proposes that the Supreme Court's holding in *Dastar Corp. v. Twentieth Century Fox* be explicitly incorporated into the trademark analysis of fictional characters.<sup>8</sup> Careful adherence to the holding of *Dastar* will appropriately shift the trademark analysis away from a character's general popularity and instead focus the analysis on the statutory requirements of trademark law, improving the quality of trademark protection and mitigating the potential negative effects of providing both copyright and trademark protection.<sup>9</sup>

## II. THE DEVELOPMENT OF COPYRIGHT PROTECTION

Copyright law reflects a carefully crafted bargain wherein authors are provided certain exclusive rights, for a limited time, to incentivize the creation of new works of authorship and enrich the public domain.<sup>10</sup> On one hand, copyright protection affords authors the ability to control the use of their artistic creations, including the exclusive right to reproduce and perform the work, as well as the exclusive right to prepare derivative works for the duration of the copyright term.<sup>11</sup> On the other hand, the public retains the right to make fair use of the work, as well as the right to

---

<sup>7</sup> See *infra* text accompanying notes 204–05.

<sup>8</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003) (defining the term “origin of goods” in § 43(a) of the Lanham Act to refer “[only] 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”); see text accompanying notes 257–71.

<sup>9</sup> *Dastar*, 539 U.S. at 35–38.

<sup>10</sup> U.S. CONST. art. I, § 8, cl. 8 (granting Congress the authority “[t]o 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”); see *Rockford Map Publishers v. Directory Serv. Co.*, 768 F.2d 145, 148 (7th Cir. 1985) (“The copyright laws are designed to give people incentives to produce new works. They allow people to collect the reward for their contributions.”) (internal citations omitted).

<sup>11</sup> 17 U.S.C. §§ 106, 302 (2000).

copy the work once it falls into the public domain.<sup>12</sup> The copyright bargain is “predicated upon the premises that the public benefits from the creative activities of authors” and assumes, that in the absence of public benefit, the grant of copyright protection would be unjustified.<sup>13</sup>

Copyright protection provides authors with a legal mechanism to control the use and exploitation of the characters they create.<sup>14</sup> It allows authors to reap the benefits of their creative labor, influence the development of their characters in subsequent works, and inhibit others from misappropriating their intellectual property—the fictional characters themselves.<sup>15</sup> Yet, underlying this concept of copyright protection for fictional characters is the assumption that a fictional character is deserving of copyright protection separate from the original work in which the character first appears. This issue is most relevant in instances where a fictional character is merely one aspect of a larger work, such as a book or movie that is itself subject to copyright protection. While at first glance it may appear unnecessarily duplicative to provide separate copyright protection to fictional characters, a closer look reveals that separate protection is necessary both to protect the underlying work, and to protect the character—itself an original work of authorship. For instance, if Mickey Mouse was not subject to copyright protection separate from the original cartoon in which he first appeared, Walt Disney would not have

---

<sup>12</sup> *Id.* § 107.

<sup>13</sup> MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 2.12 (1990).

<sup>14</sup> See 17 U.S.C. § 106 (2000) (“Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following: (1) to reproduce the copyrighted work in copies or phonorecords; (2) to prepare derivative works based upon the copyrighted work; (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending; (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and (6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.”).

<sup>15</sup> 17 U.S.C. § 106. In 1964, despite the increasing economic value of fictional characters, the Register of Copyrights refused to create a specific subject matter category for fictional characters. The Register of Copyrights stated: “As is equally true in the case of detailed presentations of plot setting, or dramatic action, we believe it would be unnecessary and misleading to specify fictional characters as a separate class of copyrightable works.” NIMMER, *supra* note 13, at § 2.12. Nonetheless, the 1976 revision of the Copyright Act considerably expanded the scope of copyrightable subject matter to include “all original works of authorship fixed in any tangible medium of expression.” 17 U.S.C. § 102 (2006). The revision also enumerated seven categories of works of authorship. *Id.* § 102(a). While fictional characters were not explicitly listed as works of authorship, courts have routinely found fictional characters to fall within the statutory categories of the 1976 Act. See, e.g., *Ideal Toy Corp. v. Kenner Prods. Div.*, 443 F. Supp. 291, 296, 301 (S.D.N.Y. 1977) (finding it “clear that a copyright in a dramatic work such as a movie or a play can extend to cover the characters contained therein . . .”). The subsequent failure of Congress to legislatively overrule the numerous cases establishing copyright protection in fictional characters provides further indication that copyright protection of fictional characters is consistent with the Copyright Act. See *Nichols v. Universal Picture Corp.*, 45 F.2d 119, 121 (2d Cir. 1930) (granting, for the first time, a separate copyright to a fictional character).

retained a meaningful, exclusive right to create derivative works. Instead, the public could have created an infinite number of works embodying the Mickey Mouse character outside of the original cartoon, and the Walt Disney empire would have been effectively halted at *Steamboat Willie*.<sup>16</sup> Furthermore, Mickey Mouse presents a strong case for the argument that even when a fictional character appears in an underlying work subject to copyright protection, the fictional character itself remains an original work of authorship, and a proper subject of individual copyright protection. Mickey Mouse is certainly more than a component part of *Steamboat Willie*. Mickey Mouse is a separate entity, deserving of separate copyright protection.

Providing copyright protection to fictional characters is not without cost. The Supreme Court recognized an “inherent tension in the need [to] simultaneously protect copyright material and to allow others to build upon it”<sup>17</sup> Many great characters have been borrowed directly from the works of others, and numerous characters have found new life in subsequent works.<sup>18</sup> For instance, in *Rosencrantz and Guildenstern are Dead*, the author builds a storyline around two obscure characters taken directly from Shakespeare’s *Hamlet*.<sup>19</sup> In *Mary Reilly*, the author imaginatively retells the story of *Dr. Jekyll and Mr. Hyde* from the point of view of the doctor’s maid.<sup>20</sup> “The creations of others are the building blocks of commerce as well as art. Progress relies on a general indulgence of copying . . . .”<sup>21</sup> The copyright bargain thereby provides exclusive rights to authors with the understanding that the protected works will ultimately serve to enrich the public domain.

The development of copyright protection for fictional characters has been riddled with uncertainty and inconsistency as courts have struggled to fit fictional characters into the rubric of copyright law.<sup>22</sup> In part, as a response to this uncertainty, the copyright infringement analysis of fictional characters has evolved into a two-part inquiry.<sup>23</sup> As a threshold

---

<sup>16</sup> Jesse Green, *Building a Better Mouse*, N.Y. TIMES, Apr. 18, 2004, at 1, available at LEXIS, News Library, NYT File.

<sup>17</sup> *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 575 (1994).

<sup>18</sup> Shakespeare, Moliere, Spenser, Byron, Dickens, Rabelais and Hugo have all made significant use of the works of others in the creation of their characters. See ALEXANDER LINDEY, *PLAGIARISM AND ORIGINALITY* 35, 60, 62–63, 86, 89 (1952).

<sup>19</sup> TOM STOPPARD, *ROSENCRANTZ AND GUILDENSTERN ARE DEAD* (1967).

<sup>20</sup> VALERIE MARTIN, *MARY REILLY* (1990).

<sup>21</sup> Leslie A. Kurtz, *The Independent Legal Lives of Fictional Characters*, 1986 WIS. L. REV. 429, 438 (1986). Justice Story noted “no man who put pen to paper labored unaided and uninstructed. Every writer borrowed and had to borrow; his thoughts were a combination of what others had thought and expressed before him, modified or exalted by his own genius.” LINDEY, *supra* note 18, at 20.

<sup>22</sup> See *infra* notes 23–76 and accompanying text.

<sup>23</sup> See *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co., Inc.*, 900 F. Supp. 1287, 1292 (C.D. Cal. 1995) (“A claim for copyright infringement requires that the plaintiff prove (1) its ownership of the copyright in a particular [character], and (2) the defendant’s copying of a substantial, legally protectable portion of such [character].”).

matter, a court first determines whether the fictional character is a proper subject of copyright.<sup>24</sup> Only after a character is found to be worthy of individual copyright protection does the court engage in the second inquiry, evaluating the infringing work for substantial similarity.<sup>25</sup>

#### A. *The Distinct Delineation Standard*

The first prong of the copyright infringement inquiry, determining whether a fictional character is a proper subject of copyright, has proven to be a significant challenge for courts. One important standard for evaluating this issue, the distinct delineation standard, originated in the 1930 decision *Nichols v. Universal Pictures Corp.*<sup>26</sup> In *Nichols*, the plaintiff alleged that Universal's film, *The Cohens and the Kellys*, infringed upon the plot and character of her play, *Abie's Irish Rose*.<sup>27</sup> In analyzing the case, Judge Learned Hand established for the first time that a fictional character could be protected "quite independently of the plot."<sup>28</sup> Nevertheless, Judge Hand was careful to emphasize the limited nature of copyright protection available to fictional characters, stating:

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, 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 an author must bear for marking them too indistinctly.<sup>29</sup>

Judge Hand was obviously concerned with establishing a copyright analysis for fictional characters that protected original expression yet left the ideas embodied in characters to the public domain. The distinct delineation standard is an attempt to strike this balance, resting upon the assumption that "the more developed a character is, the more it embodies

---

<sup>24</sup> *Id.* at 1296 (finding, for the first time, the James Bond character to be a proper subject of copyright protection).

<sup>25</sup> *Id.* at 1297, 1299 (finding the defendant's work to be substantially similar to the protectable James Bond character).

<sup>26</sup> *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930).

<sup>27</sup> *Id.* at 120, 122.

<sup>28</sup> *Id.* at 121.

<sup>29</sup> *Id.*

expression and less a general idea.”<sup>30</sup> Judge Hand ultimately found that the characters of *Abie’s Irish Rose* were not sufficiently delineated to merit copyright protection.<sup>31</sup> As a result, the threshold of “distinct delineation” that would be required to provide copyright protection to fictional characters in the future remained undefined.

In *Detective Comics, Inc. v. Bruns Publications*, the Second Circuit struggled to define the degree of delineation necessary to meet the “distinct delineation” threshold.<sup>32</sup> Detective Comics sued Bruns Publications for infringement of the fictional character Superman.<sup>33</sup> The court reasoned that so long as “the pictorial representations and verbal descriptions of ‘Superman’ are not a mere delineation of a benevolent Hercules, but embody an arrangement of incidents and literary expressions original with the author, they are proper subjects of copyright and susceptible to infringement.”<sup>34</sup> Finding Superman to embody such original expression, and therefore to be a proper subject of copyright protection under the distinct delineation standard, the court went on to the second prong of the infringement analysis, evaluating the similarity between Superman and the allegedly infringing character, Wonderman.<sup>35</sup> The court determined that Wonderman was infringing, as it was “plain that the defendants have used more than general types and ideas and have appropriated the pictorial and literary details embodied in the complainant’s copyrights.”<sup>36</sup>

The *Detective Comics* court was additionally concerned that providing an inappropriate level of protection, once a valid copyright had been established, would unnecessarily “limit the raw materials available to authors in the public domain.”<sup>37</sup> The district court had granted an injunction forbidding the publication of Wonderman in any form that would “trespass in any respect” on the Superman character.<sup>38</sup> The Second Circuit found that such a sweeping injunction would improperly entitle the plaintiffs to a monopoly on any character who was “a blessing to mankind,” and therefore the court limited the injunction to prohibit only the use of “feats of strength or powers performed by ‘Superman’ or closely imitating his costume or appearance . . . .”<sup>39</sup> Thus, even where a character is found to be a proper subject of copyright and infringement is

---

<sup>30</sup> Jasmina Zecevic, *Distinctly Delineated Fictional Characters that Constitute the Story Being Told: Who are They and Do They Deserve Independent Copyright Protection*, 8 VAND. J. ENT. L. & PRAC. 365, 370 (2006).

<sup>31</sup> *Nichols*, 45 F.2d at 121–22.

<sup>32</sup> *Detective Comics, Inc. v. Bruns Publ’ns, Inc.*, 111 F.2d 432, 433–34 (2d Cir. 1940).

<sup>33</sup> *Id.* at 433.

<sup>34</sup> *Id.* at 433–34.

<sup>35</sup> *Id.* at 433.

<sup>36</sup> *Id.*

<sup>37</sup> *Id.* at 434.

<sup>38</sup> *Detective Comics, Inc. v. Bruns Publ’ns, Inc.*, 28 F. Supp. 399, 401 (D.C.N.Y. 1939), *rev’d*, 111 F.2d 432 (2d Cir. 1940).

<sup>39</sup> *Detective Comics*, 111 F.2d at 434.



established, the pursuing injunction must be limited to the original expressions of the author if the ideas underlying the character are to remain in the public domain.

While *Detective Comics* involved a relatively straightforward application of the distinct delineation standard, it still presents many of the complexities and uncertainties inherent in the analysis. *Detective Comics* illustrates that there is no precise mechanism for deciding when a character, particularly a literary character, has reached the threshold of distinct delineation. It also illustrates the difficulties attendant to designing and enforcing an injunction.

### B. *The Story Being Told Test*

Perhaps out of frustration with the ambiguity inherent in the *Nichols* distinct delineation standard, the Ninth Circuit formulated its own standard for analyzing the copyrightability of fictional characters—the story being told test.<sup>40</sup> In *Warner Brothers v. Columbia Broadcasting Systems*, Hammett, the author of *The Maltese Falcon*, assigned to Warner Brothers the exclusive right to the writings of *The Maltese Falcon*.<sup>41</sup> Later, Hammett assigned the exclusive right to the characters of *The Maltese Falcon*, including Detective Sam Spade, to CBS.<sup>42</sup> Warner Brothers subsequently sued CBS, believing that its exclusive right to the writings of *The Maltese Falcon* included the exclusive right to the Detective Sam Spade character.<sup>43</sup>

In analyzing whether fictional characters could be proper subjects of copyright protection, the Ninth Circuit found it “conceivable that the character really constitutes the *story being told*, but if the character is only the chessman in the game of telling the story he is not within the area of the protection afforded by copyright.”<sup>44</sup> Detective Sam Spade was not found to constitute the “story being told,” and therefore was not subject to copyright protection and had not been assigned to Warner Brothers.<sup>45</sup> The court emphasized that “[t]he characters were vehicles for the story told, and the vehicles did not go with the sale of the story.”<sup>46</sup> As such, the use of the Sam Spade character by CBS did not infringe Warner Brothers’ exclusive right to the writings of *The Maltese Falcon*.<sup>47</sup>

The *Warner Brothers* “story being told” test is often criticized.

---

<sup>40</sup> Mark Bartholomew, *Protecting the Performers: Setting a New Standard for Character Copyrightability*, 41 SANTA CLARA L. REV. 341, 347 (2001).

<sup>41</sup> *Warner Bros. Pictures, Inc. v. Columbia Broad. Sys. Inc.*, 216 F.2d 945, 946 (9th Cir. 1954).

<sup>42</sup> *Id.* at 948.

<sup>43</sup> *Id.*

<sup>44</sup> *Id.* at 950 (emphasis added).

<sup>45</sup> *Id.*

<sup>46</sup> *Id.*

<sup>47</sup> *Id.* at 950–51.

Nimmer describes the test as “much too restrictive . . . seeming to envisage a story devoid of plot, wherein character study constitutes all or substantially all of the work.”<sup>48</sup> Other scholars have noted that “[i]ronically, while the rule articulated in [*Warner Brothers*] protected Hammett’s right to reuse his characters, the rule potentially relegated all fictional characters to the public domain.”<sup>49</sup> Presumably as a result of this potential to eliminate copyright protection for the vast majority of fictional characters, the “story being told” test has never been generally accepted. The Ninth Circuit itself has backed away from a strict application of the test, limiting it in certain instances and failing to apply it in others.<sup>50</sup> Numerous courts have declined to adopt the “story being told” test, describing it as mere dicta,<sup>51</sup> while others have significantly distorted its meaning.<sup>52</sup> Even more, some courts have expressed such uncertainty as to the state of the law that they analyze the copyrightability of fictional characters under both the “story being told” test and the “distinct delineation” standard to avoid reversal.<sup>53</sup>

In 1978, the Ninth Circuit significantly limited the scope of the “story being told” test in *Walt Disney Productions v. Air Pirates*.<sup>54</sup> Walt Disney sued Air Pirates claiming that its use of Disney characters in underground “counter-culture” magazines constituted copyright infringement.<sup>55</sup> Air Pirates argued that fictional characters are “never copyrightable and therefore cannot in any way constitute a copyrightable component part” subject to separate copyright protection.<sup>56</sup> The Ninth Circuit addressed these infringement arguments by reviewing its own decision in *Warner Brothers*, acknowledging that *Warner Brothers* “lends some support to the

---

<sup>48</sup> NIMMER, *supra* note 13, at § 9.12.

<sup>49</sup> David B. Feldman, *Finding a Home for Fictional Characters: A Proposal for Change in Copyright Protection*, 78 CAL. L. REV. 687, 694 (1990).

<sup>50</sup> See *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 754–55 (9th Cir. 1978) (describing the story being told test as “arguably dicta” yet declining to decide the continuing validity of the test, finding that regardless of the outcome, lightly sketched characters could form the basis of an infringement action); *Anderson v. Stallone*, 11 U.S.P.Q.2d 1161, 1166 (C.D. Cal. 1989) (“Subsequent decisions in the Ninth Circuit cast doubt on the reasoning and implicitly limit the holding of the *Sam Spade* case.”).

<sup>51</sup> See *Goodis v. United Artists Television, Inc.*, 425 F.2d 397, 406 n.1 (2d Cir. 1970) (finding the story being told test to constitute mere dicta, adding that “such a conclusion would be clearly untenable from the standpoint of public policy, for it would effectively permit the unrestrained pilfering of characters”).

<sup>52</sup> Zecevic, *supra* note 30, at 372.

<sup>53</sup> See *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, 900 F. Supp. 1287, 1296 (C.D. Cal. 1995) (“[I]t behooves this Court to analyze James Bond’s status under the *Sam Spade/Olson*/Ninth Circuit ‘story being told’ test, as well as under the *Air Pirates*/Second Circuit ‘character delineation test.’”); *Anderson*, 11 U.S.P.Q.2d at 1166 (“[O]ut of an abundance of caution this Court will determine the protectability of the Rocky characters under both tests.”). The *Anderson* court ultimately held that the characters of the Rocky movies constituted the story being told and were sufficiently delineated to warrant copyright protection. *Id.* at 1166–67.

<sup>54</sup> *Walt Disney Prods.*, 581 F.2d at 755.

<sup>55</sup> *Id.* at 752.

<sup>56</sup> *Id.* at 754.

position that characters ordinarily are not copyrightable.”<sup>57</sup> The court then turned to a brief discussion of the “distinct delineation” standard developed by the Second Circuit.<sup>58</sup> In the end, the court held that where an author adds a visual image, the difficulties associated with creating a distinctly delineated character are reduced, and therefore the story being told test is unnecessary for visually depicted characters.<sup>59</sup> Yet, despite reviewing the distinct delineation standard and recognizing a new standard for visually depicted characters, the Ninth Circuit failed to specifically address the continuing validity of the “story being told” test for literary characters.<sup>60</sup>

In *Olson v. National Broadcasting Co.*, the Ninth Circuit attempted to address the impact of the *Air Pirates* decision on the traditional “story being told” test.<sup>61</sup> The *Olson* case involved allegations that the characters of the NBC television series, *The A-Team*, infringed upon Olson’s copyright in the characters of a pilot television script, *Cargo*.<sup>62</sup> The court recognized that “cases subsequent to *Warner Brothers* have allowed copyright protection for characters who are especially distinctive,” citing *Air Pirates*, and reaffirming the distinction between visually depicted characters and purely literary characters.<sup>63</sup> Nonetheless, the court explicitly declined the opportunity to “resolve the issue left open in *Air Pirates* [as to] whether the *Warner Bros.* statements should be considered dicta.”<sup>64</sup> Thus, the Ninth Circuit did not go so far as to overrule *Warner Brothers* or to adopt the distinct delineation standard, instead referring to the distinct delineation standard as merely one of the “more lenient standards adopted elsewhere,” and eventually holding that the characters of *Cargo* failed to qualify for protection under either the “story being told” test or the “distinct delineation” standard.<sup>65</sup>

Notwithstanding *Olson*’s discussion of *Air Pirates* and the distinct delineation standard, subsequent courts have found that *Olson* “did little to clarify *Air Pirates*’ impact on the [story being told] test.”<sup>66</sup> One district court found “[t]he precise legal standard this Court should apply in determining when a character may be afforded copyright protection [to be] fraught with uncertainty,”<sup>67</sup> and interpreted *Olson* as an “implicit

---

<sup>57</sup> *Id.* at 755.

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

<sup>60</sup> Feldman, *supra* note 49, at 694; see also NIMMER, *supra* note 13, at § 2.12 (suggesting that *Air Pirates* limited the Sam Spade test to the realm of “word portraits” of literary characters).

<sup>61</sup> *Olson v. Nat’l Broad. Co.*, 855 F.2d 1446, 1452 (9th Cir. 1988).

<sup>62</sup> *Id.* at 1447–48.

<sup>63</sup> *Id.* at 1452.

<sup>64</sup> *Id.* at 1452 n.7.

<sup>65</sup> *Id.* at 1452–53.

<sup>66</sup> *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, 900 F. Supp. 1287, 1295 (C.D. Cal. 1995).

<sup>67</sup> *Anderson v. Stallone*, 11 U.S.P.Q.2d 1161, 1165 (C.D. Cal. 1989).

acknowledgment of the unsettled state of the law.”<sup>68</sup> As a result of this uncertainty, courts following Ninth Circuit precedent have generally proceeded to analyze fictional character copyright claims under the Ninth Circuit’s *Warner Brothers/Olson* “story being told” test, as well as the Second Circuit’s *Nichols* “distinct delineation” standard.<sup>69</sup>

More recently, in *Gaiman v. McFarlane*, Judge Posner pronounced that the *Warner Brothers* decision was “wrong,” and that the “Ninth Circuit had killed the decision” with *Olson* and *Air Pirates*.<sup>70</sup> Gaiman brought suit seeking a declaration that he jointly owned copyrights in the characters of the comic book *Spawn*, including Cogliostro and Medieval Spawn.<sup>71</sup> While McFarlane had created the first, unsuccessful issues of *Spawn*, Gaiman had developed the storyline and created the Cogliostro and Medieval Spawn characters in later, more successful issues.<sup>72</sup> McFarlane argued that the characters were mere “*scenes a fair*” and thus too commonplace to be proper subjects of copyright and jointly owned by Gaiman.<sup>73</sup> Judge Posner analyzed the copyrightability of the fictional characters under a standard reminiscent of *Nichols*, finding that where a character has a specific name and a specific appearance “[n]o more is required for a character copyright.”<sup>74</sup> Under this standard, both Cogliostro and Medieval Spawn were proper subjects of copyright protection. *Gaiman* thereby lends support to Nimmer’s theory that “although there is some conflict in the cases, it is clearly the prevailing view that visual characters are *per se* entitled to copyright protection.”<sup>75</sup> *Gaiman* is also illustrative of both the recent trend away from the story being told test and the general, unsettled nature of copyright law with regards to fictional characters.

### C. Visually Depicted Characters

Visually depicted characters have had a considerably smoother road to copyright protection than their purely literary counterparts.<sup>76</sup> The presence of a visual image removes many of the concerns courts have expressed

---

<sup>68</sup> *Id.* at 1166.

<sup>69</sup> *Id.*

<sup>70</sup> *Gaiman v. McFarlane*, 360 F.3d 644, 660 (7th Cir. 2004).

<sup>71</sup> *Id.* at 648, 651.

<sup>72</sup> *Id.* at 649, 651.

<sup>73</sup> *Id.* at 659.

<sup>74</sup> *Id.* at 660 (recognizing that even if the *Warner Brothers* decision was correct and binding authority in the Seventh Circuit it would not apply in this case because there is a real “difference between literary and graphic expression”).

<sup>75</sup> NIMMER, *supra* note 13, at § 2.12. However, Nimmer also recognized that purely literary characters may not be entitled to copyright protection *per se*, instead requiring a more detailed analysis to determine copyrightability. *Id.*

<sup>76</sup> See, e.g., *Warner Bros. v. Am. Broad. Co.*, 720 F.2d 231, 243 (2d Cir. 1983) (finding copyright protection for the visual representation of the Superman character).

when evaluating more intangible literary characters. A visual image provides the court with a concrete representation of the character, thereby avoiding the difficult task of delving into the work of authorship and defining the character for purposes of legal analysis.<sup>77</sup> A visual image also provides the court with a defined starting point for evaluating substantial similarity. Taken together, these significant advantages result in courts generally accepting that the visual representation of a character is *per se* entitled to copyright protection.<sup>78</sup>

Historically, the protection afforded to visually depicted characters has been limited by strict requirements for copyrightability.<sup>79</sup> In 1914, the Southern District of New York recognized the copyrightability of cartoon characters in *Hill v. Whalen & Martell*.<sup>80</sup> In *Hill*, the creator of the characters Mutt and Jeff sued the defendant for use of the characters Nutt and Giff in a stage production entitled, *In Cartoonland*.<sup>81</sup> To sustain a finding of copyright infringement, the court noted that Nutt and Giff “were Mutt and Jeff,” as the defendant’s characters presented similar appearances and speech and were recognized by the audience as the plaintiff’s characters.<sup>82</sup>

While cases such as *Hill* reinforced the general idea that a cartoon character may be a proper subject of copyright protection, these early cases failed to answer a number of significant questions, including whether a cartoon character could be protected apart from its original work and if visual similarity alone, in the absence of characterization or elements of the plot, would be sufficient to sustain a claim of infringement.<sup>83</sup> As fictional characters are “agile creatures” with an ability to exist in different forms and in different works, the answers to these questions are vitally important to defining the scope of protection available to visually depicted characters.<sup>84</sup>

As early as the 1930’s, courts began to consider whether copyright protection might be extended to the use of a character apart from any aspect of the plot of the original work in which the character first appeared. In *Nichols v. Universal Pictures*, the court suggested that copying a character outside of the “plot proper” might be sufficient to establish

---

<sup>77</sup> Leslie A. Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, 11 U. MIAMI ENT. & SPORTS L. REV. 437, 438–39 (1994).

<sup>78</sup> See NIMMER, *supra* note 13, at § 2.12.

<sup>79</sup> Kurtz, *supra* note 21, at 440–41.

<sup>80</sup> *Hill v. Whalen & Martell Inc.*, 220 F. 359, 360 (S.D.N.Y. 1914).

<sup>81</sup> *Id.* at 359–60.

<sup>82</sup> *Id.*

<sup>83</sup> See, e.g., *DC Comics Inc. v. Reel Fantasy, Inc.*, 696 F.2d 24, 25, 28 (2d Cir. 1982) (finding copyright infringement could exist where only the visual images of Batman, Green Arrow and the Batman insignia were appropriated); *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 753, 755 (9th Cir. 1978) (protecting visual images of Disney characters in the absence of any characterization or plot elements).

<sup>84</sup> Kurtz, *supra* note 77, at 437.

copyright infringement.<sup>85</sup> However, the *Nichols* court declined to decide the issue, instead noting that the issue was not properly before the court.<sup>86</sup> Over thirty years later, in *Walt Disney Productions v. Air Pirates*, the issue was properly before the court when Air Pirates admitted to directly copying the images of Disney's characters without copying any characterization or plot from the original Disney works.<sup>87</sup> The Ninth Circuit held that the copying of graphic images alone was sufficient to establish copyright infringement. Specifically, the court noted, "it is plain that copying a comic book character's graphic image constitutes copying to an extent sufficient to justify a finding of infringement."<sup>88</sup> Thus, copyright infringement may be established where the visual image alone is appropriated.<sup>89</sup>

When the visual depiction of a character is not directly copied, courts are forced to engage in a more nuanced substantial similarity analysis, comparing the characters at issue "as they appear in their totality."<sup>90</sup> The potential complexity of this analysis is well illustrated in *United Artists v. Ford Motor Co.*, where the court was forced to compare numerous aspects of animated feline characters.<sup>91</sup> United alleged that Ford's use of an animated feline character in its television ad campaign infringed United's copyrights in the motion pictures, *The Pink Panther* and *The Return of the Pink Panther*.<sup>92</sup> Recognizing that the visual images of the animated characters were not identical, the court announced that it was "not limited" to analyzing physical characteristics.<sup>93</sup> Instead, in addition to their physical characteristics, the court compared the characters' actions, movements, colors, and the music that accompanied the characters, finding that Ford's character was not infringing.<sup>94</sup>

---

<sup>85</sup> *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930) ("Nor need we hold that the same may not be true as to the characters, quite independently of the 'plot' proper, though as far as we know such as case has never arisen.").

<sup>86</sup> *Id.*

<sup>87</sup> *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 752 (9th Cir. 1978).

<sup>88</sup> *Id.* at 756.

<sup>89</sup> Infringement has been found where the visual images of characters, wholly separate from any plot elements or characterizations, were reproduced in three-dimensional dolls of Raggedy Ann and Andy, Betty Boop, Sparky, and the Peanut characters. *Gruelle v. Molly-'Es Doll Outfitters, Inc.*, 94 F.2d 172, 176 (3d Cir. 1937) (Raggedy Ann and Andy); *Fleischer Studios v. Ralph A. Freundlich, Inc.*, 73 F.2d 276, 278 (2d Cir. 1934) (Betty Boop); *King Features Syndicate v. Fleischer*, 299 F. 533, 538 (2d Cir. 1924) (Sparky); *United Feature Syndicate v. Sunrise Mold Co.*, 569 F. Supp. 1475, 1480 (S.D. Fla. 1983) (the Peanuts characters); see also Kurtz, *supra* note 21, at 450. ("[I]f the original aspects of visual expression are closely copied that should be sufficient for a finding of infringement, even if the two characters behave very differently.").

<sup>90</sup> *United Artists Corp. v. Ford Motor Co.*, 483 F. Supp. 89, 95 (S.D.N.Y. 1980).

<sup>91</sup> *Id.*; see also *Sid & Marty Krofft Television Prods. Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1167 (9th Cir. 1977); *Detective Comics, Inc. v. Bruns Publ'ns Inc.*, 111 F.2d 432, 433 (S.D.N.Y. 1940).

<sup>92</sup> *United Artists Corp.*, 483 F. Supp. at 95.

<sup>93</sup> *Id.* at 95.

<sup>94</sup> *Id.* at 93-95.

This same approach was adopted in *Warner Brothers Inc. v. American Broadcasting Co.*<sup>95</sup> Warner Brothers owned the copyrights in various works embodying the Superman character.<sup>96</sup> Warner Brothers alleged that Ralph Hinkley, the main character in ABC's television series, *The Greatest American Hero*, was substantially similar to the protectable expression of Superman.<sup>97</sup> The court examined "the total perception of the Hinkley character" in finding that Hinkley was not substantially similar to Superman and therefore not infringing.<sup>98</sup> In so holding, *American Broadcasting* reaffirmed that courts may consider "not only the visual resemblance but also the totality of the characters' attributes and traits."<sup>99</sup> These cases thus provide strong support for the proposition that copying of a character, short of exact duplication and without copying elements of the plot proper, may still result in a finding of copyright infringement, as courts are not limited to analyzing any single aspect of the characters at issue.

#### D. *Derivative Works Doctrine*

When the copyright term expires, a fictional character enters into the public domain and copyright law no longer restricts the public's use of the character.<sup>100</sup> However, when a fictional character is used in subsequent works that remain protected by copyright law, the extent to which a character is available to the domain is often unclear. In accordance with the derivative works doctrine, courts have routinely held that the public may use the character as it appeared in works that are no longer subject to copyright protection.<sup>101</sup> The public may not, however, use the character traits that are developed in subsequent works and remain subject to copyright protection.<sup>102</sup> This same concept applies to fictional characters when they appear in different media.<sup>103</sup>

The standard for analyzing fictional characters in derivative works was developed in litigation over the *Amos 'n' Andy* characters.<sup>104</sup> In *Silverman*

---

<sup>95</sup> *Warner Bros. Inc. v. Am. Broad. Co.*, 720 F.2d 231, 236 (2d Cir. 1983).

<sup>96</sup> *Id.* at 235.

<sup>97</sup> *Id.* at 236, 240.

<sup>98</sup> *Id.* at 243.

Superman looks and acts like a brave, proud hero, who has dedicated his life to combating the forces of evil. Hinkley looks and acts like a timid, reluctant hero who accepts his mission grudgingly and prefers to get on with his normal life . . . . In the genre of superheros [sic], Hinkley follows Superman as, in the genre of detectives, Inspector Clouseau follows Sherlock Holmes.

*Id.*

<sup>99</sup> *Id.* at 241.

<sup>100</sup> NIMMER, *supra* note 13, at § 2.12 n.20.1.

<sup>101</sup> 17 U.S.C. § 103 (2000).

<sup>102</sup> NIMMER, *supra* note 13, at § 2.12 n.20.1.

<sup>103</sup> *Id.*

<sup>104</sup> *Silverman v. CBS Inc.*, 870 F.2d 40 (2d. Cir. 1989).

v. *CBS Inc.*, a playwright sought a declaratory judgment stating that the *Amos 'n' Andy* radio programs were in the public domain and thus the *Amos 'n' Andy* characters could be freely used in his plays.<sup>105</sup> The question arose when the holder of the copyrights to the pre-1948 radio programs and scripts failed to renew the copyright registrations, placing those programs and scripts into the public domain.<sup>106</sup> At the same time, CBS had properly maintained its copyright in the post-1948 *Amos 'n' Andy* television programs and scripts, preserving copyright protection for all of the televised works.<sup>107</sup> The Second Circuit held that “copyrights in derivative works secure protection only for the *incremental additions* of originality contributed by the authors of the derivative works.”<sup>108</sup> As a result, the CBS copyrights would “provide protection only for the *increments of expression* beyond what is contained in the pre-1948 radio scripts.”<sup>109</sup>

A similar analysis was undertaken more recently in *Harvey Cartoons Inc. v. Columbia Pictures Industries*.<sup>110</sup> In this case, the original comic books containing the character Fatso, a member of Casper’s Ghostly Trio, fell into the public domain, while more recent derivative works remained subject to copyright protection.<sup>111</sup> The court found that “a derivative copyright is good copyright only with regard to the original embellishments and additions it has made in the underlying work.”<sup>112</sup> Finding that Fatso had not changed “to any appreciable degree” in derivative works, the court concluded that the Fatso character was entirely a part of the public domain.<sup>113</sup> In other situations, courts have found some degree of derivative copyright protection for characters such as Conan and He-Man.<sup>114</sup> Yet even where protection is found, the analysis remains tightly focused on limiting protection to incremental additions of originality found in those derivative works still subject to copyright

---

<sup>105</sup> *Id.* at 42–43.

<sup>106</sup> *Id.* at 42.

<sup>107</sup> *Id.*

<sup>108</sup> *Id.* at 49 (emphasis added).

<sup>109</sup> *Id.* at 50 (emphasis added) (“It is, of course, likely that the visual portrayal of the characters added something beyond the delineation contained in the public domain radio scripts, but surely not every visual aspect is protected.”). The court went on to note that Silverman was free to use the race of the characters in his musical since that was described in the original script, as well as “any other physical features adequately described in the pre-1948 radio scripts . . . even though those characteristics are visually apparent in the television films or tapes.” *Id.* at 50.

<sup>110</sup> *Harvey Cartoons Inc. v. Columbia Pictures Indus. Inc.*, 645 F. Supp. 1564 (S.D.N.Y. 1986).

<sup>111</sup> *Id.* at 1569.

<sup>112</sup> *Id.* at 1570.

<sup>113</sup> *Id.*

<sup>114</sup> *Conan Props., Inc. v. Mattel, Inc.*, 712 F. Supp. 353, 359 (S.D.N.Y. 1989) (requiring a derivative work to “contain ‘non-trivial’ original aspects distinct from . . . the underlying work in the public domain”).



protection.<sup>115</sup>

E. *The Necessity of a Two-Part Inquiry*

The level of copyright protection available to fictional characters has dramatically expanded as fictional characters have moved into new media and reached unprecedented levels of recognition and value. From sequels to merchandizing, fictional characters are valuable assets with a remarkable ability to generate revenue.<sup>116</sup> As a threshold issue, courts still evaluate the copyrightability of the allegedly infringed fictional character before engaging in a substantial similarity analysis.<sup>117</sup> Perhaps because fictional characters are not expressly included as statutory subject matter, perhaps because courts are fearful of protecting ideas along with expression, or perhaps because courts find “[t]he description of a character in prose leaves much to the imagination,” an independent determination that a character is the proper subject of copyright protection remains a prerequisite to a finding of copyright infringement.<sup>118</sup> Whether the analysis occurs under the standards outlined in *Nichols*, *Warner Brothers*, *Air Pirates* or some combination thereof, it remains an essential aspect of the copyright infringement analysis for fictional characters.

Some scholars argue that the initial focus on copyrightability improperly shifts the court’s attention away from “comparing the characters in the allegedly infringed and infringing work, to analyzing whether a character is sufficiently distinctive or well-developed to deserve protection.”<sup>119</sup> These scholars contend that “[m]uch of the confusion and lack of clarity in the standards used to protect fictional characters under copyright can be avoided by recognizing that the ‘copyrightability’ of a fictional character, whether literary, pictorial or audiovisual, is not the issue.”<sup>120</sup> Instead, the issue is substantial similarity.<sup>121</sup> Yet, these same scholars acknowledge that “the degree of similarity which will be considered substantial is one of the most uncertain questions in copyright and ‘one which is the least susceptible of helpful generalizations’.”<sup>122</sup> Thus, the initial focus on copyrightability is an appropriate and necessary mechanism for respecting the idea/expression dichotomy, a task that

---

<sup>115</sup> *Id.* at 359 (“Yet even a derivative work must be ‘original’ to warrant copyright protection, and although originality ‘need not be inventions in the sense of striking uniqueness, ingenious or novelty,’ . . . a derivative work must ‘contain some substantial, not merely trivial originality’.”).

<sup>116</sup> See Walker, *supra* note 6, at 1D.

<sup>117</sup> See e.g., *Olson v. Nat’l Broad. Co.*, 855 F.2d 1446, 1448 (9th Cir. 1988) (“In order to establish copyright infringement a plaintiff must prove ownership of the copyright and copying by the defendant.”).

<sup>118</sup> *Gaiman v. McFarlane*, 360 F.3d 644, 660 (7th Cir. 2004).

<sup>119</sup> Kurtz, *supra* note 77, at 440.

<sup>120</sup> *Id.* at 472.

<sup>121</sup> *Id.*

<sup>122</sup> *Id.*

cannot be accomplished by the substantial similarity analysis alone.

If courts were permitted to begin the infringement analysis with the “most uncertain question[] in copyright law,” substantial similarity, the risk of over-protecting fictional characters would be significant, particularly with respect to literary characters.<sup>123</sup> Consider, for example, a minor character in a mystery novel. This character is the intelligent, shy sidekick of the novel’s hero, a charming detective. The author of this mystery novel brings an infringement action against a television studio running a new mystery series featuring a charming detective with a shy sidekick. One court begins the infringement analysis by first analyzing whether the sidekick character is an appropriate subject of copyright protection. This court dismisses the case, finding the sidekick to be nothing more than a stock character, commonplace in detective stories, and inadequately defined to warrant copyright protection. A second court begins the infringement analysis by examining the substantial similarity of the characters. This court undertakes a rigorous comparison, examining numerous attributes of each character, finding that both characters wore glasses, tended to uncover important clues, had a shy disposition, and were approximately the same age. Distracted by the similarity of these low levels of abstraction, the second court finds the similarity to be substantial and the television series therefore infringing. In the end, the second court has incorrectly provided copyright protection to a stock character, present in nearly every mystery novel or television show because the larger question, the copyrightability of the original character, was not adequately addressed. Thus, the uncertainty of the substantial similarity analysis combined with the complexity of protecting fictional characters, require that courts first determine if a character is a proper subject for copyright protection. If such an analysis is not conducted, the extension of copyright protection to ill-defined characters representing little more than vague ideas and generalities will be commonplace.<sup>124</sup>

In sum, evaluating whether a fictional character is a proper subject for copyright protection is an unavoidable threshold issue in the copyright infringement analysis. While the standard has at times been too restrictive, the most restrictive line of cases has essentially been overruled.<sup>125</sup> Currently, where characters are visually depicted, courts routinely and

---

<sup>123</sup> *Id.*

<sup>124</sup> In many respects, the threshold analysis of copyrightability is reminiscent of other intellectual property regimes. In patent law for example, an invention may meet the standards of novelty, usefulness and nonobviousness, yet where it does not meet the threshold requirement of embodying statutory subject matter, it is not patentable. 35 U.S.C. §§ 101–03, 112 (2000). In trademark law, a finding of non-functionality is a prerequisite to trademark protection. If a trade dress fails to meet the non-functionality requirement, trademark protection is unavailable. *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 29–30 (2001).

<sup>125</sup> *See supra* Part II.B.

appropriately find that they are *per se* entitled to copyright protection.<sup>126</sup> In cases where characters are purely literary in nature, the analysis is inherently more complex, as the abstractions created in the minds of readers are more challenging to quantify than concrete visual images.<sup>127</sup> The subject will therefore continue to be a challenging one, as courts must define intangible, literary characters for the purposes of legal analysis. Nonetheless, the existence of complexity does not support an argument that the inquiry should be eliminated altogether, particularly where the substantial similarity analysis alone fails to ensure that copyright protection is extended only to original expression.

### III. TRADEMARK PROTECTION

Trademark and unfair competition laws provide fictional characters with a second form of intellectual property protection that is dramatically different from the protection available under copyright law. Copyright law seeks to protect the original writings of an author and is mainly concerned with a character's development and individualization as a threshold for protection.<sup>128</sup> Trademark and unfair competition laws seek to protect the commercial value of trademarks, and are mainly concerned with the ability of a mark to symbolize the source of goods or services as a threshold for protection.<sup>129</sup> Trademarks "are designed to guard consumers against confusion as to the source or authorization of an item connected to a trademark."<sup>130</sup> Such protection provides consistency, allowing consumers to rely on the information conveyed by the mark, thereby significantly reducing consumer search costs and encouraging manufactures to invest in the creation of quality products and consumer goodwill.<sup>131</sup> A trademark owner is thus provided with a limited monopoly over the use of the mark in connection with those goods and services for which the mark has the ability to serve as an indication of source.<sup>132</sup> Trademark protection exists so long as a mark retains its source-identifying capacity, and may therefore persist in perpetuity.<sup>133</sup>

Trademark and unfair competition laws offer intellectual property protection to fictional characters at both the state and federal level. The Lanham Act provides the basis for federal trademark protection and

---

<sup>126</sup> See *supra* notes 70–94 and accompanying text.

<sup>127</sup> See *supra* Part II.A, B.

<sup>128</sup> Kurtz, *supra* note 21, at 444–53 (quoting Judge Hand: "the less developed the characters, the less they can be copyrighted").

<sup>129</sup> 15 U.S.C. § 1125 (2006).

<sup>130</sup> Christine Nickels, *The Conflicts Between Intellectual Property Protections When a Character Enters the Public Domain*, UCLA ENT. L. REV. 133, 155 (1999).

<sup>131</sup> William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 269 (1987).

<sup>132</sup> 15 U.S.C. § 1125 (2006).

<sup>133</sup> *Id.* § 1058 (2006).

defines a trademark as, “any word, name, symbol or device or any combination thereof used . . . to identify and distinguish . . . goods . . . from those [of] others and to indicate the source of the goods . . . .”<sup>134</sup> Numerous state unfair competition laws also provide protection to fictional characters,<sup>135</sup> and the critical legal issue at both the state and federal level is whether the contested use of a mark is likely to cause confusion as to the “origin, sponsorship, or approval of . . . goods, services, or commercial activities . . . .”<sup>136</sup> In the absence of a likelihood of consumer confusion, trademark infringement will not be found.<sup>137</sup> However, in 1995, the Federal Trademark Dilution Act removed the requirement of likelihood of confusion for a subset of marks found to be “famous.”<sup>138</sup> This legislation substantially increased the protection available to famous marks and created an area of trademark law where the protection of fictional characters may well be overextended.

#### A. *Acquiring Distinctiveness*

In order to qualify as a trademark under the Lanham Act, a mark must be able to identify and distinguish goods or services from those goods or services provided by others.<sup>139</sup> To satisfy this requirement, a mark must be “distinctive.”<sup>140</sup> Distinctiveness can be either inherent or acquired through prior use of the mark establishing secondary meaning.<sup>141</sup> Secondary meaning is established when an otherwise indistinctive mark has “become distinctive of the applicant’s goods in commerce” through the applicant’s use of the mark, creating public recognition that the particular mark is associated with the applicant.<sup>142</sup>

Recently, courts have begun to impose more stringent distinctiveness requirements for certain classes of trademarks. In 2000, the Supreme Court held that where consumers are not “predisposed to regard [particular] symbols as [an] indication of the producer . . . inherent

---

<sup>134</sup> *Id.* § 1127. Federal trademark protection is available for both registered and unregistered marks; however there are greater remedies available for registered marks. *See Id.* § 1114 (2006) (outlining remedies that are limited to registered trademarks).

<sup>135</sup> J. THOMAS MCCARTHY, 1 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2.7 (1992).

<sup>136</sup> 15 U.S.C. § 1125(c) (1995), *amended by Id.* § 1125(c) (2006).

<sup>137</sup> *Id.* § 1125 (2006).

<sup>138</sup> *Id.* § 1125(e).

<sup>139</sup> *Id.* § 1127.

<sup>140</sup> *Id.* § 1052.

<sup>141</sup> *Id.* § 1052(f).

<sup>142</sup> *Id.*; *see, e.g., Zatarains, Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786, 791 (5th Cir. 1983) (“The concept of secondary meaning recognizes that words with an ordinary and primary meaning of their own ‘may be long use with a particular product, come to be known by the public as specifically designating that product.’”). A finding of secondary meaning in the New Orleans area for Zatarains’ descriptive term ‘Fish-Fri’ was upheld after extensive consumer surveys were conducted. *Id.* at 795–96.

distinctiveness will not be found.”<sup>143</sup> Both color marks<sup>144</sup> and product design<sup>145</sup> have been found to lack this predisposition, thus requiring a showing of secondary meaning to obtain trademark protection. Achieving distinctiveness through secondary meaning, unlike inherent distinctiveness, requires actual use of the mark for a period of time sufficient to create public recognition. Therefore, establishing acquired distinctiveness both delays the implementation of trademark protection and places a heavy evidentiary burden on the party seeking to gain trademark rights.

In the realm of fictional characters there has yet to be a case where the court expressly denied the possibility of inherent distinctiveness. However, not a single court has found a fictional character to be inherently distinctive.<sup>146</sup> Instead, courts have routinely required a showing of secondary meaning, limiting trademark protection to those fictional characters that have undergone a reasonable degree of circulation and established some level of public recognition. In *Fisher v. Star Co.*, the New York Court of Appeals found that the Mutt and Jeff cartoon characters had been “published and became well known as distinct characters.”<sup>147</sup> In reasoning that the characters were entitled to protection, the court noted that “[t]he figures and names have been so connected with the respondent as their originator or author that the use by another of new cartoons exploiting the characters ‘Mutt and Jeff’ would be unfair to the public and to the plaintiff.”<sup>148</sup> While the court ultimately decided the case on state unfair competition grounds, *Fisher* established the framework for analyzing the acquired distinctiveness of fictional characters.

In more recent cases, courts have continued to evaluate the distinctiveness of fictional characters under a standard similar to that discussed in *Fisher*.<sup>149</sup> In *Frederick Warne & Co. v. Book Sales Inc.*, the publisher of the *Peter Rabbit* book series sought trademark protection for eight character illustrations.<sup>150</sup> While the court accepted that the illustrations were “capable of distinguishing Warne’s books from those of others,” it rejected the possibility that the illustrations could be inherently distinctive.<sup>151</sup> Remanding the case, the court placed the burden on the

---

<sup>143</sup> *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 212–13 (2000).

<sup>144</sup> *Qualitex Co. v. Jacobson Prods.*, 514 U.S. 159, 163, 166 (1995) (holding that color marks do not constitute inherently distinctive marks).

<sup>145</sup> See *Wal-Mart Stores*, 529 U.S. at 216 (holding that product design is not inherently distinctive).

<sup>146</sup> Nickles, *supra* note 130, at 160.

<sup>147</sup> *Fisher v. Star Co.*, 231 N.Y. 414, 431 (1921).

<sup>148</sup> *Id.* at 432.

<sup>149</sup> *Id.* (requiring that fictional characters are well-known as distinct characters to achieve acquired distinctiveness).

<sup>150</sup> *Frederick Warne & Co. v. Book Sales Inc.*, 481 F. Supp. 1191, 1193 (S.D.N.Y. 1979).

<sup>151</sup> *Id.* at 1195 (“[I]t cannot be said that they are so arbitrary, unique and non-descriptive as to constitute ‘technical trademarks’ which are presumed valid as soon as they are affixed to the goods and the goods are sold.”).

publisher to establish that these illustrations had acquired distinctiveness in the eyes of the consuming public.<sup>152</sup> In *M'Otto Enterprises v. Redsand Inc.*, M'Otto sought a declaratory judgment that its caricature of a volleyball player did not infringe Redsand's caricature.<sup>153</sup> Redsand's mark was a registered trademark, creating a strong presumption of validity, yet the court reasoned that even in the absence of registration, the caricature would be "distinctive based upon[] widespread use and recognition."<sup>154</sup>

By consistently requiring a showing of acquired distinctiveness, courts have effectively eliminated the argument that a fictional character can ever be inherently distinctive. As a result, the proponent of a trademark must satisfy the heavy evidentiary burden of acquired distinctiveness through widespread use and recognition. Even so, it should be noted that this burden serves as an important mechanism for evaluating the appropriateness of trademark protection, forcing courts to examine the ability of a fictional character to serve actually as an indicator of source rather than permitting a conclusory finding of inherent distinctiveness. Thus, the acquired distinctiveness analysis helps to ensure that trademark protection does not restrict the creative use of fictional characters beyond the extent necessary to protect a character's source identifying capacity.

#### B. *Single Source Identification*

When a fictional character acquires distinctiveness, that character is able to fulfill the statutory requirement of identifying and distinguishing goods.<sup>155</sup> However, another important statutory requirement often prohibits even a distinctive character from receiving trademark protection. The Lanham Act specifically states that a trademark must "indicate *the* source of the goods."<sup>156</sup> Courts have interpreted this language to require that a trademark indicate only a *single* source of the goods.<sup>157</sup> This presents particular difficulty for fictional characters, as they are often simultaneously associated with a number of different sources, including authors,<sup>158</sup> producers,<sup>159</sup> sponsors<sup>160</sup> and even themselves.<sup>161</sup> As a result, a

<sup>152</sup> *Id.* at 1196, 1199.

<sup>153</sup> *M'Otto Enters., Inc. v. Redsand Inc.*, 831 F. Supp. 1491, 1492–93 (W.D. Wash. 1993).

<sup>154</sup> *Id.* at 1499.

<sup>155</sup> See *supra* notes 139–54 and accompanying text.

<sup>156</sup> 15 U.S.C. § 1127 (2006) (emphasis added).

<sup>157</sup> *Universal Studios v. Nintendo Co.*, 578 F. Supp. 911, 923–26 (S.D.N.Y. 1983); see also Michael T. Helfand, *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, 635–38 (1999) (noting that trademarks operate "to signify that all goods bearing the trademark come from a single, albeit anonymous, source"); Nickles *supra* note 130, at 163–64 (noting that courts have interpreted the statutory requirement that the trademark indicate the source of goods as necessitating a single source).

<sup>158</sup> *Gruelle v. Molly-'Es Doll Outfitters Inc.*, 94 F.2d 172, 174 (3d Cir. 1937) (finding that the Raggedy Ann doll was associated with the author, John B. Gruelle); *Patten v. Superior Talking*

“fictional character’s ability to indicate a single source is often no more than a convenient fiction.”<sup>162</sup> Indeed, if a fictional character is unable to identify a single source, the character is unable to serve the goals of trademark law.

The concern that fictional characters do not identify a single source is well illustrated in the case of *Frederick Warne Co. v. Book Sales Inc.*<sup>163</sup> In this case, the publisher of the original *Peter Rabbit* book series, Warne, sought protection for illustrations that were created exclusively for Warne’s editions of the *Peter Rabbit* books.<sup>164</sup> Warne claimed that the characters portrayed in the illustrations had “attained a place in the public esteem comparable to Mickey Mouse, Peter Pan and Raggedy Ann and Andy.”<sup>165</sup> Regardless of the level of esteem the illustrations had achieved, the court was quick to point out that a *particular type* of esteem was required, noting that “it would not be enough that the illustrations in question have come to signify Beatrix Potter as [the] author of the books; plaintiff must show that they have come to represent [Warne’s] goodwill and reputation as [the] publisher of those books.”<sup>166</sup> The court went on to find that if the publisher could “establish a specialized secondary meaning—that the illustrations represent Warne’s goodwill and reputation as the source . . . it will have a protectable trademark interest . . . .”<sup>167</sup> This focus on single source identification lead the court to the appropriate conclusion that trademark protection was not warranted in the absence of evidence demonstrating the public’s identification of the illustrations with the publisher.

The single source requirement is particularly relevant where a character appears in a variety of different media. In *Universal City Studios Inc. v. Nintendo Co.*, Universal sued the holder of the Donkey Kong copyright for alleged infringement of the King Kong trademark.<sup>168</sup> In reviewing the complicated facts surrounding ownership of the mark, the court held that the King Kong trademark lacked the ability to identify a

---

Pictures, Inc., 8 F. Supp. 196, 197 (S.D.N.Y. 1983) (finding that Frank Merriwell’s character was associated with the author, Burt L. Standish).

<sup>159</sup> Processed Plastic Co. v. Warner Commc’ns., Inc., 675 F.2d 852, 856 (7th Cir. 1982) (finding an association with the producers and the television show); Wyatt Earp Enters. v. Sackman Inc., 157 F. Supp. 621, 624–25 (S.D.N.Y. 1958) (finding an association with the producer and the television series).

<sup>160</sup> Premier Pabst Corp. v. Elm City Brewing Co., 9 F. Supp. 754, 760–61 (D. Conn. 1935) (holding that the Old Maestro character is associated in the public mind with Pabst Blue Ribbon, the sponsor of the Old Maestro radio program).

<sup>161</sup> DC Comics, Inc. v. Unlimited Monkey Bus. Inc., 598 F. Supp. 110, 112, 115 (N.D. Ga. 1984) (finding Clark Kent to be associated with Superman).

<sup>162</sup> Kurtz, *supra* note 21, at 485.

<sup>163</sup> Frederic Warne & Co. v. Book Sales Inc., 481 F. Supp. 1191, 1195 (S.D.N.Y. 1979).

<sup>164</sup> *Id.* at 1193.

<sup>165</sup> *Id.* at 1194.

<sup>166</sup> *Id.* at 1195.

<sup>167</sup> *Id.* at 1198.

<sup>168</sup> Universal City Studios, Inc. v. Nintendo Co., Ltd., 578 F. Supp. 911, 913–14 (S.D.N.Y. 1983).

single source.<sup>169</sup> The existence of various competing property interests in the mark, including RKO (owner of the original 1933 movie and its sequel), Cooper (owner of the worldwide book and periodical publishing rights to King Kong), DDL (owner of the 1976 remake) and the unauthorized third-party use of King Kong trademarks, made it impossible for the mark to serve as a single source identifier.<sup>170</sup> Universal attempted to overcome these murky ownership issues by arguing that trademark law does not require consumers to know exactly *which* party is the source of a trademarked product.<sup>171</sup> The court acknowledged that this argument was correct, but emphasized that even so, it did not obviate the “statutory [requirement] . . . that the mark indicate to consumers a *single* source of origin.”<sup>172</sup> While the consumer may not have knowledge of the particular source of the good, the consumer must understand that the good originates from a single source.

Courts frequently fail to apply the single source requirement in a rigorous manner. In many instances, courts ignore the issue altogether despite the propensity of fictional characters to identify a plurality of sources.<sup>173</sup> Overall, single source identification operates in much the same way as distinctiveness. Both are required for a character to fulfill its function as a trademark, and in the absence of either, the protection of fictional characters under trademark law is inappropriate.

### C. Protected Elements

Once a fictional character is deemed appropriate for trademark protection, courts must determine which elements of these often complex creations are to be protected. Trademark protection has been extended to a wide range of elements including character names,<sup>174</sup> nicknames,<sup>175</sup> costumes,<sup>176</sup> and even key phrases associated with a character.<sup>177</sup>

<sup>169</sup> *Id.* at 923–24.

<sup>170</sup> *Id.*

<sup>171</sup> *Id.* at 925; see 15 U.S.C. § 1127 (2006) (“The term ‘trademark’ includes any word, name, symbol or device, or any combination thereof . . . [used] to indicate the source of the goods, even if that source is unknown.”).

<sup>172</sup> *Universal City Studios*, 578 F. Supp. at 925.

<sup>173</sup> Kurtz, *supra* note 77, at 443–44.

<sup>174</sup> See *Premier Pabst Corp. v. Elm City Brewing Co.*, 9 F. Supp. 754, 760 (D. Conn. 1935) (finding trademark protection for the Old Maestro character).

<sup>175</sup> See *Edgar Rice Burroughs, Inc. v. Manns Theatres*, 195 U.S.P.Q. 159, 162 (C.D. Cal. 1976) (finding trademark protection for the nickname Tarz based on public recognition of the name Tarzan and the likelihood that the use of the nickname Tarz would cause confusion or mistake about the source of origin of the defendant’s film).

<sup>176</sup> See *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema Ltd.*, 604 F.2d 200, 204 (2d Cir. 1979) (finding “the combination of the white boots, white shorts, blue blouse, and white star-studded vest and belt” to be a trademarkable costume).

<sup>177</sup> See *Lone Ranger, Inc. v. Cox*, 124 F.2d 650, 652 (4th Cir. 1942) (protecting the phrase “Hi-yo, Silver, away!”); *Universal City Studios, Inc. v. Kamar Indus.*, 217 U.S.P.Q. 1162, 1164–65 (S.D. Texas 1982) (protecting the phrase “E.T. Phone Home!!”).



Nevertheless, courts were historically reluctant to extend trademark protection to the visual appearance of characters, interpreting such protection as the province of copyright. In *Gruelle v. Molly-'Es Doll Outfitters Inc.*, the court protected the name Raggedy Ann as a trademark, yet refused to recognize a trademark in the doll itself. Instead, the court considered copyright to be the proper avenue for such a claim, declining to enjoin the use of the deceptively similar doll in the absence of a copyright claim.<sup>178</sup> For a period of time following *Gruelle*, courts continued to analyze copyright and trademark claims separately, generally limiting protection of three-dimensional representations to copyright.<sup>179</sup>

The restrained approach of analyzing copyright and trademark claims separately soon gave way to a less coherent line of cases that often commingled trademark and copyright principles. In *Walt Disney Productions v. Air Pirates*, the defendants used the world's most famous rodent, Mickey Mouse, in counter-culture comic books of questionable taste.<sup>180</sup> In an effort to overcome the stringent copyright "story being told" test, the district court emphasized "that the depiction of each character as it has been developed by the plaintiff has achieved a high degree of 'recognition' or 'identification'."<sup>181</sup> Through the use of these trademark principles, the district court created copyright protection for Mickey Mouse.<sup>182</sup> While eventually overruled by the Ninth Circuit on other grounds, the district court's opinion is indicative of the convoluted reasoning once employed to protect three-dimensional representations of characters.

Following a similar line of reasoning as the district court in *Air Pirates*, the court in *Sid & Marty Krofft Television Productions v. McDonald's Corp.* relied on trademark principals to sustain a finding of copyright infringement.<sup>183</sup> Comparing the similarity of the characters at issue, the court found that the defendant had captured the "total concept and feel" of the works, sufficient to support a finding of copyright

---

<sup>178</sup> *Gruelle v. Molly-'Es Doll Outfitters Inc.*, 94 F.2d 172, 175–76 (3d Cir. 1937).

<sup>179</sup> See *Ideal Toy Corp. v. Kenner Prod. Div.*, 443 F. Supp. 291, 306 (S.D.N.Y. 1977) ("[I]nsofar as the defendants claim that visual similarities between Ideal's toys and the movie characters create a misimpression of 'sponsorship' by or derivation from 'Star Wars,' the Court has already discussed at some length the similarities between the toys themselves and the movie characters in connection with the allegation of copyright infringement."); *Geisel v. Poynter Prods. Inc.*, 295 F. Supp. 331, 336, 350 (S.D.N.Y. 1968) (finding the sale of the cartoons included the copyright and therefore the right to three-dimensional representations of the figures).

<sup>180</sup> *Walt Disney Prods. v. Air Pirates*, 345 F. Supp. 108, 109 (N.D. Cal. 1972), *aff'd in part and rev'd in part*, 581 F.2d 751 (9th Cir. 1978).

<sup>181</sup> *Walt Disney Prods.*, 345 F. Supp. at 113.

<sup>182</sup> *Id.*

<sup>183</sup> *Sid & Marty Krofft Television Prods. v. McDonald's Corp.*, 562 F.2d 1157, 1167 (9th Cir. 1977).

infringement.<sup>184</sup> Moving away from the generally accepted copyright analysis of substantial similarity, the traditional trademark “look and feel” test was clearly an improper basis for a finding of copyright infringement.<sup>185</sup> The following year, the Ninth Circuit’s ruling in *Air Pirates* removed the “story being told” restriction for copyright protection of visually depicted characters and eliminated the need to combine copyright and trademark principles to sustain protection for three-dimensional representations of fictional characters.<sup>186</sup>

Today, courts generally encounter little difficulty providing trademark protection to three-dimensional representations of fictional characters under traditional trademark doctrines. In *Warner Brothers v. American Broadcasting Co.*, the Second Circuit declared that they “did not doubt that the image of a cartoon character and some indicia of that character can function as a trademark to identify the source of a work of entertainment.”<sup>187</sup> In the wake of this opinion, the visual appearances of fictional characters have been routinely protected, including the visual appearances of the characters of the Peanuts comic strip,<sup>188</sup> Superman and Wonder Woman,<sup>189</sup> and even E.T.<sup>190</sup> Thus, courts have come to recognize the unique ability of fictional characters to serve a source identifying function.<sup>191</sup>

#### D. Likelihood of Confusion

Once an element of a fictional character is recognized as a trademark, the owner of the trademark must demonstrate that the allegedly infringing mark is likely to cause confusion or mistake, or is likely to deceive the public as to the source or sponsorship of the goods or services.<sup>192</sup> In the

<sup>184</sup> *Id.* at 1167, 1169, 1175. (“[T]he combination of many different elements . . . command copyright protection because of its particular subjective quality.”).

<sup>185</sup> Riger K. Zissu, *Copyright Luncheon Circle: The Interplay of Copyright and Trademark Law in the Protection of Character Rights With Observations on Dastar v. Twentieth Century Fox Film Corp.*, 51 J. COPYRIGHT SOC’Y U.S.A. 453, 455 (2004).

<sup>186</sup> *Walt Disney Prods.*, 581 F.2d at 755.

<sup>187</sup> *Warner Bros., Inc. v. Am. Broadcasting Co.*, 720 F.2d 231, 246 (2d Cir. 1983). Nevertheless, the court held that, as a matter of law, the contested works lacked the substantial similarity necessarily to create a likelihood of confusion. *Id.* The *Warner Brothers* court relied on the earlier opinion of *DC Comics, Inc. v. Filmation Associates* which held that not only the name, but the product itself, in this case Aquaman, could be trademarked. *DC Comics, Inc. v. Filmation Assocs.*, 486 F. Supp. 1273, 1277 (S.D.N.Y. 1980) (“[O]ur reading of the cases in this circuit shows that where the product sold by plaintiff is ‘entertainment’ in one form or another, then not only the advertising of the product but also an ingredient of the product itself can amount to a trademark protectable under § 43(a) because the ingredient can come to symbolize the plaintiff or its product in the public mind.”).

<sup>188</sup> *United Features Syndicate v. Sunrise Mold Co.*, 569 F. Supp. 1475, 1480 (S.D. Fla. 1983).

<sup>189</sup> *DC Comics, Inc. v. Unlimited Monkey Bus.*, 598 F. Supp. 110, 115–16 (N.D. Ga. 1984).

<sup>190</sup> *Universal City Studios v. J.A.R. Sales, Inc.*, 216 U.S.P.Q. 679, 683–84 (C.D. Cal. 1982).

<sup>191</sup> For example, in 1988, the licensing of the characters in the movie *Teenage Mutant Ninja Turtles* netted over \$175 million dollars. In 1989, licensing fees reached \$350 million dollars. That same year, *Batman* generated over \$251 in licensing fees. Nickles, *supra* note 130, at 134.

<sup>192</sup> 15 U.S.C. §§ 1114, 1125 (2006).

absence of a likelihood of consumer confusion, a finding of trademark infringement is an unwarranted limitation on creativity and expression, for the trademark owner's rights have not been infringed. The likelihood of confusion analysis therefore provides courts with another important mechanism for limiting the scope of trademark protection.

The unauthorized use of characters in new works of fiction often places the interests of trademark protection and creative expression in direct competition with one another. Where a character is well known, courts typically enjoin others from using the character in new works of fiction.<sup>193</sup> Trademark protection is extended to such well-known characters on the assumption that consumers are likely to believe that the creators of the first work created, or at the very least, authorized the second work.<sup>194</sup> The fictional character Lone Ranger provides an example of such a well-known character. In *Lone Ranger, Inc. v. Cox*, the unlicensed use of the Lone Ranger character in a circus was enjoined,<sup>195</sup> and in *Lone Ranger, Inc. v. Curry*, the unlicensed use of the Lone Ranger character in rodeo shows was enjoined.<sup>196</sup> In both cases, the courts held that the defendants were attempting to pass off their show as having an affiliation with Lone Ranger Inc., resulting in a likelihood that consumers would be confused as to the source or sponsorship of the shows.<sup>197</sup>

In *DC Comics, Inc. v. Unlimited Monkey Business* the well-known characters of Superman and Wonder Woman were also protected from unauthorized use in new works, namely the singing telegram business.<sup>198</sup> The court found that the Superman and Wonder Woman characters constituted distinctive marks by virtue of their "universal recognition," "widespread popularity," and "extensive goodwill."<sup>199</sup> Based on the marks' acquired distinctiveness and the similarity of the defendant's singing telegram mark, the court found a likelihood of confusion and granted relief. Evidence of actual consumer confusion served only to strengthen the decision to enjoin the defendant's use of the marks.<sup>200</sup>

In cases where characters are less well known, courts are hesitant to restrict their use in new works of fiction. This point is well illustrated by the character of Paladin in *De Costa v. Columbia Broadcasting Systems*.<sup>201</sup> Victor DeCosta created a colorful character named Paladin and proceeded to perform as Paladin at rodeos, horse shows, auctions and parades,

---

<sup>193</sup> See, e.g., *Prouty v. Nat'l Broad. Co.*, 26 F. Supp. 265, 265–66 (D. Mass. 1939) (enjoining the use of the character Stella Dallas in skits created by NBC on a theory of unfair competition).

<sup>194</sup> Kurtz *supra* note 21, at 489.

<sup>195</sup> *Lone Ranger, Inc. v. Cox*, 124 F.2d 650, 651–52, 654 (4th Cir. 1942).

<sup>196</sup> *Lone Ranger, Inc. v. Curry*, 79 F. Supp. 190, 191–95 (M.D. Pa. 1948).

<sup>197</sup> *Cox*, 124 F.2d at 652; *Curry*, 79 F. Supp. at 195.

<sup>198</sup> *DC Comics, Inc. v. Unlimited Monkey Bus., Inc.*, 598 F. Supp. 110, 115–16 (D.C. Ga. 1984).

<sup>199</sup> *Id.* at 115.

<sup>200</sup> *Id.* at 116.

<sup>201</sup> *De Costa v. Columbia Broad. Sys., Inc.*, 520 F.2d 499, 502 (1st Cir. 1975).

circulating business cards with the logo "Have Gun Will Travel."<sup>202</sup> Nearly a decade after DeCosta began appearing as Paladin, a television series entitled *Have Gun Will Travel*, starring a character by the name of Paladin, dressed in a costume nearly identical to that of DeCosta's Paladin, began running on CBS.<sup>203</sup> DeCosta sued CBS under theories of trademark infringement and unfair competition. Denying relief, the court emphasized that DeCosta's limited use of the character and the difference in the respective audiences resulted in little likelihood of confusion as to the source or sponsorship of the CBS television series.<sup>204</sup> This same fate is often suffered by trademark holders where the alleged infringer's use of a character involves less than a complete replica of the original character.<sup>205</sup> Courts also decline to extend protection in many cases where the alleged infringement involves less tangible qualities, such as physical characteristics and personality.<sup>206</sup>

The use of fictional characters on commercial products has become a widespread, lucrative practice. However, the construction of a likelihood of confusion analysis for commercial products has proven to be more problematic than the construction of the same analysis for new works of fiction. The difficulty arises out of a fundamental disagreement regarding the ability of a fictional character on commercial products to indicate to consumers the source, or at least the sponsorship, of a given product. This question is of critical importance because in the absence of such an association, the character does not serve as a source identifier and there can be no likelihood of confusion. Thus, much of the litigation surrounding commercial products has turned on this critical issue.<sup>207</sup>

In some instances, courts have denied protection where the defendant's merchandise failed to create a specific association with the plaintiff, regardless of the fact that the defendant's merchandise was more generally associated with the fictional character at issue. In *Toho Co. v. Sears Roebuck & Co.*, the producer of the Godzilla movies sought to enjoin Sears from producing garbage bags under the name "Bagzilla," displaying a humorous caricature of a monster with a striking resemblance to Godzilla.<sup>208</sup> The court determined that consumers were likely to associate

---

<sup>202</sup> *Id.* at 502.

<sup>203</sup> *Id.*

<sup>204</sup> *Id.* at 514.

<sup>205</sup> See *Universal City Studios Inc. v. Nintendo Co. Ltd.*, 746 F.2d 112, 117 (2d Cir. 1984) (finding use of the Donkey Kong character was not likely to cause confusion with King Kong and Universal Studios).

<sup>206</sup> See *Smith v. Weinstein*, 578 F. Supp. 1297, 1307 (2d Cir. 1984) (declining to extend protection to a comedy writer who asserted that his name had acquired secondary meaning as the originator of a prison rodeo movie concept).

<sup>207</sup> See e.g., *Toho Co. v. Sears Roebuck & Co.*, 645 F.2d 788, 790–91 (9th Cir. 1981) (holding that a garbage bag seller's use of "Bagzilla" with the slogan "monstrously strong bags" posed no likelihood of confusing customers as to the source of the bags).

<sup>208</sup> *Id.* at 789–90.

Bagzilla with Godzilla. Nonetheless, this finding was insufficient to establish trademark infringement as the Bagzilla product posed “no likelihood of confusing consumers by suggesting that the Sears trash bags were made, sponsored or endorsed by [the plaintiff].”<sup>209</sup> Therefore, under *Toho*, the general association of an infringing product with a fictional character will not result in a finding of trademark infringement in the absence of a similar association with the trademark owner.<sup>210</sup>

Other courts have found trademark infringement where the infringing mark creates an association between the defendant’s products and the plaintiff’s character yet does not create an association with the particular plaintiff. In these instances, the likelihood of confusion analysis did not focus on the ability of the fictional character to invoke a direct association with the plaintiff. Instead, the courts focused on the defendant’s exploitation of the general demand for a character created by the plaintiff.<sup>211</sup> In *Wyatt Earp Enterprises v. Sackman, Inc.*, the creators of the television series *Wyatt Earp* were granted a preliminary injunction against a manufacturer of children’s Wyatt Earp costumes.<sup>212</sup> The court found a likelihood that the public would purchase the merchandise “because of an identification with the name Wyatt Earp as developed by the plaintiff’s television program.”<sup>213</sup> The court went on to assume, without discussion, that the character Wyatt Earp would in turn be associated with the plaintiff.<sup>214</sup>

In more recent cases, courts have acknowledged that the exploitation of well-known fictional characters through merchandising agreements has become almost universal, creating a public expectation that merchandise displaying elements of a fictional character is at least sponsored by the owner of the character.<sup>215</sup> Some scholars argue that this is a “bootstrap result,” based on court enforcement of licensing agreements, such that public perceptions could and should change.<sup>216</sup> While this may be a valid interpretation of the cause of the public perception, it should not change the outcome of a court’s decision to provide trademark protection. The cause of a particular public perception is not relevant to the trademark analysis. It matters not why the public associates the presence of a character on merchandise with sponsorship or licensing of the

---

<sup>209</sup> *Id.* at 790.

<sup>210</sup> *Id.*

<sup>211</sup> Kurtz *supra* note 21, at 498.

<sup>212</sup> *Wyatt Earp Enters. v. Sackman, Inc.*, 157 F. Supp. 621, 623, 626 (S.D.N.Y. 1958).

<sup>213</sup> *Id.* at 625 (internal citations omitted).

<sup>214</sup> *Id.*

<sup>215</sup> See, e.g., *Conan Props Inc. v. Conans Pizza Inc.*, 752 F.2d 145, 150 (5th Cir. 1985) (“Many of today’s consumers expect such endorsements and act favorably toward them.”); *Warner Bros. Inc. v. Gay Toys Inc.*, 658 F.2d 76, 79 (2d Cir. 1981) (“The public’s belief that the mark’s owner sponsored or otherwise approved the use of the trademark satisfies the confusion requirement.”).

<sup>216</sup> Kurtz, *supra* note 77, at 445–46.

merchandise, but only that the public does in fact make this association. Courts have generally supported this concept, particularly where consumer surveys provided evidence of a general consumer perception that fictional characters are subject to licensing agreements.<sup>217</sup>

Trademark protection of fictional characters provides many benefits to both the consuming public and the trademark owner. Protection reduces consumer search costs and consumer confusion while at the same time providing incentives for trademark owners to maintain quality and promote goodwill. However, when fictional characters fail to provide the public with the benefit of source identification, a finding of trademark infringement unnecessarily removes fictional characters from the public domain. Fortunately, trademark and unfair competition laws provide many tools to limit protection to appropriate circumstances. Through careful consideration of acquired distinctiveness, single source identification, and likelihood of consumer confusion, trademark protection can be confined to its appropriate scope.

#### E. *Dilution*

Dilution provides fictional characters with another powerful form of trademark protection.<sup>218</sup> The theory of dilution is generally traced back to Frank I. Schechter's 1927 *Harvard Law Review* article where he described dilution as guarding against "the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods."<sup>219</sup> Prior to 1995, dilution jurisprudence was a combination of inconsistent and unsettled state law doctrines that were largely ignored by federal courts.<sup>220</sup> Courts and scholars alike were concerned that dilution would override copyright law, as well as traditional trademark protection, by permanently removing certain characters from the public domain and creating trademark rights in gross.<sup>221</sup> Irrespective of these well-grounded fears, the Federal Trademark Dilution Act of 1995 (FTDA) and the Federal Trademark Dilution Revision Act of 2006<sup>222</sup>

---

<sup>217</sup> See *Processed Plastics Co. v. Warner Commc'ns Inc.*, 675 F.2d 852, 854–55 (7th Cir. 1982) (involving a consumer survey that indicated confusion between toy cars and the Dukes of Hazzard television series where the toy cars were a direct replica of the television car); *Warner Bros., Inc. v. Gay Toys, Inc.*, 658 F.2d 76 (2d Cir. 1981) (involving a consumer survey that revealed that eight out of ten children associated the defendant's replica of the Dukes of Hazzard car with the actual Dukes of Hazzard car).

<sup>218</sup> 15 U.S.C. § 1125(c) (2006).

<sup>219</sup> Frank I. Schechter, *The Rational Basis of Trademark Protection*, 40 HARV. L. REV. 813, 825 (1927).

<sup>220</sup> In 1995, twenty-eight states recognized a theory of dilution. A showing of likelihood of confusion was required in some states while others required the absence of competition between parties. Kristen Knudsen, *Tomorrow Never Dies*, 2 VAND. J. ENT. L. & PRAC. 13, 17 (2000).

<sup>221</sup> Helfand, *supra* note 157, at 639.

<sup>222</sup> The Federal Trademark Dilution Revision Act (FTDRA) of 2006 made several important amendments to the original FTDA. Most importantly, the FTDRA expressly overruled the Supreme

(FTDRA) have forced courts to recognize dilution as a cause of action on the federal level.<sup>223</sup>

Dilution presents a form of trademark protection quite different from that available under more traditional trademark doctrines. As a prerequisite to dilution protection, a mark must be found to be “famous.”<sup>224</sup> Once a court makes the difficult and often unpredictable determination that a mark is famous, dilution provides broad protection in the *absence* of a likelihood of consumer confusion, even protecting the use of marks on non-competing goods.<sup>225</sup> While litigation regarding dilution of fictional characters at the federal level has been sparse, the cases that have been decided illustrate the potentially sweeping nature of dilution protection. In *Danjaq LLC v. Sony Corp.*, Danjaq, the assignee of all U.S. film and television rights in the James Bond character, sought an injunction to halt Sony’s plan to make a series of James Bond movies.<sup>226</sup> The court granted a broad injunction, prohibiting *all* use of the James Bond mark by Sony, finding a likelihood that Sony’s use of the mark in any capacity would result in dilution by blurring.<sup>227</sup> In 1999, the fictional character Arthur, a cartoon aardvark, was granted similar broad protection in *Brown v. It’s Entertainment Inc.*, where the court prohibited the use of unlicensed Arthur costumes for live entertainment and promotional appearances.<sup>228</sup> The court was concerned that “[s]hould unauthorized Arthur impersonators proliferate . . . the image sought by the plaintiffs for Arthur will be difficult to control and might easily become blurred or tarnished, resulting in a loss

---

Court’s decision in *Moseley v. V Secret Catalogue*. *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 432–33 (2003), *superseded by statute* 15 U.S.C. § 1125(c)(1) (2006). In *Moseley*, the Supreme Court had dismissed the case, requiring a showing of actual dilution to support a finding of dilution. *Id.* at 434. The FTDRA changed the standard to merely a likelihood of dilution, thereby significantly decreasing the necessary evidentiary showing. 15 U.S.C. § 1125(c)(1) (2006) (“use of a mark or trade name in commerce that is likely to cause dilution . . . regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury”). The FTDRA also limited dilution claims to two categories, dilution by blurring and dilution by tarnishment, *id.* § 1125(c)(1) (prohibiting the “use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment”), removed the possibility niche fame, *id.* § 1125(c)(2)(A), and clarified the enumerated exclusions and fair use defenses, *id.* § 1125(c)(3).

<sup>223</sup> 15 U.S.C. § 1125(c) (2006).

<sup>224</sup> *Id.* § 1125(c)(2)(A) (“For the purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following: (i) The duration, extent and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties. (ii) The amount, volume and geographic extent of sales of goods or services offered under the mark. (iii) The extent of actual recognition of the mark. (iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.”).

<sup>225</sup> *Id.* § 1125(c)(1) (“regardless of the presence or absence of actual or likely confusion, of competition or of actual economic injury”).

<sup>226</sup> *Danjaq LLC v. Sony Corp.*, 49 U.S.P.Q.2d 1341, 1343–44 (C.D. Cal. 1998).

<sup>227</sup> *Id.* at 1348.

<sup>228</sup> *Brown v. It’s Entm’t, Inc.*, 34 F. Supp. 2d 854, 860 (E.D.N.Y. 1999).

of credibility, public affection and consumer interest.”<sup>229</sup>

While dilution is limited to famous marks, these cases are illustrative of the sweeping protection that may be granted once a mark is found to be famous. Some commentators believe that federal trademark dilution “ensures that famous fictional characters will not be pressed into undignified service or cloned by copiers.”<sup>230</sup> Other critics worry that the “widespread ban on unauthorized use, even if the public is not in danger of being misled,” undermines the traditional goals of trademark protection.<sup>231</sup> In the end, federal trademark dilution will likely prove to be an important mechanism for protecting the source identifying capacity of some of our culture’s most influential fictional characters. Yet providing such protection creates a very real possibility that famous characters will be over-protected by broad injunctions that unnecessarily limit the public’s use of fictional characters.

In order to confine dilution to an appropriate scope, particular attention must be paid to the exclusions of the FTDRA, which specifically outline those acts that “shall not be actionable as dilution.”<sup>232</sup> Congress intentionally strengthened the exclusions in the FTDRA, in part to offset the lowered evidentiary showing necessary to sustain a dilution claim, mainly likelihood of dilution in place of actual dilution. Therefore, it is necessary to respect the weight of these exclusions by carefully analyzing the nature of the contested use to ensure that the use is in fact actionable. Consider for example, a hypothetical use of the James Bond character in a *Saturday Night Live* skit featuring the aging Pierce Brosnan performing “James Bond-style” action hero stunts around a retirement community. While a court would likely find the James Bond character to be famous and its use in a television skit likely to cause dilution by blurring or even tarnishment, the fair use exclusion for parodying must be controlling.<sup>233</sup>

Still in its infancy, the appropriateness of dilution with regard to fictional characters will turn on the courts’ ability to develop a consistent jurisprudence that calibrates the standard for determining when a mark is “famous” at an appropriate level of recognition and provides adequate

---

<sup>229</sup> *Id.* at 859.

<sup>230</sup> Knudsen, *supra* note 220, at 19.

<sup>231</sup> Vincent N. Palladino, *Reigning in Trademark Dilution Claims*, 1 N.Y.L.J. 1, 8 (1999).

<sup>232</sup> 15 U.S.C. § 1125(c)(3) (2006) (“The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection: (A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person’s own goods or services, including use in connection with—(i) advertising or promotion that permits consumers to compare goods or services; or (ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner. (B) All forms of news reporting and news commentary. (C) Any noncommercial use of a mark.”).

<sup>233</sup> 15 U.S.C. § 1125(c)(3)(A)(ii) (2006) (“identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner”).



strength to the enumerated exclusions.<sup>234</sup>

#### IV. DUAL PROTECTION: COPYRIGHT AND TRADEMARK

Analyzing the intellectual property protection available to fictional characters becomes considerably more complicated when a character is the subject of both trademark and copyright protection. There is a real concern that dual protection will “stifl[e] the very creative forces copyright is supposed to nurture” by limiting the material available to future authors.<sup>235</sup> At the same time, there is recognition that the nature of the rights conferred by copyright and trademark are substantially different, and therefore capable of co-existing where properly granted.<sup>236</sup> While the majority of the issues surrounding dual copyright and trademark protection of fictional characters have yet to be resolved or even addressed in a meaningful way by the courts, the limited jurisprudence available does provide both important insights into how courts may address these issues in the future and important mechanisms for determining the appropriate scope of dual protection.

##### A. Concurrent Copyright and Trademark Protection

The life cycle of the intellectual property protection of fictional characters can be broken down into two distinct stages. The first stage involves concurrent copyright and trademark protection, while the second stage involves trademark protection persisting after the expiration of the copyright term. Of major concern in the first stage is the potential for concurrent trademark protection to improperly limit copyright fair use. Copyright fair use is a carefully crafted doctrine that endeavors to provide an appropriate offsetting balance to the limited monopoly granted under copyright.<sup>237</sup> Copyright fair use was not developed with an expectation of concurrent trademark protection. Thus, the addition of trademark protection can be quite disruptive to this already complicated and unpredictable doctrine, as seen in *Original Appalachia Artworks Inc. v. Topps Chewing Gum, Inc.*<sup>238</sup> Topps Chewing Gum manufactured “Garbage Pail Kids” trading cards and stickers depicting dolls with features “similar to Cabbage Patch Kids dolls in rude, violent and frequently noxious settings.”<sup>239</sup> Topps claimed that the Garbage Pail Kids

---

<sup>234</sup> *Id.* § 1125(c)(3).

<sup>235</sup> Alex Kozinski, *Mickey & Me*, 11 U. MIAMI ENT & SPORTS L. REV. 465, 467 (1994).

<sup>236</sup> See *infra* notes 254–59 and accompanying text.

<sup>237</sup> 17 U.S.C. § 107 (2000) (“The fair use of a copyrighted work . . . for purposes such as criticism, comment, news reporting, teaching . . . scholarship or research is not an infringement of copyright.”).

<sup>238</sup> *Original Appalachia Artworks, Inc. v. Topps Chewing Gum, Inc.*, 642 F. Supp. 1031, 1034, 1036 (N.D. Ga. 1986).

<sup>239</sup> *Id.* at 1032.

were a parody of the Cabbage Patch Kids, and therefore protected by copyright fair use.<sup>240</sup> Dismissing the fair use defense, the court went through the motions of evaluating the statutory fair use factors, yet focused almost entirely on the economic value and goodwill associated with the Cabbage Patch Kids trademarks,<sup>241</sup> erroneously importing trademark principles into the copyright fair use analysis.

The *Appalachia* case also illustrates another important problem that arises with concurrent copyright and trademark protection. Had the *Appalachia* court determined that the defendant's use of the Garbage Pail Kids constituted permissible fair use under copyright, an injunction would nevertheless have been issued based on the court's finding of trademark infringement.<sup>242</sup> Thus, trademark protection of the Garbage Pail Kids would eliminate otherwise permissible copyright fair use.<sup>243</sup> In other cases, courts have made sophisticated inquiries into the defendant's particular use of the trademark in finding copyright fair use despite the existence of trademark protection.<sup>244</sup> Such in-depth inquiries, while preferable, have been rare. In the end, concurrent trademark protection may eliminate, or at the very least curtail otherwise permissible copyright fair use. Such a limitation is acceptable in light of the public benefits associated with trademarks. However, the ability of trademarks to significantly limit the copyright fair use doctrine only underscores the importance of ensuring that trademark protection for fictional characters is properly granted from the outset.

#### B. Trademark Protection and the Public Domain

The second stage in the life cycle of a fictional character's intellectual property protection begins when the copyright term expires and trademark protection persists. This stage presents a variety of important issues as the use of a fictional character otherwise in the public domain under copyright law is indefinitely restricted by trademark protection. The *quid pro quo* of copyright is often described as the right to copy precisely those works whose creation was incentivized by the granting of a limited copyright monopoly. Yet the addition of trademark protection makes such public

---

<sup>240</sup> *Id.* at 1034.

<sup>241</sup> *Id.* at 1036.

<sup>242</sup> *Id.* at 1039 ("For all the foregoing reasons, the court finds that there is a likelihood of confusion as to origin, approval, endorsement or other association of the Garbage Pail Kids' products and mark with the plaintiff.").

<sup>243</sup> *Id.*

<sup>244</sup> See *Pillsbury Co. v. Milky Way Prods., Inc.*, 215 U.S.P.Q. 124, 129-32 (N.D. Ga. 1981) (finding permissible copyright fair use where the defendant's use of the Pillsbury trademark was both critical and not intentionally deceiving the public); *Reddy Commc'ns, Inc. v. Envtl. Action Found.*, 477 F. Supp. 936, 948 (D.D.C. 1979) (finding the defendant's characters generally portraying the electric utility industry in a negative light were dissimilar from the overall impression of the defendant's marks).

domain works potentially unavailable. Many scholars argue that “[w]hen copyright law relegates a character that functions as a trademark into the public domain, the public should be able to employ the character.”<sup>245</sup> Others point to the value of fictional characters with the ability to function as trademarks and the potential harm that would result if confusing use of characters were permitted.<sup>246</sup>

When trademark protection persists after the expiration of a copyright term, the passage of a fictional character into the public domain is necessarily limited, with the scope of this limitation to be crafted by the courts on a case-by-case basis. In the 1970’s, two important cases provided the foundation for the analysis of the trademark/copyright divide.<sup>247</sup> In *Frederick Warne & Co. v. Book Sales Inc.*, the plaintiff-publisher acknowledged that the copyright term for the books at issue had expired.<sup>248</sup> Despite this important fact, the publisher sought trademark protection for eight illustrations found in the original books.<sup>249</sup> The defendant argued that its use of the illustrations was permissible simply because the illustrations were a “part of the once copyrighted works now in the public domain.”<sup>250</sup> However, the court did not find the defendant’s argument persuasive, stating:

The fact that a copyrightable character of design has fallen into the public domain should not preclude protection under the trademark law so long as it is shown to have acquired independent trademark significance, identifying in some way the source or sponsorship of the goods. Because the nature of the property right conferred by copyright is significantly different from that of trademark, trademark protection should be able to co-exist and possibly to overlap with copyright protection without posing preemption difficulties.<sup>251</sup>

Thus, the court recognized the possibility of concurrent trademark and copyright protection as well as the possibility of trademark protection existing beyond the expiration of a copyright term. Even more, the court noted that, “[d]ual protection under copyright and trademark laws is particularly appropriate for graphic representations of characters.”<sup>252</sup> Nevertheless, *Warne* presented insufficient evidence to support a finding of

---

<sup>245</sup> Nickles, *supra* note 130, at 166 & n.147.

<sup>246</sup> *Id.* at 165.

<sup>247</sup> *Boston Prof’l Hockey Ass’n Inc. v. Dallas Cap & Emblem Mfg. Inc.*, 510 F.2d 1004, 1100–11 (5th Cir. 1975); *Frederick Warne & Co. Inc. v. Book Sales Inc.*, 481 F. Supp. 1191, 1196–97 (S.D.N.Y. 1979).

<sup>248</sup> *Frederick Warne*, 481 F. Supp. at 1193.

<sup>249</sup> *Id.*

<sup>250</sup> *Id.* at 1196.

<sup>251</sup> *Id.* (citations omitted).

<sup>252</sup> *Id.*

acquired distinctiveness identifying the publisher as the producer or sponsor of the goods and as a result, the case was remanded.<sup>253</sup>

The *Warne* court was not alone in recognizing the potential for providing both copyright and trademark protection to fictional characters. In *Boston Professional Hockey Ass'n v. Dallas Cap & Emblem Manufacturing*, the district court held that providing trademark protection for the plaintiff's logo was inappropriate; it was concerned that such protection would create a copyright monopoly for uncopyrighted designs.<sup>254</sup> The Fifth Circuit disagreed, overruling the lower court's opinion and stating specifically that "trademark laws are based on the needed protection of the public and business interests, and there is no reason why trademarks should ever pass into the public domain by the mere passage of time."<sup>255</sup> The court stated further that if:

[A]n individual selects a word or design that might otherwise be in the public domain to represent his business or product . . . [and] that word or design comes to symbolize his product or business, . . . the individual acquires a property right in the mark. The acquisition of such a right through use represents the passage of a word or design out of the public domain and into the protective ambits of trademark law.<sup>256</sup>

The result is no different where a fictional character once protected by copyright passes into the public domain. If the fictional character serves a trademark function, it will be removed from the public domain in the same manner as any other trademark.<sup>257</sup> The Fifth Circuit therefore opened the door to concurrent copyright and trademark protection of fictional characters, and established that such trademark protection would not expire at the conclusion of a copyright term.

While many courts have recognized the possibility of trademark protection continuing after the expiration of a copyright term, other courts have recognized that once granted, such protection may be problematic. In a special concurrence, Judge Nies expressed her reservations in granting trademark registrations to three-dimensional representations of Superman, Batman and the Joker.<sup>258</sup> Judge Nies was concerned that where a "copyrighted doll design is also a trademark for itself, there is a question of whether the quid pro quo for the protection granted under copyright has

---

<sup>253</sup> *Id.* at 1198. Decided in 1979, before the passage of the Federal Trademark Dilution Act of 1995, the *Warne* court did not specifically address trademark dilution. Nonetheless, the decision also did not rule out the possibility of maintaining concurrent and continuing trademark dilution protection.

<sup>254</sup> *Boston Prof'l Hockey Ass'n Inc. v. Dallas Cap & Emblem Mfg. Inc.*, 360 F. Supp. 459, 464 (N.D. Tex. 1973), *rev'd* 510 F.2d 1004 (5th Cir. 1975).

<sup>255</sup> *Boston Prof'l Hockey*, 510 F.2d at 1011.

<sup>256</sup> *Id.* at 1014.

<sup>257</sup> *Id.*

<sup>258</sup> *In re DC Comics, Inc.*, 689 F.2d 1042 (C.C.P.A. 1982) (Nies, J., concurring).

been given, if, upon expiration of the copyright, the design cannot be used *at all* by others.”<sup>259</sup> This scenario presents an extreme example, wherein a previously copyrighted character that would otherwise be a part of the public domain under copyright law is entirely prevented from entering the public domain by virtue of trademark law. In such an instance, the public domain is not enriched by even a single element of the previously copyrighted work. Instead, it can be argued that the monopoly granted during the copyright term served only to facilitate the copyright owner’s development of the acquired distinctiveness necessary for trademark protection, and the public receives nothing in exchange for the grant of a copyright monopoly.

The concern expressed by Judge Nies is certainly valid; yet it may also be argued that the public has in fact gained something valuable in exchange for the grant of a copyright monopoly—the creation of a new trademark. Naturally, the value of the exchange is contingent upon the appropriateness of the grant of trademark protection in the first place. The decision to extend trademark protection therefore becomes even more essential to ensuring that the quid pro quo of copyright is maintained.

The limits of trademark protection for previously copyrighted works were reached in *Comedy III Productions v. New Line Cinema*.<sup>260</sup> In this case, the defendant released the motion picture *A Long Kiss Goodnight*, containing a clip from a *Three Stooges* short film playing on a television set in the background of a scene for less than thirty seconds.<sup>261</sup> The plaintiff sought damages for violation of the Lanham Act, alleging that the clip contained an enforceable trademark “because it [wa]s particularly distinctive of ‘The Three Stooges’ comedy, whereas other clips . . . [we]re not so distinctive to be trademarks.”<sup>262</sup> In denying trademark protection for a film clip whose copyright term had expired, the Ninth Circuit recognized the broader implications of the plaintiff’s claims:

[T]he footage at issue here was clearly covered by the Copyright Act, . . . and the Lanham Act cannot be used to circumvent copyright law. If material covered by copyright law has passed into the public domain, it cannot then be protected by the Lanham Act without rendering the Copyright Act a nullity.<sup>263</sup>

*Comedy III* thereby reaffirmed the independence of copyright and trademark, and demonstrated the unwillingness of courts to allow one to improperly supplant the other.

---

<sup>259</sup> *Id.* at 1052 n.6.

<sup>260</sup> *Comedy III Prods., Inc. v. New Line Cinema*, 200 F.3d 593 (9th Cir. 2000).

<sup>261</sup> *Id.* at 594.

<sup>262</sup> *Id.* at 595.

<sup>263</sup> *Id.*

## V. AVOIDING THE PERPETUAL COPYRIGHT

The Supreme Court recently redefined the boundaries of the copyright/trademark divide in *Dastar Corp. v. Twentieth Century Fox Film Corp.*<sup>264</sup> Twentieth Century Fox held the exclusive television rights to Dwight D. Eisenhower's book, *Crusade in Europe*. However, Twentieth Century Fox failed to renew the copyright in the television series, thereby leaving the entire series in the public domain.<sup>265</sup> In anticipation of the fiftieth anniversary of the end of World War II, Dastar acquired the beta cam tapes of the original Fox television series, copied the tapes, and released the series with only minor adjustments.<sup>266</sup> Dastar sold the tapes as its own, making no reference to the original Fox series.<sup>267</sup> Fox alleged that Dastar's television series infringed upon Fox's rights under § 43(a) of the Lanham Act by making a false representation as to the *origin* of the series.<sup>268</sup>

The Supreme Court's decision turned on the statutory interpretation of the word "origin" in §43(a) of the Lanham Act.<sup>269</sup> Dastar argued that the word "origin" included only the manufacturer or producer of the physical goods, while Fox argued that the word "origin" included the creator of the underlying work.<sup>270</sup> In construing the Lanham Act, the Court cautioned against the misuse or over extension of trademark into areas traditionally occupied by copyright.<sup>271</sup> Specifically, the Court was concerned that "allowing a cause of action under §43(a) for [Dastar's] representation would create a species of mutant copyright law that limits the public's federal right to copy and to use expired copyrights."<sup>272</sup> The Court concluded that the term "origin" 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 the goods . . . [for] to hold otherwise would be akin to finding that §43(a) created a species of perpetual patent and copyright, which Congress may not do."<sup>273</sup> Based on this definition of

---

<sup>264</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 38 (2003).

<sup>265</sup> *Id.* at 25–26.

<sup>266</sup> *Id.* at 26–27.

<sup>267</sup> *Id.* at 27.

<sup>268</sup> *Id.* at 29–30. Section 43(a)(1)(A) of the Lanham Act makes actionable the use of a mark that is "likely to cause confusion, or to cause mistake or to deceive as to the affiliation, connection or association of such persons with another person, or as to the origin, sponsorship, or approval of his or her goods, services or commercial activities." 15 U.S.C. § 1125(a)(1)(A) (2006).

<sup>269</sup> 15 U.S.C. § 1125(a) (2006).

<sup>270</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 31 (2003).

<sup>271</sup> *Id.* at 34.

<sup>272</sup> *Id.* (internal citations omitted).

<sup>273</sup> *Id.* at 37.

The consumer who buys a branded product does not automatically assume that the brand-name company is the same entity that came up with the idea for the product, or designed the product and typically does not care whether it is. The words of the Lanham Act should not be stretched to cover matters that are typically of no consequence to purchasers.

“origin,” *Dastar* had made no false representations as to the origin of the goods and therefore did not infringe on Fox’s trademark interests in the original television series.

While the *Dastar* decision did not directly address intellectual property protection of fictional characters, *Dastar* did clarify that upon expiration of a copyright term, there exists an absolute right to copy the work without any identification of its creative source.<sup>274</sup> This proposition will likely be cited by future defendants who copy public domain characters without authorization.<sup>275</sup> Nonetheless, this over-simplified line of argument will fail as *Dastar* did not object to the mere possibility of copyright and trademark protection, but only to the granting of improper protection.<sup>276</sup>

The *Dastar* decision should serve as an important case for fictional characters as the Court’s narrow definition of “origin” arguably heightened the secondary meaning requirement for fictional characters. Numerous characters are highly recognizable, having some form of secondary meaning to the consuming public. Nonetheless, *Dastar* requires that the character is not merely associated with an author or an illustrator generally, but is instead associated with the actual producer or sponsor of the tangible goods on which the character appears.<sup>277</sup> *Dastar* therefore serves to strengthen the proposition set forth in *Warne*, which required the contested illustrations to indicate the producer of the physical books, the publisher, and not simply Beatrix Potter, the author.<sup>278</sup> Cases such as *DC Comics v. Unlimited Monkey Business*, where the court found the Superman and Wonder Woman characters to constitute protectable trademarks based on mere association between the trademark image and the characters themselves, are not likely to withstand challenges under *Dastar*.<sup>279</sup>

Trademark protection should not be upheld based on a “convenient fiction”<sup>280</sup> of source identification. *Dastar* specifically requires that a character serve as an indicator of the source of the tangible product with which it is associated, such that trademark protection should not be granted based on mere popularity or general public recognition alone. Trademark protection should only be granted where a fictional character possesses the distinct ability to identify the source or sponsor of tangible products, namely its ability to serve as a trademark.

---

*Id.* at 32–33.

<sup>274</sup> *Id.* at 33.

<sup>275</sup> Zissu, *supra* note 185, at 457.

<sup>276</sup> See Viva R. Moffat, *Mutant Copyrights and Backdoor Patents: The Problem of Overlapping Intellectual Property Protection*, 19 BERKELY TECH. L.J. 1473, 1522–23 (2004) (noting the Court failed to deal with the problems posed by trademark and copyright protection).

<sup>277</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003).

<sup>278</sup> *Frederick Warne & Co. Inc. v. Book Sales Inc.*, 481 F. Supp. 1191, 1198 (S.D.N.Y. 1979).

<sup>279</sup> *DC Comics, Inc. v. Unlimited Monkey Bus., Inc.*, 598 F. Supp. 110, 115 (N.D. Ga. 1984).

<sup>280</sup> Kurtz, *supra* note 77, at 444.

## VI. CONCLUSION

Historically, the intellectual property protection provided to fictional characters has been riddled with uncertainty. In copyright law, courts have routinely adjusted standards for protection, often confusing the state of the law to such a degree that lower courts are forced to analyze the question under every possible test to avoid reversal.<sup>281</sup> Yet the necessity for evaluation of the appropriateness of copyright protection for a given character far outweighs any concerns regarding the complexity of the analysis or the ability of courts to appropriately conduct it. Copyright protection must not be extended to ideas. If an intricate analysis is required to prevent such an extension, it is justified, and must be conducted before the question of substantial similarity is addressed.

Trademark and unfair competition laws provide several avenues for the protection of fictional characters with an ability to serve as indicators of source.<sup>282</sup> As with copyright protection, it is important that trademark protection be extended only where warranted. Courts have often failed to apply the statutory requirements of trademark law in a rigorous and principled manner, continually deciding cases based upon the general public recognition of a fictional character as opposed to the true source identifying nature of the proposed mark.<sup>283</sup> Adherence to the statutory requirements set forth in the Lanham Act provides numerous methods for ensuring that trademark protection is extended only to fictional characters that serve the goals of trademark law. Acquired distinctiveness, single source identification and likelihood of confusion standards present important obstacles to trademark protection of fictional characters and each must be established independently before trademark protection is properly granted.<sup>284</sup>

The unique ability of fictional characters to serve expressive as well as source identifying functions allow protection to be granted under both copyright and trademark doctrines. That said, where copyright and trademark protections overlap, copyright fair use is potentially compromised.<sup>285</sup> Courts should therefore pay particular attention to the alleged fair use, focusing on traditional copyright fair use concepts, in order to prevent the analysis from becoming subsumed by the public recognition of the fictional character. Where trademark protection persists following the expiration of a copyright term, *Dastar* and *Frederick Warne*

---

<sup>281</sup> See *supra* Parts II.A, B.

<sup>282</sup> See *supra* Part III.

<sup>283</sup> See, e.g., *DC Comics, Inc.*, 598 F. Supp. at 115, 119–20 (granting plaintiff's motion for summary judgment where "marks have acquired outstanding celebrity and have obtained virtually universal recognition in the United States and throughout the world as unique").

<sup>284</sup> See *infra* Parts III.A, B, C (discussing the element of distinctiveness in trademark protection).

<sup>285</sup> See *infra* Part IV (discussing concurrent trademark and copyright protection).



should guide the analysis and help ensure that the public domain is not improperly restricted.<sup>286</sup> A fictional character must indicate the origin or sponsorship of the tangible good to which it is connected to be a proper subject of trademark protection.<sup>287</sup> Association with the author, the original work, or simply the character itself, must not provide the basis upon which trademark protection is granted. The removal of a fictional character from the public domain following an expiration of the copyright term is only warranted where the fictional character serves the proper source identifying function. In the absence of such an association, trademark protection for fictional characters will create nothing more than an impermissible, perpetual copyright.

---

<sup>286</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003); *Frederick Warne & Co. Inc. v. Book Sales Inc.*, 481 F. Supp. 1191, 1198 (S.D.N.Y. 1979).

<sup>287</sup> *Dastar*, 539 U.S. at 37.