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A Character Dilemma: A Look into Trademark Protections for Characters from Creative Works

The United States constitution has allowed for the protection of intellectual property since its inception. Provisions in the constitution are the basis for copyright and patent law within the country.¹ As such, for over two hundred years, creative works have received copyright protection. Within this history of protection, there is a subset within creative works that has become a commodity in intellectual property: characters from creative works. These characters have also been receiving protection in the form of copyrights and trademarks.² This paper examines the conflict created between trademark law and copyright law by the ability to trademark characters from creative works. The paper further analyzes a solution to the problem: an expansion of fair use within trademark law for trademarks of creative works.

This paper argues that an expansion of the fair use doctrine in trademark law for trademarks of creative works would eliminate the problems created by simultaneous copyright and trademark protection of characters. After examining those problems created by simultaneous copyright, this paper contends that removing the descriptive language from current trademark fair use will solve the conflict and further the goals of trademark and copyright law.

Part II of this paper examines the copyright protections which are currently available for creative works. Part II explores the relationship between copyright for the underlying creative work and for the characters within that work. It further examines the underlying purpose and goal of providing copyright protection to those works and the bargain that is the basis for copyright law in the United States.

Part III of this paper discusses the current climate and trends within trademark law for allowing trademark protections of characters from creative works. This section will explore the

¹ U.S. Const. art. I, § 8, cl. 8.

² See discussion *infra* pgs.2-4.

need for trademark protections of creative works and its characters. It will also explore the different aspects of trademark law that help or hurt these protections.

Part IV investigates the conflicts between copyright law and trademark law created by allowing trademark protections for characters from creative works. This section explores conflicting underlying purposes of both copyright law and trademark law and examines the reasoning for each conflict. The section looks at two main conflicts between the areas of law.

Part V analyzes a potential solution to that conflicts discussed in Part IV: an expansion of fair use within trademark law for trademarks of creative works. This section argues that an expansion of fair use within trademark law would solve the conflict created by trademark protections for creative characters. Furthermore, this section argues that the expansion should involve removing requirement of a mark being descriptive from the fair use requirement. By expanding fair use, simultaneous copyright and trademarks of characters from creative works can exist without problems.

Part II. Copyright Protections for Characters from Creative Works

Copyright law in the United States acts as a bargain between the public and the author of an original work. The United States provides copyright protection for original works of authorship that are fixed in a tangible means.³ This protection allows for the author of an original work to have exclusive rights to their work for a limited duration, the lifetime of the author plus seventy years. During that time period, an author is protected from others, among other things, attempting to copy their work, or make derivative works.⁴ However, after the

³ 17 U.S.C.A. § 102 (1990).

⁴ 17 U.S.C.A. § 106 (1990).

expiration of the copyright, the copyrighted material enters the public domain.⁵ The limited monopoly granted through copyright protection balances the interests of the public in having the access to the creative work and providing incentives for authors to create work.

The bargain between the public and author created by copyright law is emphasized by copyright's fair use doctrine. Copyright law does not extend protection to an author's work from fair use. The law provides four factors to determine whether an alleged use of a copyright is a fair or infringing use. The first factor is the nature and purpose of the use. The second is the nature of the copyrighted work. The third is the "amount and substantiality of the portion used in relation to the copyright as a whole."⁶ The fourth and final factor is the "effect of the use on the potential market or value of the copyrighted work."⁷ By balancing these four factors, courts determine if the use of the copyrighted work qualifies as fair use. One example would be a parody of a movie, such as the Scary Movie franchise. Despite using recognizable elements from other works, Scary Movie would likely be found as fair use of those copyrights because it acts as a parody of the horror genre. Fair Use acts as a tool for the balancing of interests between the public and the author of a creative work.

The bargain of copyright that applies to creative works may also apply to characters within those creative works. While Congress has not included characters as their own category in the copyright statute⁸, courts have continuously held that characters may be copyrighted separate from the works they are included in.⁹ By protecting both the underlying work and the character itself, courts are expanding the right of the author. If, instead, courts did not allow for copyright

⁵ 17 U.S.C.A. § 302(1990).

⁶ 17 U.S.C.A. § 107 (1990).

⁷ *Id.*

⁸ 17 U.S.C.A. § 107 (1990).

⁹ *See e.g.*, *Silverman v. CBS Inc.*, 870 F.2d 40 (2d. Cir. 1989) (allowing infringement claims for trademarked characters); *see also*, *Harvey Cartoons Inc. v. Columbia Pictures Indus. Inc.*, 645 F. Supp. 1564 (S.D.N.Y. 1986) (holding that there was no infringement but accepting the validity of trademark for "ghostly trio").

of characters, the author's protections would be limited to the character within the underlying work. For instance, if the character of Harry Potter could not be copyrighted as a character, but instead only received protection within the underlying work, other individuals could create derivatives works which included the character of Harry Potter. Instead of permitting that result, the courts have allowed protection for those characters, showing that the characters are just as much an original work of authorship as the underlying work itself. Characters can thus be entitled to copyright protection.

While copyright protections may be available to characters from creative works, not all characters are copyrightable. Courts have split the inquiry into copyright protections for characters into a two part test: (1) is the fictional character proper subject for copyright and (2) is there substantial similarity.¹⁰ Thus, before determining substantial similarity, courts first determine if the particular character is able to be copyrighted.

In order to determine whether a character can be copyrighted, courts have generally used two different standards: the distinct delineation standard and the story being told test.¹¹ Distinct delineation is one of the first standards created when deciding if characters could be copyrighted.¹² The standard allows for characters that are clearly and distinctly delineated to be given protection. The more drawn out a character is, the more likely it is to receive protection within the courts. For example, in *Detective Comics, Inc. v. Brun Publications*, the court held

¹⁰ *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co., Inc.*, 900 F. Supp. 1287, 1292 (C.D. Cal. 1995).

¹¹ *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930) (Judge Hand 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.).

¹² *Id.*

that Superman was “distinctly delineated” as to be protected under copyright law.¹³ The court discussed that the depictions of Superman embodied “arrangement of incidents and literary expressions original with the author.”¹⁴ Because Superman was more than just a basic embodiment of an idea, the court permitted protection. While most courts apply the distinct delineation standard, the ninth circuit has moved toward a different test.

The ninth circuit has created a second standard to determine if a character should receive copyright protection. The ninth circuit has created the story being told standard. In the story being told standard, the court looks at whether the character is the story being told or merely a piece within that story.¹⁵ In *Warner Brothers Pictures v. Columbia Broadcast System, Inc.*, the ninth circuit held that “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.”¹⁶ In that case, Warner Brothers had purchased film, television and radio rights to the book series the Maltese Falcon. After granting those rights, the author granted rights for the characters from the novel to the defendants in the case, as long as those characters were not being used in the Maltese Falcon stories.¹⁷ The defendants then aired a radio show called the Adventures of Sam Spade. Sam Spade was the lead character from the Maltese Falcon. Warner Brothers sued for claiming they had trademark rights over the character as well.¹⁸ The court held that the character was merely a piece in the story and as such was not entitled to separate protections.¹⁹ This test is a lot stricter than the distinct delineation test and arguably provides that characters generally cannot be copyrighted. Because of the strict

¹³ *Detective Comics, Inc. v. Bruns Publ'ns, Inc.*, 111 F.2d 432, 433-34 (2d Cir. 1940).

¹⁴ *Id.*

¹⁵ *Warner Brothers v. Columbia Broadcasting System*, 216 F.2d 945 (9th. Circ. 1954).

¹⁶ *Id.* at 950.

¹⁷ *Id.* at 948.

¹⁸ *Id.* at 953.

¹⁹ *Id.*

application of the test, the ninth circuit has somewhat moved away from the test.²⁰ While the story being told test has not been strictly overruled, the court has applied it in limited circumstances. Despite the limiting of the test, the ninth circuit still uses the story being told standard.

If a character is drawn out enough to receive its own protection, questions arise when the character is in derivative works. What happens as those works enter the public domain? As a copyright expires, typically the work would enter the public domain with all of the elements including its characters. But what happens when the characters are also in later works? The courts then rely on the derivative works doctrine.²¹ Under the derivative works doctrine, the public has access to those characters as they appear in the works which have entered the public domain.²² Any changes that may have occurred to that character in later works, on the other hand, cannot be used by the public. Thus, for example, if Steamboat Willie entered the public domain, barring any trademark issues, under the derivative works doctrine, the public could use the image and character of Steamboat Willie freely. They would not, however, be able to use the Mickey Mouse characteristics that were added in later stories. The public would be limited to that first story which entered the public domain.

Whether applying the story being told test or the distinct delineation standard, it is clear that authors are likely to be able to copyright distinct characters from their creative works separate from the underlying work. That copyright protection would prevent other authors from creative derivative works with the character, along with all of the other protections granted by

²⁰ 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”).

²¹ 17 U.S.C. § 103 (2000).

²² *Id.*

the United States through copyright protections.²³ Only those characters that are sufficiently distinct or those that represent the story being told will be given those rights previously discussed that are associated with copyright protection. Despite the limitation on which characters may receive copyright, the ability to copyright a character significantly expands the potential rights of an author and acts as an important tool of protection for creative works.

Part III. Trademark Law and Characters from Creative Works

In addition to the copyright, characters from creative works have the potential to receive trademark protection. While copyright seeks to protect the original work of an author, trademarks protect the value of the mark. A trademark, under the Lanham Act, is any “word, name, symbol, or device, or combination thereof used”²⁴ as a source indicator for a good. In other words, a trademark must allow the consumer to recognize the producer (or source) of that good. Unlike copyright, which incentivizes creation, a trademark prevents the public from being confused as to the source of a good.²⁵ A trademark further allows a commercial user to cultivate their reputation and name by continuously using a mark for identification purposes.²⁶ Trademark protection provides a limited monopoly over using as a source identifier with those goods and services for which the mark is used.

Trademark of specific characters is permitted as long as the character is distinctive enough and used as a source identifying mark. Where copyright law is concerned with the development of a character, trademark law is concerned with the character’s use as a source identifying mark. Before determining whether a mark is source identifying, the courts must

²³ 17 U.S.C.A. § 106 (1990).

²⁴ 15 U.S.C.A §1052 (2006).

²⁵ 15 U.S.C.A §1114 (2006).

²⁶ William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 269 (1987).

determine if a character is distinctive enough to be used as a mark. No court has found that a non-pictorial character is inherently distinctive.²⁷ Instead most courts have found that the character has acquired a secondary meaning as a source identifier. For example, in *Frederick Warne & Co. v. Book Sales Inc.*, Warne was looking for trademark protection of character illustrations.²⁸ The court noted that while the illustrations could not be inherently distinctive, they could have acquired distinctiveness.²⁹ To show acquired distinctiveness, the proponent of a trademark has the burden to show that the mark has obtained distinctiveness through widespread use and recognitions.

If a character is distinctive, it must also be used as a source identifier to receive trademark protection. United States Trademark law gives protections to only those marks which indicate the source of the goods.³⁰ A mark which is used as a source identifier is a mark which conveys the identity of the source through its use. Thus when a consumer sees the mark, they understand where the goods come from. For example, when a consumer sees a can of Coke with the Coke trademark, the consumer understands the source to be Coca-Cola. Courts have interpreted the source indicating requirement to refer to a single source.³¹

²⁷ See generally Christine Nickels, *The Conflicts Between Intellectual Property Protections When a Character Enters the Public Domain*, UCLA ENT. L. REV. 133, 130 (1999). (discussing the conflicts created when a character enters the public domain.); This paper differs from the Nickels article in that it further examines the conflicts between copyright and trademark law and furnishes a solution to those conflicts: an expanded fair use doctrine for trademark law.

²⁸ *Frederic Warne & Co. v. Book Sales Inc.*, 481 F. Supp. 1191, 1195 (S.D.N.Y. 1979).

²⁹ *Id.* at 1193.

³⁰ 15 U.S.C. § 1127 (2006).

³¹ See 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) (stating that trademarks act “to signify that all goods bearing the trademark come from a single, albeit anonymous, source”).

As such, the single source rule is an impediment to trademarks for fictional characters.³² This impediment was demonstrated in *Warne*. In *Warne*, the court noted that it would not be sufficient for the illustrations to indicate Beatrix Potter, the author of the Peter Rabbit series, but they had to be indicative of the publisher, Warne, as the source of the goods.³³ The court reasoned that if the illustrations were not acting as a source indicator for one source, then the trademark would be invalid.³⁴ If, on the other hand, Warne was able to establish that the illustrations had obtained a secondary meaning as a source indicator for the publisher, the trademark would be valid.³⁵ Other fictional characters would likely run into the same issues when seeking trademark protection. When looking for trademark protection for fictional characters, courts will thus look into exactly what source the trademark is indicating. For some characters, like Harry Potter, that question is more difficult as the character may indicate the author, J.K. Rowling and the publisher. For other characters, such as Mickey Mouse, the distinction is clearer with consumers likely identifying the Walt Disney Company as the source of the good.

Even after a fictional character is the subject of a valid trademark, there is still another hurdle to infringement claims. In order to infringe on the trademarked fictional character, the alleged infringing use must cause a likelihood of confusion between the marks.³⁶ Likelihood of confusion tests vary from jurisdiction to jurisdiction.³⁷ With regard to fictional characters, the

³² See *Universal Studios v. Nintendo Co.*, 578 F. Supp. 911, 923-26 (S.D.N.Y. 1983) (holding Universal's trademark for King Kong lacked the ability to identify a single source).

³³ *Warne*, 481 F. Supp. at 1195.

³⁴ *Id.* at 1196.

³⁵ *Id.* at 1194.

³⁶ 15 U.S.C. §§ 1114, (2006).

³⁷ See e.g., *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir.1979)(stating that the eight factor test examined

(1) the strength of the mark; (2) the proximity or relatedness of the goods; (3) the similarity of the marks; (4) evidence of actual confusion; (5) the marketing channels used; (6) the degree of care

trademark of a fictional character will typically prevent that character from being used in further new creative works. If a trademarked character is used in a new form, confusion over the source of the goods by consumers is likely. In many cases, infringing users have been enjoined from using the fictional character in a different form, similar to the way a copyrighted character cannot be used in a derivative work.³⁸ One example can be seen in *Warner Brothers Entertainment, et al. v. The Global Asylum, Inc.*³⁹ In *Global Asylum*, Warner Brothers and its co-plaintiffs sought to restrain Global Asylum from advertising and selling its movie, “Age of Hobbits”, which Warner Brothers argued infringed on their trademark rights to the Hobbit.⁴⁰ The court examined the eight factors for likelihood of confusion in the Ninth Circuit and weighed those factors in the favor of Warner Brothers.⁴¹ Other courts have also weighed the likelihood of confusion factors in favor of the fictional character trademark holder.⁴² The public would likely confuse that the title and use of the Hobbit characters. As such, while the likelihood of confusion requirement makes an infringement suit more difficult, with fictional characters likelihood of confusion is likely to be found.

Another issue that arises with likelihood of confusion occurs with commercial products that may be infringing on the trademark of a fictional character.⁴³ Where the use of a fictional character in another form or work, such as the use of the Lone Ranger in the circus act, would

customers are likely to exercise in purchasing the goods; (7) the defendant's intent in selecting the mark; and (8) the likelihood of expansion into other markets).

³⁸ See *Lone Ranger, Inc. v. Currey*, 79 F. Supp. 190, 191-95 (M.D. Pa. 1948) (holding that the unlicensed use of the Lone Ranger trademark in a rodeo was not permitted); See also, *Lone Ranger, Inc. v. Cox*, 124 F.2d 650, 651-52, 654 (4th Cir. 1942)(holding that the unlicensed use of the Lone Ranger trademark in a circus was not permitted).

³⁹ *Warner Brothers Entertainment, et al. v. The Global Asylum, Inc.*, 2012 WL 6951315, (C.D. Calif. 2012).

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² See e.g., *DC Comics, Inc. v. Unlimited Monkey Bus., Inc.*, 598 F. Supp. 110, 115-16 (D.C. Ga. 1984)(holding that because of the distinctive nature and uniqueness of the plaintiff’s marks, Superman and Wonder Woman and the likelihood of confusion, the defendant’s singing telegram was an infringing use).

⁴³ See *Toho Co. v. Sears Roebuck & Co.*, 645 F.2d 788, 790-91 (9th Cir. 1981) (holding that the Bagzilla garbage bags were not likely to cause confusion for consumers as to the source of the bags).

most likely be seen as a likelihood of confusion, an alleged commercial product infringement would likely not be seen as likelihood of confusion. Despite this, more recent cases recognize the vast marketing usages for trademarks of fictional characters.⁴⁴ The public makes an association between these products bearing the trademarked fictional character and assume an endorsement of some sort with the source of that trademark.⁴⁵ As such, the likelihood of confusion is both narrow and broad when providing protections to trademarked fictional characters.

In addition to the traditional trademark protections, in 1995 with the Federal Trademark Dilution Act and then again with the Federal Trademark Dilution Revision Act of 2006, dilution has become a federal cause of action. Dilution is different from traditional trademark protections. Dilution only applies to those trademarks which are “famous”.⁴⁶ Once a mark is deemed famous, a likelihood of confusion is no longer required for infringement.⁴⁷ Even those uses which are not likely to cause consumer confusion are considered infringing because they “dilute” the power of the trademark and the reputation of the trademark holder. By allowing trademarks for fictional characters, the door is opened to allowing dilution claims for those fictional characters. Indeed, in *Danjaq LLC v. Sony Corp*, a court deemed the James Bond character trademark as famous and

⁴⁴ See, e.g., *Conan Props Inc. v. Conans Pizza Inc.*, 752 F.2d 145, 150 (5th Cir. 1985) (recognizing that consumers expect and recognize endorsements by fictional characters).

⁴⁵ See, *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.”).

⁴⁶ 15 U.S.C.A § 1125(c)(2)(A) (2006)

(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.)

⁴⁷ *Id.* § 1125(c)(1) (“regardless of the presence or absence of actual or likely confusion”).

allowed for an injunction to prevent Sony from producing films.⁴⁸ In that case, the court reasoned that allowing the use would cause the mark to be diluted.

While the cases are few, there are cases where fictional character trademarks are protected by dilution claims.⁴⁹ Characters such as Harry Potter or Mickey Mouse are likely to be viewed as “famous” marks and would thus be allowed to pursue dilution claims even when no likelihood of confusion was present. As such, under the current system, those “famous” fictional characters could, theoretically, have infinite intellectual property protections. Unlike traditional infringement claims, which protect the consumer from confusion, the dilution claims protect solely the trademark holder with no benefit to the public. The expansion of trademark protections through dilution to those characters from creative works, which are already protectable through copyright, creates a conflict between trademark law and copyright law.

Part IV. The Conflicts Created by Dual Copyright and Trademark Protections of Characters

An inherent conflict exists between purpose of trademark law and copyright law. Trademark law allows protections indefinitely for the protection of commercial interests in source identifying marks.⁵⁰ Meanwhile copyright provides only a limited monopoly to balance incentivizing the creators of original works and the public’s access to those creative works. Because the underlying reasons for providing protections through trademarks and copyright are so different, utilizing both copyright and trademark simultaneously will result in conflicts. The underlying purposes are different and therefore the policies within trademark law and copyright law are very different.

⁴⁸ *Danjaq LLC v. Sony Corp.*, 49 U.S.P.Q.2d 1341, 1343-44 (C.D. Cal. 1998).

⁴⁹ *See e.g.*, *Brown v. It's Entm't, Inc.*, 34 F. Supp. 2d 854, 860 (E.D.N.Y. 1999).

⁵⁰ 15 U.S.C.A §1058, (2006).

Two very big differences between copyright and trademark law collide when there is simultaneous usage. The first is the duration limitation within copyright. Copyright law has the limited duration for a copyright in order to balance public access to the copyrighted work and the authors need for an incentive.⁵¹ Trademark law has no such durational limit. A trademark will last as long as it is still functioning as a source identifier.⁵² Allowing a trademark for a copyrighted character gives the author the lifetime plus seventy to ensure that their character is used as a source identifier and continue its protection indefinitely. This continuous use would directly contradict the underlying purpose and goals of copyright law. Indeed, with regard to patent law, the courts have not allowed a trademark for a products title and trade dress when the source indicating use of the trade dress and name were a product of using their monopoly through patent law.⁵³ Despite that, courts continuously allow trademark protection for source indicating marks that also receive copyright protection. This continuation creates a major problem: the shrinking of the public domain.

Copyright law places emphasis on copyrighted works entering the public domain at the end of a copyright because the public domain is an important aspect of the copyright system. Indeed, copyrighted materials eventually entering the public domain plays a huge rule into the bargain that is copyright protection. The public will eventually receive the good of unlimited access to the creative work in the public domain but the author receives the incentive to create through the limited monopoly on their copyrighted material prior to that time.

The public domain promotes access to creative works by the public in all forms. A current example is literature that is in the public domain. Currently, literature that has already entered the public domain may be downloaded freely by anyone in the form of an e-book or

⁵¹ *Id.*

⁵² 15 U.S.C.A §1058, (2006).

⁵³ *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938).

audio books. iBooks and other e-book platforms allow for these free download because the book is in the public domain.⁵⁴ This increases access to these works by individuals who otherwise would not have access.

Additionally, the public domain allows for derivative works by other creators which can change the way a work is viewed or bring it to new audiences. Shakespeare is in the public domain and as such countless adaptations and interpretations of his work are available to read, view or listen too.⁵⁵ The different versions add to the public good. Another example is books such as *Pride, Prejudice and Zombies*. These books take stories that have entered the public domain and add a new twist.⁵⁶ While some of these books would be permitted under the fair use doctrine, the public domain opens a variety of new and interesting opportunities for people to take works and build upon them. Access to the public domain encourages creation.

Despite the importance of the public domain, trademark protection for characters from creative works can shrink the public domain considerably. Because trademark would allow characters to remain protected beyond the lifetime plus seventy duration limit, creative works that traditionally would enter the public domain at that time would be removed from the public domain.⁵⁷ For example, in *Edward Rice Burroughs Inc. v. Dynamite Entertainment*, Edward Rice Burroughs Inc. is suing Dynamite Entertainment for their Tarzan comics for trademark infringement.⁵⁸ The Tarzan materials were in the public domain when Dynamic made a comic

⁵⁴ Project Gutenberg, (November 24, 2013 12:00 AM) <http://www.gutenberg.org/>.

⁵⁵ Charles Isherwood, *Your Favorite Shakespeare Performances*, NY TIMES, (November 22, 2013 10:00 AM) [http://www.nytimes.com/2013/11/20/theater/best-shakespeare-performances.html?_r=0.\(examining various adaptations of Shakespearean plays\)](http://www.nytimes.com/2013/11/20/theater/best-shakespeare-performances.html?_r=0.(examining%20various%20adaptations%20of%20Shakespearean%20plays).).

⁵⁶ Chris Louttit, *Remixing Period Drama: The Fan Video and the Classic Novel Adaptation*, ADAPTATION, (November 12, 2013 11:00 AM) [http://adaptation.oxfordjournals.org/content/early/2013/04/25/adaptation.apt005.Short.\(discussing adaptations of classic novels\)](http://adaptation.oxfordjournals.org/content/early/2013/04/25/adaptation.apt005.Short.(discussing%20adaptations%20of%20classic%20novels).).

⁵⁷ Zachary Knight, *Edgar Rice Burroughs Inc. Using Trademark Law to Prevent the Use of Public Domain Stories*, TECH DIRT, (November 21, 2013 11:00AM) <http://www.techdirt.com/articles/20120228/18543417906/edgar-rice-burroughs-inc-using-trademark-law-to-prevent-use-public-domain-stories.shtml>.

⁵⁸ *Id.*

book version. Edward Rice Burroughs Inc. was alleging that despite the lack of copyright protection, the comic book version still violates their trademark right.⁵⁹ While the case has not yet been decided, the suit brings to light the idea that a character that enters the public domain could be protected under trademark law if that character is a source identifier. Indeed, if the Tarzan comics were more like the Harry Potter series, it's likely a trademark infringement suit would be successful. Because J.K. Rowling has a valid trademark on the Harry Potter characters, the Harry Potter series will effectively never enter the public domain. Indeed, in *Warne*, the court reasoned that:

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.⁶⁰

The courts have made it clear that merely because a work has entered the public domain through its copyright expiration, its trademark rights are unaffected. Effectively, trade marking these characters from creative works can prevent the public domain from receiving the copyrighted work completely. As such, the public do not receive the benefit of the bargain in the copyright which greatly undermines the purpose of copyright law as a whole.

Recently in *Dastar Corp. v. Twentieth Century Fox Film Corp.*, the Supreme Court limited protections under the Lanham Act for creative works to only those that are truly source identifying of the good itself, not the author of the work.⁶¹ When the Supreme Court reached its decision in *Dastar*, the conflict between trademark law and copyright law at first appeared to

⁵⁹ *Id.*

⁶⁰ *Warne*, 481 F. Supp. at 1196.

⁶¹ *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003).

have been solved.⁶² One of the court's reasons behind its holding in *Dastar* was to avoid creating a mutant version of copyright through trademark protections. However, *Dastar* dealt with a reverse passing off claim under section 43 of the Lanham Act⁶³ and not any other form of trademark infringement. As such, despite the goal of avoiding the conflict, intellectual property law post-*Dastar* still allows for the conflict between trademark and copyright protections when dealing with fictional characters.

As discussed, the court in *Dastar* did not allow for a reverse passing off claim where the company had repackaged the good and branded it under their logo.⁶⁴ The court held that the logo indicated the source of the good itself and not the original work. In *Dastar*, the plaintiff was not claiming that their trademark rights were being infringed but instead that *Dastar* was improperly passing off CBS goods as their own and as such violating Section 43 of the Lanham Act by a false designation of origin.⁶⁵ The Supreme Court held that origin in section 43 did not refer to the author of an original work but instead to the creator of the good or service.⁶⁶ With fictional characters, that analysis is not as simple because it would involve not necessarily a reverse passing off claim but also a trademark infringement claim.

While *Dastar* could be interpreted to apply to more than just origin as stated in section 43 of the Lanham Act, courts thus far are interpreting *Dastar* more narrowly.⁶⁷ In *Bach v. Forever Living Products U.S., Inc.*, the author and photographer of the book *Jonathan Livingston Seagull* sued a medical products supplier for trademark infringement.⁶⁸ The supplier sought dismissal

⁶² *Id.* at 29-32.

⁶³ 15 USC 1125 (a) (1).

⁶⁴ *Dastar*, 539 U.S. at 35.

⁶⁵ *Id.*

⁶⁶ *Id.* at 35-36.

⁶⁷ See e.g. *Bach v. Forever Living Products U.S., Inc.*, 473 F. Supp. 2d 1110, 1116-1117 (W.D. Wash. 2007) (holding *Dastar* was inapplicable).

⁶⁸ *Id.*

under the *Dastar* standard.⁶⁹ The court held that the *Dastar* standard was inapplicable in this case where the copyright and trademark claims were separate legal infringement claims.⁷⁰ Unlike *Dastar*, *Bach* dealt with a straightforward infringement claim not a reverse passing off claim.⁷¹

If courts view *Dastar* narrowly as solely dealing with reverse passing off and not infringement, then *Dastar* does nothing to limit the scope of dual trademark copyright protections. For example, a character such as Mickey Mouse has a specific association with the Walt Disney Company. If a person was to insert Mickey Mouse into a new movie, *Dastar* would probably not prevent Disney from claiming trademark infringement. If someone recreated the Steamboat Willie cartoon, and packaged it under a new name, *Dastar* would prevent a trademark infringement claim. While the *Dastar* standard might prevent Disney from pursuing a reverse passing off claim⁷², Disney could still claim infringement on its trademark rights in using Mickey Mouse as a source indicator for Walt Disney Company. Therefore, the species of mutant copyright like protections in trademark law the Supreme Court sought to avoid in *Dastar* still exist in current trademark law and thus still conflict with the purposes and goals of the copyright system.

The second major conflict that arises between Trademark and Copyright law when there is simultaneous protection is fair use. Under copyright law, fair use allows for a great variety of uses depending on a four factor test.⁷³ The fair use exception for trademark law is more limited. For classic trademark fair use defense, an alleged infringer is permitted use of a protected trademark in a descriptive way.⁷⁴ Under the statutory fair use, there is no infringement

⁶⁹ *Id.* at 1113-1115.

⁷⁰ *Id.* at 1116-1117.

⁷¹ *Id.*

⁷² *Dastar*, 539 U.S. at 35.

⁷³ *Detective Comics, Inc.*, 111 F.2d 432.

⁷⁴ Restatement (Third) of Unfair Competition § 28 (1995).

if the mark was (1) not used as a trademark; (2) used fairly and in good faith; and (3) used only to describe its own goods or services.⁷⁵ Because the statutory fair use defense is conjunctive and not disjunctive, it requires that the mark be used to describe its own goods or services. As such, uses that would be acceptable under copyright fair use, such as parody, would not necessarily be acceptable under the statutory factors of trademark fair use. Additionally, some courts have allowed use of marks in contexts similar to copyright fair use.⁷⁶ Courts have allowed for use of a trademark for artistic expression. Many cases of artistic expression involve the use of a trademark in a parody or social commentary. For example, two separate courts have held that Mattel's trademark of Barbie could be used in an artistic manner.⁷⁷ In addition to those exceptions, courts have also started to allow a first amendment artistic expression defense to infringement. Two tests have developed to determine if the use of a mark is artistic fair use: the alternate methods test⁷⁸ and the *Rogers* test⁷⁹. The *Rogers* test allows artistic fair use when "the public interest in avoiding consumer confusion outweighs the public interest in free expression."⁸⁰ Courts have applied the *Rogers* test examining whether the trademark is necessary to the artistic expression within the underlying artistic work and whether there is an attempt to mislead consumers, or consumer confusion.⁸¹ Furthermore, in *Girl Scouts of America v. Bantam Doubleday Dell Publishing Group*, the court held that the balancing test that weighed

⁷⁵ KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111, 117-19 (2004) .

⁷⁶ See *Mattel Inc., v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002).

⁷⁷ See *MCA Records, Inc.*, 296 F.3d 896 (holding that the use of the trademark Barbie in the song Barbie Girl was for parody purposes and as such was fair use); See also *Mattel Inc., v. Walking Mountain Productions*, 353 F.3d 792, 808 (9th Cir. 2003)(holding that Mattel's trademark rights were not infringed by the use of the Barbie trademark and traddress in photographs portraying Barbie in unusual and adult poses).

⁷⁸*Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 206 (2nd Cir. 1979) (applying the alternate methods test).

⁷⁹ *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2nd Cir. 1989).

⁸⁰ *Rogers*, 875 F.2d at 998-99

⁸¹ See e.g., *University of Alabama Board of Trustees v. New Life Art, Inc.*, 683 F.3d 1266 (11th Cir. 2012); see also, *Louis Vuitton Mallatier v. Warner Brothers Entertainment, Inc.*, 868 F. Supp. 2d 172 (S.D.N.Y. 2012)(applying the Rogers test).

necessity to underlying artistic expression with misleading of consumers applied regardless of the medium of artistic expression⁸²; In the *Girl Scouts* case, the artistic medium was children's books which featured the fictional "Pee Wee Scouts."⁸³ Furthermore, in *University of Alabama v. New Life Art*, the court weighed the first amendment expression of the artists with the commercial interest of the mark holder.⁸⁴

Another test that some courts will apply is the alternate methods test. Under this test, an artist may be enjoined from utilizing a trademark for expressive purposes if "alternative avenues of communication" might have conveyed the artist's message.⁸⁵ In *Dallas Cowboys Cheerleaders, Inc.*, the Dallas Cowboys were seeking to enjoin the use of their trademark and trade dress in a movie poster for Debbie Does Dallas. The court found that the film company could have found alternate options to demonstrate the sexuality of sports without infringing on the Dallas Cowboys' mark.⁸⁶ After that case, however, the second circuit has continued to limit the application of *Dallas Cowboys* to cases which involve "blatantly false and misleading advertising."⁸⁷

Most of the artistic fair use cases, however, do not deal with fictional characters and as such neither the *Rogers* test nor the alternate methods test have been applied to characters from creative works which have previously been copyrighted. Indeed, the closest to a fictional character in a fair use case has been Barbie. Barbie, in addition to representing the doll, also has a series of movies, videogames and books in which she is a character. However, the cases

⁸² *Girl Scouts of the United States of America v. Bantam Doubleday Dell Publishing Group, Inc.*, 808 F. Supp. 1112, (S.D.N.Y. 1992).

⁸³ *Girl Scouts*, 808 F. Supp. at 1121.

⁸⁴ *University of Alabama Board of Trustees v. New Life Art, Inc.*, 683 F.3d 1266 (11th Cir. 2012).

⁸⁵ *Dallas Cowboys Cheerleaders, Inc.*, 604 F.2d, 206 (2nd Cir. 1979).

⁸⁶ *Id.*

⁸⁷ *Ocean BioChem, Inc. v. Turner Network Television*, 741 F. Supp. 1546, 1560 n.8 (S.D. Fla. 1990) (citing *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2nd Cir. 1989)).

dealing with the alleged trademark infringements for Barbie involved parody uses of the mark and trade dress for the doll, not the character created from the doll.⁸⁸ Applying the Roger's test to either MCA Records or Walking Mountain Productions would probably yield the same result. The use of the trademark was necessary to the artistic work and the use of the mark was also not likely to confuse the consumer. Under the alternate methods test, Mattel may have had better luck succeeding in an infringement claim against Walking Mountain Productions. It is possible a court could find, as they found in *Debbie Does Dallas*, that there were alternate methods for parodying gender norms.

As such, it is possible that fictional characters may not be treated in the same way because their initial use is solely a creative and artistic use. The underlying goods and services of a trademarked fictional character would likely be very similar to the goods or services that were now being artistically expressed. As such, consumer confusion and misleading of the consumer would be likely to occur with any artistic usage of a new fictional character. The situation of a new author taking a trademarked character from a creative work and inserting it into a new artistic work is not the same as an artist painting a college's trademarked uniforms and names into their painting.⁸⁹ Thus, though courts have allowed for uses such as parody and artistic, fair use within trademark law is stricter than its counterpart in copyright and artistic fair use for trademarked fictional characters is unknown and unclear. The strictness of fair use in trademark contradicts with the idea of allowing the public access to works that are transformative and from the encouragement that the copyright fair use doctrine provides for individuals to transform works.

⁸⁸ See *MCA Records, Inc.*, 296 F.3d at 896; See also *Walking Mountain Productions*, 353 F. 3d 808.

⁸⁹ See *University of Alabama Board of Trustees*, 683 F.3d 1266.

Part V. Expansion of Fair Use in Trademark Law

In order to solve the conflicts created by simultaneous copyright and trademark protection for characters from creative works, fair use in trademark law should be expanded. An expansion of the doctrine of fair use in trademark to allow characters from creative works protected by trademarks to be used in any artistic or creative expression as well as allowing for copying of the original works. While currently, there is a trend to expand artistic fair use within trademark law,⁹⁰ it should be presumptive that an artistic use of a trademark that had previously been subject to copyright protections and would enter the public domain but for the trademark status is a valid non-infringing use. Trademark's fair use doctrine should carve out a particular exception for those specific works that are subject to copyright and trademark and expand the artistic fair use definition substantially.

Courts currently use one of two tests, either the *Rogers* or alternate methods test, to determine whether a use falls under the umbrella of artistic fair use. Both of these tests are insufficient to solve the problems created by trademark protections for copyrighted characters from creative works. First of all, it is unclear how courts would apply either of these tests to cases involving the artistic use of previously copyrighted fictional characters in a new work. While the tests themselves would seemingly allow a character that has fallen into the public domain but is still covered by a trademark, to be used in artistic expressions, there is no way to know if courts will truly apply the tests in that manner. Examine, for example, a character such as Harry Potter. If after Harry Potter's copyright protections expire, an individual were to write a new Harry Potter story, would a court view that as artistic fair use? Under the *Rogers* test, the case would probably turn on whether the consumer was being misled. Because Harry Potter was

⁹⁰ *Id.*

initially an artistic expression in books, a court could easily find that the new Harry Potter book was misleading. Under the alternate method test, the court would likely examine whether a book with the themes and story could be told using a different character, and could easily find that it could. While no court has yet to examine this issue, it is highly possible that neither of these tests would solve the conflicting problems between trademark and copyright protections of characters from creative works.

Expanding fair use by weighing artistic expression more heavily and permitting copying of those works which would already be in the public domain would be in line with both copyright objectives and trademark objectives. The expansion of fair use would solve the conflict between the two objectives. First, expansion of trademark fair use would allow for the public to receive the benefit of the copyright bargain. By presuming that artistic expression or creative expression which included trademarks was non-infringing for those marks which would have entered the public domain, creativity and artistic expression would be encouraged while maintaining the commercial aspect of the trademark. Furthermore, by expanding fair use to include copying of the trademark within the original work after that original work has moved into the public domain, similar to *Dastar*, would allow the public to access the works as they are entitled to after the end of a copyright duration.

Furthermore, by allowing fair use, the balancing of consumer interest in the source of a product and the commercial benefit to the mark holder would be maintained. As discussed above, a huge benefit of trademark protections for fictional characters are the product and other endorsements that are made through those trademarks.⁹¹ With Harry Potter, dolls, toys,

⁹¹ See, e.g., *Conan Props Inc. v. Conans Pizza Inc.*, 752 F.2d 145, 150 (5th Cir. 1985) (Recognizing that consumers expect and recognize endorsements by fictional characters). See also, *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.”).

memorabilia, theme parks and theme park attractions, cups and many more things have been endorsed or licensed with the Harry Potter trademark. The expanded fair use doctrine in trademark would not limit any of those rights. Those non artistic or creative expressions would still not be permitted to utilize the Harry Potter trademark. Those commercial interests would still be protected by the trademark. While the trademark holder would lose the benefit of protection with regard to the commercial interests of the artistic expression, i.e. book sales, movie sales, and video game sales, the balance could still be maintained between the public good and the rights of the trademark holder.

Additionally, expanding fair use would not increase consumer confusion. Just as fair use in copyright does not diminish the original work, fair use in trademark would not diminish the original source. Expanded fair use would allow for new creative and artistic expressions using those fictional characters once their copyright protections have expired. Because these new works would be credited, the public would not likely be confused as to the source of the good. Take, for example, a new Harry Potter book. Under this proposed expansion, once Harry Potter entered the public domain, a new author could write stories including those famous Harry Potter characters. Those books would be credited to the new author who would eliminate any potential for likelihood of confusion. While infringement of a trademark does require likelihood of confusion, the likelihood of confusion element is not enough marry the interests of copyright law and trademark law, primarily because of the issues with Trademark dilution.⁹² The expanded fair use would have no exceptions for famous marks that plague current trademark law. Furthermore, a presumptive fair use for those works which were subject to copyright but are now entering the public domain is more likely to result in less litigation over likelihood of confusion issues. A

⁹² 15 U.S.C.A. § 1125(c)(1)(2006) (“regardless of the presence or absence of actual or likely confusion”).

presumption will promote creation without the fear of litigation. Relying instead on likelihood of confusion analysis, requires much more work.

It can be argued that expanding fair use would undermine the purpose of the trademark system. Currently, trademarks do not take into account the need to promote creativity and originality. That goal is left up to the copyright system. Instead, trademarks are supposed to protect the public domain and the trademark holder who invested time and money into their brand.⁹³ However, the case of fictional characters that receive both copyright and trademark protections is different than the typical trademark. By sticking with the status quo, the holders of trademarks for characters from creative works gain a windfall. They can utilize their duration of copyright to build up their reputation and brand so that they may receive endless protection. The current system does not allow that in the Patent context⁹⁴ and it should not allow it in the copyright context.

While expanding fair use would not necessarily limit the public domain from shrinking entirely, it does limit what could be kept out of the public domain. For example, looking again at Mickey Mouse, an expanded fair use would allow for use of Mickey Mouse in new stories and even for the public access to the stories in which the copyright had already expired. At the same time, a merchandiser would not be able to put a Mickey logo on a product. The public domain would receive the benefit of being able to make a transformative work with Mickey Mouse but Disney would retain its commercial interest in the logo and products. Expanding fair would increase the acceptable alternative usages of a trademark but it could still keep some works out of a public domain. The expansion would allow for the public to get the benefit of the copyright

⁹³ *Id.* § 1127.

⁹⁴ *Kellogg Co.*, 305 U.S. 111.

bargain, while still protecting itself from consumer confusion and protecting the commercial interests of the mark holder who cultivated the brand.

Despite the positives, it is possible that expanding fair use for trademark law could have a negative effect on the usage of all other trademarks, other than characters from creative works. Expanding the fair use of trademarks for other kinds of marks, like Nike, could diminish the value of that trademark. Without the issue of the copyright bargain, there is no public interest in diminishing the value of those trademarks. As such, expanding fair use could potentially be seen as negatively affecting the rights of all trademark holders. The problems of diminishing value of trademarks that can potentially be caused by expanding fair use are easily solved by strictly tailoring any expansion to those trademarks which also received copyright protection and which would have entered the public domain after the expiration of that copyright protection. By limiting the expansion of the fair use exception to those trademarks that should enter the public domain through copyright protection, it allows the public to get the benefit of the copyright without affecting the rights of trademark holders who have not received the benefit of copyright protection. Furthermore, because the expansion of fair use is a solution for the conflicts created through dual copyright and trademark protections, it would make sense to only apply the solution to the class of trademarks which cause that conflict: those trademarks which received copyright protection.

Another issue is raised by the potential expansion of artistic fair use in trademark law: increased likelihood of consumer confusion. While it is possible that implementing a presumption that use in an artistic expression is a non infringing fair use will lead to consumer confusion in the market, the change should still be implemented. While avoiding consumer confusion is an underlying goal of trademark law, limiting the creation of new works containing

these fictional characters, derivative works of the original works containing the characters, derivative works containing the characters, or copies of the original works containing the characters through trademark law would create the mutant species of copyright law protecting the author as the source of a creative work. The Supreme Court in *Dastar* made it clear that this was not a desired effect⁹⁵, but the decision in *Dastar* fails to reach all circumstances that would create that mutant copyright trademark hybrid. It is true that if someone made a new Mickey Mouse cartoon after the expiration of the Mickey Mouse copyright, a consumer would likely believe that Disney released that cartoon. The consumer's confusion should not be the reason courts remove that work from the public domain, as long as that confusion was not intended by the alleged infringer.

Instead, in order to protect the mark holder's rights and the consumer, the presumption should be made rebuttable. In order to rebut the presumption, the mark holder should have to show by a preponderance of the evidence that either the alleged infringer acted intentionally, in bad faith, to try and confuse or mislead the consumer as to the origin of the product. Thus, unlike the Rogers or alternate methods tests, the mere misleading of the consumer would not matter unless it was intentional. This would protect the consumer from companies or individuals acting in bad faith to confuse the public, but would also allow the consumer and the public the benefit of these works in the public domain. As such, the fair use doctrine in trademark law should be expanded to allow any artistic fair use as well as copying of the original copyrighted work where the simultaneous copyright and trademark protections will prevent a creative work from entering the public domain.

Part VI. Conclusion

⁹⁵ *Dastar*, 539 U.S. 23.

Intellectual Property provides many different options to protect fictional characters, though those options are uncertain. First, copyright law provides the opportunity to receive copyright protections for an original work of authorship as a whole and specific protections for the characters within that work. The protection of those characters depends on how well developed they are or whether they are merely a piece of the story or the story itself. Despite the confusion on which characters should be protected, copyright protection for fictional characters remains the strongest and safest option.

Despite the strength of copyright for those characters, intellectual property law has also permitted trademark registration for some fictional characters. Those characters must have acquired distinctiveness and act as a single source identifier for the source. The courts are not consistent as to what that source must be. Even if a character is protected, the alleged infringer must still cause a likelihood of confusion for a court to step in and protect the rights of that trademark holder. The likelihood of confusion is both narrow and broad for fictional characters at the same time, causing inconsistency in the legal climate. Despite all the uncertainty, if a fictional character acts as a source indicator and becomes famous, the trademark now has the strongest protection within intellectual property because it is protected from dilution.

These two protections for fictional characters clash and conflict through every turn of events. Trademark and copyright law have vastly different underlying principals. Copyright is a bargain between the public and the author of an original work: trading eventual free and continuous public access for a temporary monopoly over the creation. On the other hand, trademark law protects the interests of the consumer, preventing consumer confusion, as well as the commercial interests of the trademark holder, protecting the reputation and good will the trademark holder has earned through its investment in its source indicating mark. When a

fictional character obtains both of these protections, eventually these competing goals will come to a head.

When the limited duration of the copyright expires, the fictional character that should have entered the public domain per the bargain between the copyright holder and the public does not go. Instead, it stays out of the public domain, protected under the umbrella of trademark law. The public does not receive the benefit of its bargain and the copyright holder receives a windfall. The safety measures within trademark law, single source doctrine and the holding in *Dastar*, fair use, and likelihood of confusion do nothing to prevent the failure of a character to enter the public domain. Thus the public domain begins to shrink, losing not only fictional characters who should be there, but also some of the works they include.

Thus, in order to soften the clash between trademark law and copyright law when fictional characters are given dual protections, trademark fair use should be expanded. An expansion to the fair use doctrine would solve the problems created by dual copyright and trademark protections for original works of authorship. The public would receive the benefit of their bargain with a public domain that was not shrinking tremendously. Instead, the characters would enter the public domain for only artistic and creative expressions. Limiting the fair use expansion to artistic and creative expression would still allow for commercial limitation for licensing and endorsements by the trademark holder without limiting what enters the public domain. As such, an expansion of fair use doctrine for those trademarks which have previously had copyright protection and would have entered the public domain but for their trademark status would solve the conflict between created by dual trademark and copyright protection.