

# The End of Arbitrary Findings of Secondary Meaning: A Call for the Expansion of Trademark Status of Literary Characters

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The clock is running out for Mickey Mouse's copyright protection,<sup>1</sup> meaning The Walt Disney Company must look to other areas of the law to protect one of the company's most treasured assets (barring another move by Disney to expand the term of copyright<sup>2</sup>). While the castle of copyright has been strong enough to repel most assaults,<sup>3</sup> Disney is looking to other parts of the law in search of a new theory to buttress against the coming onslaught.

Over the past decade, much has been written about rights holders looking beyond copyright for other ways to protect their characters. Some commentators began questioning if too much protection was being offered under the law as companies looked to expand the scope of rights normally associated with the protection of characters.<sup>4</sup> Using trademark law to perpetually protect characters after they leave the realm of copyright may create a form of infinite protection without allowing for the doctrine of fair use (in the copyright sense) to protect currently allowed uses.<sup>5</sup>

The expanding use of trademark law also brings into question what parts of these works can be protected via trademark law. While it is easier to determine the boundaries of protection for well-known characters,<sup>6</sup> it is more difficult to pin down when those protections should begin.

Over the past decade there has been a rising trend of courts combining trademark, copyright, and unfair competition analyses when presented with

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1. Mickey's earliest movies, such as *Steamboat Willie*, will fall into the public domain on January 1, 2023, under current copyright law.

2. The last two times Congress granted extensions were in 1976 and 1998, right around the time that Mickey would fall into the public domain. The timing of these extensions has been called the "Mickey Mouse Curve." Tom W. Bell, *Copyright Duration and the Mickey Mouse Curve*, THE TECHNOLOGY LIBERATION FRONT (Aug. 6, 2009), <http://techliberation.com/2009/08/06/copyright-duration-and-the-mickey-mouse-curve>.

3. See, e.g., *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751 (9th Cir. 1978).

4. Michael Todd 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, 673 (1992).

5. Michael S. Mireles, Jr., *Towards Recognizing and Reconciling the Multiplicity of Values and Interests in Trademark Law*, 44 IND. L. REV. 427, 467 (2011).

6. Well-known characters include those that are used as shorthand to denote their source, such as Harry Potter.

each as a separate cause of action.<sup>7</sup> While this may lead to what many may consider the correct legal decision,<sup>8</sup> the blurring of legal analysis can lead to interesting tests that mix the different factors of trademark and copyright,<sup>9</sup> such as the aptly named test for “copyright dilution.”<sup>10</sup> Courts should work to analyze each type of claim separately, within the limitations of each distinct branch of the law,<sup>11</sup> while simultaneously guiding the overall analysis towards a common conclusion that best addresses the issue of protecting important characters. The more that copyright and trademark are dealt with in common consideration, the closer we may come to a legitimate form of copyright-like protection that lasts indefinitely.<sup>12</sup>

When a work or mark should receive protection is also an important decision facing society. If there is a low bar for gaining protection, and that protection lasts for too long, it can result in a stagnation of the market as it becomes more difficult for new works to legally enter.<sup>13</sup> On the other hand, making it too difficult to gain protection encourages people to liberally borrow from other works without permission, and may chill authors’ efforts to create new works if they cannot recoup the costs of creation.<sup>14</sup>

Courts do not yet have a firm grasp of what a trademark for a literary character would mean. The current rules are intellectually dishonest and do not make sense. My argument is that literary characters should be eligible to serve as a trademark as soon as a book is published, without the need to “acquire” secondary meaning. The number of literary characters protected by trademark law would be initially increased following the adoption of this principle, with the field soon tapering off. The real effect of an immediate trademark status for literary characters would be to extend protections to valuable characters<sup>15</sup> from their inception and allow courts to focus on the correct application of trademark law.

First, this paper provides a brief overview of trademark law and the

7. Kathryn M. Foley, *Protecting Fictional Characters: Defining the Elusive Trademark-Copyright Divide*, 41 CONN. L. REV. 921, 960 (2009).

8. The analysis of why courts may reach the correct decision, such as by finding a copyright claim to fail but a trademark claim to succeed, is beyond the scope of this paper.

9. Helfand, *supra* note 4, at 644–52.

10. See *Royalty Networks, Inc. v. Dishant.com*, 638 F. Supp. 2d 410, 416 (2009) (“Royalty contends defendants are thus falsely designating www.dishant.com as an owner or originator of the copyrights and causing copyright dilution in violation of section 43(a) of the Lanham Act.”).

11. For example, courts should apply copyright law when a party seeks to protect the creative expression of an idea, while trademark law should be used to ensure that there is no confusion as to the source of an item.

12. The courts may not call it copyright or use any copyright analysis, but the outcome will have the same effect.

13. This chilling effect could occur if authors were to fear infringement suits for entering the market with a “copied” work.

14. See generally Joseph A. Lavigne, *For Limited Times? Making Rich Kids Richer Via the Copyright Term Extension Act of 1996*, 73 U. DET. MERCY L. REV. 311, 326–28 (1996).

15. Examples include Mickey Mouse and Harry Potter. Instead of considering the value or good will of a character, judges could instead point to the law and declare the character to be a valid trademark – much like they do now – without having to search for additional justification.

commonly-recognized elements of a trademark. Second, this paper discusses the past and current case law to help show how a literary character may act as a trademark. The third section expands on the case law, by providing alternative justifications for the expansion of trademark protection to literary characters. The final section discusses potential issues that may arise from this proposed expansion of trademark rights, and proposes a means for ensuring that the expansion of trademark law does not interfere with the use of works already in the public domain.

## I. TRADEMARK PROTECTION

### A. WHAT IS NEEDED TO OBTAIN A TRADEMARK

Section 45 of the Lanham Act defines a trademark as:

[A]ny word, name, symbol, or device, or any combination thereof-

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this Act, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.<sup>16</sup>

The main requirements for a trademark can be summed up as something used on goods and sold in commerce to indicate a single source. In most cases a person will use a word for their mark, but they can also use a color<sup>17</sup> or a sound<sup>18</sup> if they choose.<sup>19</sup> The choice of the mark is important as certain marks are stronger than others and offer greater protection when first used.<sup>20</sup> The five types of marks, from weakest to strongest are: generic, descriptive, suggestive, arbitrary, and fanciful.<sup>21</sup> Generic marks<sup>22</sup> cannot serve as a trademark at all, and descriptive marks cannot be used as trademarks without conveying a secondary meaning, either inherent or acquired. A mark is descriptive if its use conveys to people unfamiliar with the product, the product's functions, qualities, or source.<sup>23</sup>

Acquiring secondary meaning means that the mark has connected itself with the goodwill and reputation of the source of the mark in the eyes of consumers.<sup>24</sup> The single source requirement seeks to avoid consumer confusion, ensuring consumers know what they are getting when they

16. 15 U.S.C. § 1127 (2006).

17. *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159 (1995).

18. 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 7:104 (4th ed. 2012).

19. While these marks are allowed, the marks themselves must be non-functional so other people can still create and market the same product.

20. *Foley*, *supra* note 7, at 940.

21. *Brown v. It's Entertainment, Inc.*, 34 F. Supp. 2d 854, 858 (E.D.N.Y. 1999).

22. It is possible for a valid trademark to turn into the common name for a product and thus become generic.

23. *In re DC Comics, Inc.*, 689 F.2d 1042, 1043 (C.C.P.A. 1982).

24. *Frederick Warne & Co., Inc. v. Books Sales Inc.*, 481 F. Supp. 1191, 1195 (S.D.N.Y. 1979).

purchase a product, and that the manufacturer has control over the goodwill that they have built up through their products.<sup>25</sup>

Literary characters can meet the above requirements and can serve as a trademark for a source, if one were to consider the “source” as the books the characters come from, or the authors that write the stories. The current issue with literary characters serving as marks is that courts treat them as descriptive marks, which requires a showing of secondary meaning before extending trademark protection.<sup>26</sup> In most cases the mark in question is a famous and well-known character, like Mickey Mouse or Superman, and the courts have no issue finding the acquired meaning.<sup>27</sup> However, there is nothing to stop a court from finding that a character has inherent secondary meaning, thereby creating a valid mark based on the character’s own inherent attributes.

## **B. THE FUNCTION OF LITERARY CHARACTERS AS TRADEMARKS**

The main functions of a trademark are:

(1) to identify one seller’s goods and distinguish them from goods sold by others; (2) to signify that all goods bearing the trademark come from a single, albeit anonymous, source; (3) to signify that all goods bearing the trademark are of an equal level of quality; and (4) [to serve] as a prime instrument in advertising and selling goods.<sup>28</sup>

A literary character can serve each of these functions in relation to the author of the work.

First, many characters are associated with one author, such as Harry Potter with J.K. Rowling or Sherlock Holmes with Sir Arthur Conan Doyle. Instead of identifying the works by their title or author, people will say that it is a Harry Potter book and information about the source of the content is understood. Secondly, this may also work if the character is more famous than the author; the quality known to be associated with the character is still there, even if the source/creator is not known, such as Lemony Snicket.<sup>29</sup> These first two functions bleed into the third function: the character also brings to mind the quality of the previous works they were in. This does not always mean that the newest work will be of a similar quality; there is always a chance that a work that contains Luke, Leia and Han may be The Star Wars Holiday Special.<sup>30</sup> Finally, the fourth trademark function, advertising, is ubiquitous in the world of literature.

25. Viva R. Moffat, *Mutant Copyrights and Backdoor Patents: The Problem of Overlapping Intellectual Property Protection*, 19 BERKELEY TECH. L.J. 1473, 1489 (2004).

26. See *Danjaq LLC v. Sony Corp.*, 49 U.S.P.Q.2d 1341 (C.D. Cal. 1998).

27. See, e.g., *Detective Comics, Inc. v. Bruns Publications, Inc.*, 111 F.2d 432 (2d Cir. 1940).

28. Helfand, *supra* note 4, at 635–36 (internal quotations omitted).

29. Lemony Snicket is the “author” of a series of children’s books that tell the tale of three youngsters and the unfortunate events that befall them and those around them. The books are actually written by Daniel Handler.

30. A made for TV special, this work is considered to be one of the worst parts of the Star Wars expanded universe and was shown only once in 1978.

When a new book in a popular series comes out, it will often be sold as a separate novel with a specific character.

## II. DISCUSSION OF THE CURRENT CASE LAW

### A. FISHER AND THE POSSIBLE RIGHT OF AN AUTHOR TO HIS CREATIONS

The tying of new works to old ones by common characters is paramount to the decision in *Fisher v. Star Company*,<sup>31</sup> which dealt with the “Mutt and Jeff” comic strip. Harry Fisher created the comic strip in 1907 for the *San Francisco Chronicle* sports section.<sup>32</sup> The strip originally contained the character “Mutt”<sup>33</sup> and about four months later the character “Jeff” first appeared.<sup>34</sup> In 1909 Fisher moved to New York and his strips were run in the *New York American*.<sup>35</sup> In 1910, he entered into an agreement with the Star Company where he agreed to supply his strips to them and they would sell and distribute them to other papers across the country on his behalf.<sup>36</sup>

Until December of 1914, there was no official name for the comic strips created by Fisher; each strip had a unique title either explaining what was happening in the strip or relating to the punch line of the strip. While some of these titles did reference Mutt or Jeff, not all of them did.<sup>37</sup> The first appearance of the name “Mutt and Jeff” referring to these strips was in a series of compilation books, first published in September of 1910, under the title “Mutt and Jeff Cartoons.”<sup>38</sup>

On December 11, 1914, the Star Company, unknown to and against the wishes of Fisher, added “Mutt and Jeff” to the title of the comic to be printed that day in New York papers.<sup>39</sup> Fisher protested, and the strip appeared under its original title in papers outside of New York.<sup>40</sup> The Star Company did not try to change the title of any more of Fisher’s strips until January 19, 1915, when it substituted “Mutt and Jeff” for the title Fisher had given his strip.<sup>41</sup> Fisher again protested, but the Star Company continued this practice until January 29, 1915, when Fisher refused to furnish them with any more strips<sup>42</sup> and instead obtained the services of

31. *Fisher v. Star Co.*, 1921 N.Y. LEXIS 651, 132 N.E. 133 (1921).

32. *Id.* at \*\*\*1.

33. *Id.*

34. *Id.* at \*\*\*2.

35. *Id.* at \*\*\*4.

36. *Id.* at \*\*\*6.

37. *Fisher v. Star Co.*, 1921 N.Y. LEXIS 651, at \*\*\*8–10 (1921).

38. *Id.* at \*\*\*7.

39. *Id.* at \*\*\*9–10. The given title for the strip was “The Little Fellow Knows Some Law and Proves It. By Bud Fisher.” *Id.* This was changed to “Mutt and Jeff. The Little Fellow Knows Some Law and Proves It. By Bud Fisher.” *Id.*

40. *Id.* at \*\*\*10.

41. *Id.* at \*\*\*10–11.

42. *Id.* at \*\*\*12.

another syndicate to distribute his work.<sup>43</sup>

After Fisher left, the Star Company had its employees create strips in the style of Fisher, with characters that were imitations of “Mutt” and “Jeff,” and in the same five-panel-format of the comic strips drawn by Fisher.<sup>44</sup> They nearly sold the strips to newspapers for publication as “the original Mutt and Jeff” cartoons when Fisher obtained a temporary injunction to prevent the publication.<sup>45</sup> The injunction was later expanded to permanently prevent the Star Company from publishing any of the non-Fisher Mutt and Jeff strips.<sup>46</sup>

In its decision, the court treated the “Mutt and Jeff” name like a trademark for Fisher and prevented the Star Company from promoting or selling comic strips in the style of Fisher that were likely to confuse the public.<sup>47</sup> To demonstrate how Fisher related both the strip and the character names to himself as a source, the court focused on how long Fisher had been drawing the comics and the acquisition of a copyright in his name for the compilations. The long term use of the names and characters, combined with the national accord they gained through their publication in newspapers and book collections created a strong secondary meaning behind the otherwise descriptive name.

It is noteworthy that the court connected the comic strip with its creator instead of the papers the work appeared in or with the company that distributed it. This may be because of the creative labor that goes into the creation of the strip and a belief that the creator should be able to benefit from the fruits of their labor. An alternative explanation would be that Fisher put some of his own creative “essence” into the strip and the characters over the years, and he should be associated with them.

## **B. *WARNE, IN RE WARNE* AND THE ASSOCIATION OF BOOK CONTENT WITH DIFFERENT SOURCES**

When a company seeks a trademark in a work where the author has no claim for copyright, the creator of the work cannot benefit from its use. In *Frederick Warne & Co., Inc. v. Book Sales Inc.* the court needed to decide if an illustration for the cover of a separate book could serve as a trademark for the publisher of one version of the book, when both were in the public domain. At the time of the case, both Warne and Book Sales produced and sold versions of Beatrix Potter’s works, including “The Tale of Peter Rabbit.”<sup>48</sup> Warne, the original publisher of the work in 1903, did not deny that Book Sales had the right to publish and sell any works in the public domain, but objected to the use of the cover illustration originally used by

43. Fisher v. Star Co., 1921 N.Y. LEXIS 651, at \*\*\*12–13 (1921).

44. *Id.* at \*\*\*14.

45. *Id.* at \*\*\*14–15.

46. *Id.*

47. *Id.*

48. *Frederick Warne & Co., Inc. v. Book Sales Inc.*, 481 F. Supp. 1191, 1193 (S.D.N.Y. 1979).

Warne in 1903, which was placed on the cover of the newly-printed versions.<sup>49</sup> The illustrations were originally created for Warne's versions and did not appear in the books themselves.<sup>50</sup>

It is important to note that Warne was not saying that the illustrations denoted that the books were works of Beatrix Potter, but instead wanted a finding that the illustrations denoted the source of the works as Warne.<sup>51</sup> They argued that, through their efforts in marketing and publishing the works, the characters Peter Rabbit, Mrs. Tiggy-Winkle, and Squirrel Nutkin "attained a place in the public esteem comparable to Mickey Mouse."<sup>52</sup> Such a finding would restrict the use of the illustrations in Potter's books by anyone else, even though they were in the public domain.<sup>53</sup> The court denied the motion, but said that at trial Warne could present evidence to show the cover illustrations had acquired the necessary secondary meaning to serve as their trademark.<sup>54</sup> The court also noted the cover illustrations were in the same style and depicted the same characters as the illustrations in the book, also done by Potter, and thus the marks may be "weak" and given less protection than distinctive marks.<sup>55</sup>

The parties settled before the issue of secondary meaning of the illustrations could be tried before a jury.<sup>56</sup> However, after the settlement Warne registered the cover of the book, The Tale of Jeremy Fisher, as a trademark with the United States Patent and Trademark Office (USPTO), to prevent other publishers from using the same mark.<sup>57</sup> The USPTO refused to register the mark,<sup>58</sup> saying that the discussion in *Warne* was merely dicta.<sup>59</sup> The Trademark Trial and Appeal Board did not foreclose on any illustrations serving as trademarks,<sup>60</sup> but found that in that case it was unlikely that a purchaser would use the illustrations themselves to choose

49. *Id.*

50. *Id.*

51. *Id.* at 1195.

52. *Id.* at 1194. The court responded to Warne's argument:

The notion that a British cony, however endearing, could gain as important a place in American hearts as Mickey Mouse seems dubious. Both are rodents, it is true, and this equally entitled to our affections. But Mickey has had the benefit of competing for the American hearts and dollar through moving pictures, an insurmountable advantage. Luckily for plaintiff, though, its burden is far less than its papers suggest.

*Id.*

53. *Id.* at 1196. The decision was handed down at the summary judgment stage. *Id.* at 1193. Both parties moved for summary judgment. *Id.* The defendant sought to have the case dismissed because the illustrations themselves were in the public domain under copyright law. *Id.* The court dismissed the motion, noting that copyright law and trademark law are separate spheres with different rules. *Id.* at 1196-97.

54. *Frederick Warne & Co., Inc. v. Book Sales Inc.*, 481 F. Supp. 1191, 1195-96 (S.D.N.Y. 1979).

55. *Id.* at 1198.

56. *In re Frederick Warne & Co., Inc.*, 1983 TTAB LEXIS 226, at \*3 (May 3, 1983).

57. *Id.* at \*2. Again, Warne was looking to use the illustrations to denote itself as the publisher of the Beatrix Potter book. *Id.*

58. *Id.* at \*11.

59. *Id.* at \*4.

60. *Id.* at \*6-8.

which version to purchase.<sup>61</sup> In fact, from when it was first published in 1906 to a few years before the action was filed, Warne was the sole publisher of the works, which led the Board to conclude that the illustrations had no other purpose than to serve as depictions of the main characters in the books.<sup>62</sup>

While this series of cases does not directly deal with the availability of trademark status to literary characters, it does bring out some interesting issues. First, in both cases it seemed like the courts would be more willing to find that the illustrations serve as a trademark for the works of Beatrix Potter rather than the publisher. Not only are they illustrations of her characters for her book covers, they are actually created by her.<sup>63</sup> In dismissing Warne's motion, the court noted that Warne needed to demonstrate that the illustrations signify more than Beatrix Potter as the author of the works.<sup>64</sup> It would not be difficult to imagine a different set of facts, like the heirs to the Potter estate bringing a trademark action against a publisher for using one of her illustrations on the cover of a book without authorization by Potter's estate. It seems that the inherent meaning of the illustrations denoted a work done by Potter, and could therefore be registered as a trademark.

Illustrations of characters in a book are much different than the idea of the characters themselves, but the motivation behind protecting both is the same. Some characters like Harry Potter or Bilbo Baggins are so connected with one author that their use immediately brings to mind the author, and therefore these characters should serve as a protected mark for the author's work.<sup>65</sup>

### **C. *BROWN AND THE WHIMSICAL AND ARBITRARY STANDARD***

To be eligible to serve as a trademark, a mark must have some form of secondary meaning, if the mark itself is not inherently distinctive.<sup>66</sup> In many cases, a court will simply assert that a long used mark has attained the necessary secondary meaning before moving on with their analysis.<sup>67</sup> There are instances, however, where the court takes another approach.

At issue in *Brown v. It's Entertainment, Inc.* was the unauthorized use of the character, Arthur, by the defendant, It's Entertainment. It's Entertainment helps people find performers and costumes for their events.<sup>68</sup>

61. *Id.* at \*9–10.

62. *In re* Frederick Warne & Co., Inc., 1983 TTAB LEXIS 226, at \*8–9.

63. *Frederick Warne & Co., Inc. v. Book Sales Inc.*, 481 F. Supp. 1191, 1193 (S.D.N.Y. 1979).

64. *Id.* at 1195.

65. These are the main characters in works by J.K. Rowling and J.R.R. Tolkien, respectively.

66. 15 U.S.C. § 1052(f) (2006).

67. *See* *Walt Disney Co. v. Powell*, 698 F. Supp. 10, 12 (D.D.C. 1988); *Universal City Studios, Inc. v. J.A.R. Sales, Inc.*, 216 U.S.P.Q. (BNA) 679, 682 (C.D. Cal. 1982).

68. *Brown v. It's Entertainment, Inc.*, 34 F. Supp. 2d 854, 856 (E.D.N.Y. 1999).

In 1998, they helped a toy store find an Arthur costume to use in its grand opening.<sup>69</sup> After discovering a published picture of the event, plaintiff-creator Brown sued on multiple grounds, including trademark infringement.<sup>70</sup>

In order to grant a preliminary injunction, the court needed to determine the likelihood that the plaintiff would succeed on the merits, which initially requires the existence of a mark to protect.<sup>71</sup> Brown asserted multiple arguments that the character “Arthur” had obtained secondary meaning in the marketplace.<sup>72</sup> The court, however, decided that this evidence was unnecessary and declared the Arthur character “clearly arbitrary” and, therefore beyond the need for secondary meaning.<sup>73</sup> The court went on to say “Arthur appears to be a whimsical and arbitrary creature: a stylized aardvark dressed like a schoolboy. As such he is entitled to protection under the Lanham Act.”<sup>74</sup> From here, the court moved into the likelihood of confusion analysis as if the case were to go to trial, finding that there was a high chance of confusion, especially among children.<sup>75</sup>

This case is one example of courts endorsing the notion that a fictional character can be arbitrary and gain the protections of the Lanham Act without first acquiring a secondary meaning through extended exposure or use in the market.<sup>76</sup> While Arthur is primarily a visual character, there is nothing to suggest that the ruling cannot be applied to unique literary characters that are thoroughly described, especially if they are as innovative as a costumed aardvark. This would open the door to the possibility of more characters being registered as trademarks, or serving as marks in one capacity or another.

What is troubling about this decision is the court’s wording of “whimsical and arbitrary.”<sup>77</sup> The court did not clearly define what this phrase meant, and only gave reference in passing to another character that fit into the mold: Batman.<sup>78</sup> While these are two very different characters in almost every way, the comparison may set a low bar for arbitrariness. Arthur is an anthropomorphic aardvark, so does any anthropomorphic character qualify as arbitrary, or must the character need to inhabit a human

69. *Id.* at 856. It’s Entertainment also said that it did not sell or rent the Arthur costume but had only hired a subcontractor to work the toy store event. *Id.* at 856–57.

70. *Id.* at 857.

71. *Id.*

72. *Id.* at 858–59

73. *Id.* at 859.

74. *Brown v. It’s Entertainment, Inc.*, 34 F. Supp. 2d 854, 859 (E.D.N.Y. 1999).

75. *Id.*

76. *See also D.C. Comics, Inc. v. Reel Fantasy, Inc.*, 539 F. Supp. 141, 144 (S.D.N.Y. 1982) (“There is no doubt that ‘Batman’ is a validly registered ‘arbitrary or fanciful mark’ and thus entitled to protection.” (citing *McGregor-Doniger, Inc. v. Drizzle, Inc.*, 599 F.2d 1126, 1132 (2d Cir. 1979))).

77. *Brown*, 34 F. Supp. 2d at 859.

78. *Id.*

like environment like Arthur?<sup>79</sup> What level of background, character development, or motivations must be associated with the character to grant it protection? Even if courts would narrowly construe arbitrariness to characters that exhibit human qualities, this ruling could still mean that characters can serve as trademarks without first needing to acquire a secondary meaning.

#### **D. UNIVERSAL AND THE SINGLE SOURCE REQUIREMENT**

One of the critical requirements for a trademark is that it must denote only one source, even if that source is unknown.<sup>80</sup> If there is more than one possible source for the mark, it cannot function as a trademark. While this may not be an issue for marks on tangible goods, it becomes a problem for characters that may become associated with books, movies, and images in a short period of time; because the right to the mark is assigned and licensed to several sources.<sup>81</sup>

A prominent case about a character being utilized simultaneously by a variety of sources is *Universal City Studios, Inc. v. Nintendo Co.*, in which Universal Studios argued that the video game character Donkey Kong infringed on their registered trademark King Kong.<sup>82</sup> This suit arose after Nintendo began to sell arcade machines of their game Donkey Kong, in which the player must help a character named Jumpman climb a series of platforms, avoid rolling barrels, and rescue the wayward damsel, Lady, at the end of the game.<sup>83</sup>

The court rejected all of Universal's claims, partly because it was unclear who owned the underlying trademark rights to King Kong.<sup>84</sup> According to various cases, sales, and settlements, RKO owned the copyrights to one picture of King Kong, DDL owned the rights to second picture, and Universal owned the rights to a third image.<sup>85</sup> This made it difficult for the public to associate the image of King Kong with a single

79. Also, if Batman is the standard, does that mean a character must be farfetched, unrealistic, or live a "magical" life to qualify as arbitrary? If so, a larger number of characters would be eligible for trademark status without needing to show proof of an acquired secondary meaning.

80. 15 U.S.C. § 1127 (2006).

81. Marvel and DC are currently licensing many of their characters to multiple movie studios. Though profitable, this can curtail plans for crossovers as two different studios may own the rights to the same character and disagree about character use.

82. *Universal City Studios, Inc. v. Nintendo Co.*, 578 F. Supp. 911, 913 (S.D.N.Y. 1983).

83. *Id.* at 918. The court refers to the Nintendo character as "Mario" – the name used at the time of the suit. *Id.* However, when the game was first released, the character was known as Jumpman. *Miyamoto: The Interview. Interview: Mario, Wii success and that Mario movie*, COMPUTERANDVIDEOGAMES (Nov. 27, 2007), <http://www.computerandvideogames.com/176422/interviews/miyamoto-the-interview>. It is difficult to tell when the transition between the two names occurred. *Id.*

84. *Universal*, 578 F. Supp. at 925.

85. *Id.*

source, as is required for something to serve as a trademark.<sup>86</sup> As a result, the court determined that the boundaries of Universal's ownership of the image were too vague, and found at the summary judgment stage that "the relevant facts are undisputed and are so extreme that no reasonable trier of fact could find that secondary meaning exists" in Universal's image of King Kong.<sup>87</sup> This allowed Nintendo to continue the marketing and sale of their Donkey Kong video games in the United States.

It is clear from *Universal* that trademarks must represent a single source, which may make it difficult for a literary character to serve as a valid mark. There are at least two sources that a character can be associated with when a book is initially published: the author and the publisher. If the public associates the work with both entities, then there is confusion as to source and no trademark. It seems this scenario is unlikely, as most people do not purchase books because of the publisher; rather they do so because of the author. This indicates there is a single source that most consumers associate literary characters with (the author) and renders the *Universal* holding moot.

As a character's use becomes more widespread, there is a chance that she is associated with different sources; such as the author of a book, the director of a movie, or a company for a videogame. In this case, to serve as a mark each entity would need to show that their use of the character has acquired separate secondary meaning for each source, in line with *Universal*.

Another problematic scenario is when a publisher uses a common pseudonym for a series of books, each written by a different author at a different time. The books may contain the same characters or be in the same style, but there is no single "source" creating them. In that case, the singular source recognized by consumers would be the publisher, not because there is no author behind the works, but because the publisher controls so many aspects of the books by setting standards for what can be released under the "author's" name. This can be seen in the comic book field, where publishers like Marvel Entertainment allow many different authors to create works involving a single common character.

This leads to another branch to consider: the initial assignment of a trademark that may be required to get a book published in the first place. Unlike previous examples, there is still only one mark, and only one source. The only thing that has changed is the owner of that mark and who can benefit from exploiting it. If an author does assign her rights to a publisher, the publisher now owns a mark that denotes the author as the source of the good. If the publisher does nothing else to try to change the meaning of the mark, it will continue to denote the author as the source. And if the author writes another book using the same trademarked character, there is no confusion as to the source of the work, as it is still the

86. *Id.*

87. *Id.*

same author. This is still true if the author writes the book for a different publisher. As long as there has been no acquired secondary meaning, there is no confusion as to the source of the mark.<sup>88</sup>

#### **E. DEALING WITH *DASTAR* AND THE LIMITS ON ORIGIN**

The decision in *Dastar Corp. v. Twentieth Century Fox Film Corp.* seems to undermine any possibility that the creator of a work can be identified as the source of the work.<sup>89</sup> At issue in the case was § 43 of the Lanham Act,<sup>90</sup> which prohibits a company from making “‘a false designation of origin, or any false description or representation’ in connection with ‘any goods or services.’”<sup>91</sup> One law review article goes so far as to argue that *Dastar* has heightened the secondary meaning requirement for fictional characters.<sup>92</sup> The crux of the discussion in the case revolved around the word “origin,” what it meant and who it could refer to.<sup>93</sup>

Twentieth Century Fox Film Corporation (Fox) obtained the television rights to General Dwight D. Eisenhower’s book describing his experience in World War II.<sup>94</sup> The series, titled *Crusade in Europe*, first aired in 1949 and consisted of a sound track containing narrations from the book as well as film footage from both military and non-military sources.<sup>95</sup> As the first term of copyright in the work was expiring in 1977, Fox declined to renew it, and thus it entered the public domain.<sup>96</sup> In 1988, Fox obtained the right to distribute the television series on video, and partnered with other companies to do so.<sup>97</sup>

Anticipating a renewed interest in World War II, Dastar released a video set entitled *World War II Campaigns in Europe* in 1995.<sup>98</sup> The set consisted of the original version of the Fox television series with a new opening and closing sequence, a few of the segments shifted in order, and the removal of all references to and images of the book.<sup>99</sup> In addition, Dastar created new packaging for the set and gave it a new title.<sup>100</sup> When selling the set, Dastar held it out to be its own and made no references to

88. There may still be a claim under § 43(a) of the Lanham Act for false designation of origin since the creator of a mark cannot serve as the origin for that same mark.

89. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 29 (2003).

90. 15 U.S.C. § 1125 (2006).

91. *Dastar*, 539 U.S. at 29.

92. Foley, *supra* note 7, at 959.

93. *Dastar*, 539 U.S. at 31.

94. *Id.* at 25.

95. *Id.* at 25–26.

96. *Id.* at 26.

97. *Id.*

98. *Id.* at 26.

99. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 26–27 (2003).

100. *Id.* at 27.

the original series in the credits.<sup>101</sup>

Fox's § 43(a) complaint asserted that when Dastar sold the altered version without giving credit to the original work, it constituted "reverse passing off," a violation of the Lanham Act.<sup>102</sup> The Court had to determine whether the word "origin" in § 43 should be applied broadly to encompass not just the manufacturer or producer of the good, but also the creator of the work.<sup>103</sup>

The court did not buy this line of reasoning, noting that going down this path would cause the Lanham Act to conflict with copyright law.<sup>104</sup> Fox was essentially looking for an extension of their lapsed copyright, and the court was hesitant to expand trademark-like protection into the realm of copyright.<sup>105</sup> Furthermore, it would be difficult to tell where the line for origin began in more complex cases.<sup>106</sup> Finally, for communicative works, adopting Fox's reasoning could create a catch-22 for the manufacturers of such works. Manufacturers would be liable under the Lanham Act for failing to denote the creator of a work their lawful copies were based on, and they could also be liable for such a credit if it was found to be implying the "sponsorship" or "approval" of the author for that work.<sup>107</sup>

With the court defining "origin" in the Lanham Act to refer 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,"<sup>108</sup> does this still allow characters to serve as a trademark of their authors? At first it looks like the language is very clear, trademarks and copyrights should not overlap, and authors cannot serve as the origin of a good.

That word, "origin," which the court focused on defining, is important. In § 43(a) of the Lanham Act, a cause of action exists if anyone uses "any false designation of origin" which "is likely to cause confusion. . . as to the origin. . . of. . . goods."<sup>109</sup> However § 45 of the Lanham Act defines a trademark as something that identifies the *source* of goods, even if that source is unknown.<sup>110</sup> While source and origin may have related meanings, it seems unlikely that Congress would use two different words to convey the same thing. Furthermore, the language about an unknown source in the definition of a trademark seems to make source

101. *Id.*

102. *Id.*

103. *Id.* at 31.

104. *Id.* at 33.

105. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 34 (2003).

106. *Id.* at 35. The court goes through the process of determining the possible origins of the film *Carmen Jones* by listing the production company, the author of the musical on which the film was based, the author of the opera on which the musical was based, and the author of the novel on which the opera was based. *Id.*

107. *Id.* at 36.

108. *Id.* at 37 n.8.

109. 15 U.S.C. § 1125(a) (2006).

110. 15 U.S.C. § 1127 (2006).

much broader than origin. While the ruling in *Dastar* does increase the burden needed to show secondary meaning when bringing an action under § 43(a) of the Lanham Act, it is not certain that it reaches beyond that specific cause of action.

Along with the Lanham Act violation, Fox also brought a copyright infringement action against Dastar, which was not before the Court.<sup>111</sup> Absent in these two actions, though, was any claim involving a trademark, either for infringement or dilution. The unfair competition cause of action in § 43(a) is similar to, but not exactly the same as, trademark infringement. A party does not need a mark, valid or otherwise, in order to bring a claim of unfair competition, which is why the court seemed concerned about the overlap between copyright and this part of the law.

### **III. RHETORICAL JUSTIFICATIONS FOR THE EXPANSION OF TRADEMARK PROTECTION**

#### **A. FEAT OF STRENGTH ANALOGY**

This paper argues that unique literary characters have inherent distinctiveness at the time they are published, and therefore do not require a finding of secondary meaning to act as marks for their creator's works. One way to understand the idea of pushing for expanded protection is to imagine the strength-testing games at a carnival. These devices work by placing a weight on one end of a lever and having a person swing a mallet down onto the other end, sending the weight shooting up a vertical board. At the top of this board is a bell which rings if the weight hits it.

To convert this to intellectual property terms, the person swinging the mallet is the author or owner seeking protection for their creative work. Factors that would support a finding of protection speed up the mallet's swing and increase its force on the lever.<sup>112</sup> The bell at the top of the board measures if the work is worthy of protection, and its height is decided by society. When the bell rings, no matter how softly, the work gets protection. With copyrights, a very creative painting would ring the bell louder than a work with only the required minimal creativity, but both would still be protected.

For trademarks, courts normally look at the strength of the mark, or any secondary meaning the mark has if required. A product carrying a fanciful or arbitrary mark (a strong mark), would make the bell sound loudly. A product with only a descriptive mark (a weak mark that is not inherently distinctive) would not sound the bell at all if the mark failed to carry a secondary meaning. An initial failure to ring the bell does not preclude multiple attempts at ringing the bell. If the descriptive mark acquires strength through exposure and use (secondary meaning), the

111. *Dastar*, 539 U.S. at 28 n.2.

112. For trademarks, such factors include classification of the mark (descriptive versus suggestive) and how long the mark has been in use.

mallet can swing faster, and the mark's creator may be able to eventually ring the bell and gain protection. This does not change the fact that until the descriptive mark gained a secondary meaning, it was unprotected.

## **B. ALL CHARACTERS SHOULD BE PROTECTED FROM THE TIME OF PUBLICATION**

The idea behind trademarks is twofold: to protect the consumer from counterfeit goods and to protect the goodwill that a producer has built into their mark.<sup>113</sup> The goods that an author produces are the words and scenes she puts onto the page. An author's reputation is based on what the audience thinks and feels about the works – one book that does not meet these expectations can undo the goodwill built up by earlier works. Authors expend time and effort to build their literary reputation as a brand, much like a company spends money to market and reinforce their brand.

### **1. Characters Are the Same as Tangible Physical Goods**

Before discussing the rationales behind the protection of literary characters, it is useful to review the reasons for allowing trademarks for physical goods. As discussed below, trademarks are used to denote that all goods associated with the mark come from a single source.<sup>114</sup> This source is usually the company that markets the goods, although the different goods sold under the same mark can be manufactured in different places. For example, Coca-Cola has different regional bottlers that produce the end products that are sold to the public.<sup>115</sup>

This analysis is simpler when dealing with the work of a single artisan; the mark denotes that the work came from them. It is useful to have trademarks to use as a quick indicator of quality when dealing with fungible goods. For example, there are very few ways to “personalize” a horseshoe when it is meant to be actually put on a horse, and therefore many of them will look the same or very similar. The use of a mark on a particular horseshoe can impart much information about the quality of the shoe without detracting from its functionality. The users of the shoes will have different expectations as to the quality and performance of the shoe based on the mark conveying a particular source creator.

The purpose of utilizing trademarks for physical goods also applies to intangible goods, like literary characters. The use of a character in a work conveys the same amount of information about a work as a mark does for a tangible good. The only difference is that while trademarks for tangible products are mostly associated with their single supplier, creative works have a few possible sources that they can be associated with, such as the publisher or author(s). The best analog to the creator of a tangible good in

113. See 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, § 6:14 (4th ed. 2012).

114. 15 U.S.C. § 1127.

115. *The Coca-Cola System*, THE COCA-COLA COMPANY (Jan. 1, 2012), [http://www.thecoca-colacompany.com/citizenship/the\\_coca-cola\\_system.html](http://www.thecoca-colacompany.com/citizenship/the_coca-cola_system.html).

this case, is the author or creator of an intangible work.

## 2. Works by Many Authors Are Similar to Coca-Cola

For a group of works by different authors, all using the same characters owned by a single company (such as the publication of a comic book), there are a set of consumer expectations associated with each of the individual works. This is like consumer expectations that comparable tangible goods carrying the same mark will be similar. Characters will act in familiar ways regardless of the author, and audiences expect certain situations to appear and for the plot to follow a familiar pattern. Readers expect Batman to fight crime and Superman to save the day, even though different authors may write their own unique stories involving those characters. The use of different authors may mean the audience will not expect the writing style to stay exactly the same throughout the series, but the audience does expect the usual elements associated with the character to be there.

Any drastic change to the character can result in a loss of readers, which is analogous to a loss of goodwill in relation to changes in established tangible products. Some readers will be like dedicated drinkers of Coke: if they order a cola expecting Coca-Cola, and the beverage turns out to be different, they will send it back, preferring to drink nothing instead. If a company makes a drastic change to their established tangible product line, like the introduction of “New Coke,” it can lead to unrest in the customer base.

## 3. Of Novels and Horseshoes

Instead of a company, consider applying the reasoning stated above to a set of authors. The authors individually controlled the characters when they created their unique stories, and they have all steered audiences' expectations. While character usage may not seem to be as controlled as is the case with a corporation creating products, any deviations from story to story are at the sole discretion of the authors, much like the mixing of ingredients by regional bottlers of Coca-Cola. The trouble with creative works is that the formula for creation can vary more than the formula for cola, although audience expectations help guide character actions. The readers imagine that characters will exhibit certain responses and actions as they have come to expect in other tales, just as they expect Coca-Cola to taste the same regardless of who made it. However, by putting their individual names on the work, authors are making a distinct personal investment in the content of the work, which may be greater than the one the regional bottler makes in their products. While an entire corporation may have a large number of products to obscure the failure of a single unit, most individual authors create too few works to have this luxury. Authors that make confusing, unsatisfying, or unfamiliar uses of familiar characters can see their market share diminish irreparably with a single story.

If instead of publishing by themselves, individual authors published their own independent works with a company, and decided to stop

publishing, it would be harmful for the company to replace the author with someone else that would utilize the same characters and thematic tropes in a way contrary to the wishes of the original author. The company did not supply the raw ingredients needed for the works they later published, they just marketed it. In this case, the publishing company is not Coca-Cola, supplying its regional bottlers with a standard syrup; the company is more like a distributor that sells those horseshoes that carry a unique mark. The publishing company has no right to pass off any new unapproved stories they create as original works of an individual author, just as they would be barred from selling horseshoes carrying a particular trademark without that smith's approval. Even if the company had worked closely with the author, and imposed strict controls over the author's end product, the company is still trying to unjustly profit from the unique characters, settings, and situations that mark the author's work.

Society understands the problem of passing off goods as someone else's; customers may pay for quality or features of one good, only to find that the counterfeit good is lacking in those parts. If someone were to try and pass off one of their literary works as part of another author's series, there would be harm to both the consumer and the original author. The consumer would get a book that does not meet their expectations, and the author's brand image would be tarnished by a work that is trying to free ride on the good name of their previous works. This may mean lost sales of the book, but it can also hurt the character's brand value.

Now, on to a more difficult conceptual problem: does an author of just a single story deserve trademark protection for their unique characters, or is it a different case from the serial-story-situation above? As a consumer, it is difficult to know what to expect from a single book that advertises a character as a selling point, as there are no histories associated with the character to build expectations in the reader. However, there has also been a significant creative and temporal investment by the author into the character, by making them to their liking and into something that he or she thinks consumers will enjoy reading about. At the same time, the author is choosing which characters to write about and to be associated with, in essence choosing what he wants the market to associate with his name.

While it may seem right to compare a single story to a single pair of horseshoes, the similarity breaks down when scrutinized. A pair of horseshoes can only be used by one horse while new. Once they are worn out, they must be disposed of, much like a copy of a book. But it is not the single printed copy of the book that deserves protection; it is the words on the page and the underlying story, which can be reproduced to the benefit of all who want it with minimal cost. The printed book is not like a pair of horseshoes; the unique characters and plots are the "shoes" forged by the author. It is better to think of the author as a blacksmith that only makes one product: the "uniquely marked horseshoe" or rather the intangible story that is marked by its unique characters.

In the single-story case, it may not feel right to extend trademark

protection to this author for his characters. The more renown the characters have, the more public policy favors increases in protection. This, however, encourages others to improperly use unprotected characters and may prevent them from gaining any protection at all in the future. Imitators and people who outright steal the ideas will flock to any work that may become the next big thing, hoping to make money off of it. While the characters are protected under copyright, this still leaves holes open for exploitation. An unauthorized publication could claim to be another story with the named character, and then have a character with the same name, but no other resemblance, be part of the story. There is very little similarity between this new story and the original, maybe just ideas but not expressions, and thus copyright would be of no help to the author of the original work. If fame is necessary to gain trademark protection, then this new work may not be famous enough to be protected either. This leaves the author of the original story with few avenues to protect himself, and may create an overall chilling effect limiting the creation other works involving unique new characters.

However, if the unique character of the original author's story is protected by trademark law the first time the book is published, things change. The use of the name of the character in the unauthorized story could then be stopped under trademark law and it would be more difficult for other unauthorized authors to free ride on the original story's success. It would also allow courts to stop finding creative ways to make the facts fit into the requirement that the character achieve acquired significance, as this proposed early trademark status would be a rebuttable presumption.<sup>116</sup>

#### **IV. THE INTERSECTION OF TRADEMARK AND COPYRIGHT LAW**

So far this article has advocated for a limited expansion of trademark rights to help protect authors and to simplify the current system. In practice, allowing characters to serve as a trademark for their respective books bypasses the need to demonstrate secondary meaning as a condition for protection for the characters. In most cases, the only reason an author or owner of a single story would seek such protection is because the intellectual property is valuable enough or famous enough to warrant the costs of litigation. This in turn means that the character should be famous enough to have acquired the necessary secondary meaning so that a court would be likely to grant it trademark status after working through the various tests.<sup>117</sup> Creating a bright line rule like the one this paper suggests will lower the court costs associated with proving secondary meaning, and allow authors of less famous books to seek protection under a lower

116. See, e.g., Amy Lai, *The Death of the Author: Reconceptualizing 60 Years Later: Coming through the Rye as Metafiction in Salinger v. Colting*, 15 INTELL. PROP. L. BULL. 19, 36 (2010) (discussing copyright in the character of Holden Caulfield and the alleged infringing use of the character Mr. C in a metacritical literary work).

117. See, e.g., *D.C. Comics, Inc. v. Reel Fantasy, Inc.*, 539 F. Supp. 141, 144 (S.D.N.Y. 1982).

burden.

However, if such an expansion of trademark law were to occur, courts would need to limit the scope of trademark protection as is done with other source identifiers. Companies should not be able to use their trademarks as a perpetual copyright<sup>118</sup> to control the usage of their characters after they have entered into the public domain.<sup>119</sup> A long copyright term grants too much power and benefits to the few companies that have characters that remain profitable for the entire life of their copyright term while robbing the public of other “forgotten” characters that it may want to use.

#### **A. DELINEATION OF A CHARACTER IN COPYRIGHT AND TRADEMARK**

While this paper does advocate that every character, in general, should be eligible for trademark status as soon as the book is written, not every character in the book can become a trademark. Trademarks need to be descriptive with secondary meaning, suggestive, arbitrary, or fanciful. Any character that becomes a trademark must also meet these requirements. In prior cases, the court has focused on the “fame” of the character to see if it has acquired secondary meaning, which assumes that the character cannot be thought of as a fanciful or arbitrary mark.<sup>120</sup> This may just be because the cases that come before the court are easier to deal with using the acquired secondary meaning test and courts do not feel the need to delve into the test that places the character into an inherently strong trademark category.<sup>121</sup>

Hearing which characters are in a book conveys more meaning than the title can ever hope to do. For example, a book with the title On the Bank of the River describes the name of the story, and may give some idea as to what is in the plot.<sup>122</sup> However, if it was known that Sherlock Holmes was a character in the book, the expectations of the story change.<sup>123</sup> In many books, there are certain characters that we expect to appear, situations that normally occur, and a writing style that is familiar.

118. Cf. Mireles, *supra* note 5, at 434 (discussing how the expansion of trademark rights has a chilling effect on activities beneficial to the public, such as the free use of material in the public domain).

119. Disney has already lobbied Congress twice for a longer copyright term. Congress has extended the term twice – both times right around the time that Mickey Mouse was close to entering the public domain.

120. See generally *Universal City Studios, Inc. v. J.A.R. Sales, Inc.*, 216 U.S.P.Q. (BNA) 679 (C.D. Cal. 1982).

121. That most cases involving trademark infringement are brought by the owners of economically important well-known marks plays a part in this. There may be no financial incentive to borrow a fairly unknown character, while borrowing Superman may prove profitable. This may be a case where absence of evidence is not evidence of absence.

122. This is a fictitious name intended as an example.

123. A story titled ON THE BANK OF THE RIVER may initially exude images of fishing or riverboat travelers in the consumer’s mind. However, if Sherlock Holmes was known to be a prominent character in the tale, the consumer would perceive the work as a detective novel. The inclusion of a single famous character “marks” the work and guides the reader’s perception about the story contained in the book. The expectations of the work change to meet what the consumer knows from prior works.

While it is possible for a character in a single work to serve as a trademark,<sup>124</sup> it is often difficult to describe other works, either in a series or separate from the first, as merely “containing” said character. Characters in coming of age books can be described as similar to Holden Caulfield, and the person you are talking to can immediately conjure up a mental image of what to expect from the character.<sup>125</sup>

The best way to think about this is that the author has already worked to build up the “brand” of the character. The more detail that the author goes into about who the character is and how he or she acts, the more information can be conveyed by the mere mention of the character’s name. The time spent building the character in a book is analogous to the time and money spent building up a brand in the market. It would also be expected that some characters might be so distinct as to warrant them being fanciful.

The expansion of a character to encompass more meaning is like the delineation test for copyright protection of characters, which is a mixing of law that this paper is against.<sup>126</sup> This situation is like the above section on the initial ownership of a trademark; the current law is silent on the issue and this meshing helps to explain something that is already occurring. Also, while the two tests seem very similar, they are used in different ways. The copyright delineation test is used to draw the boundaries of protection around a character. A character that is described only as a man should not be protectable as it could cut off all uses of male characters. The more that is described about this character, the more society feels comfortable preventing others from copying it.

Whereas copyright law is about assigning a character to a certain protectable sphere of law, the requirement for trademark protection of a character is more like ensuring that the character’s level of description, depth, or fame meets the established requirements for a trademark, be it secondary meaning or suggestiveness.<sup>127</sup> This should be a fluid standard looking at all facts and circumstances surrounding the character and the work. If a character is not eligible for this initial protection, it will not preclude it from being protected in the future if it does gain secondary meaning. Furthermore, the automatic gain of trademark rights would be a rebuttable presumption.

## **B. THE UNDERLYING PROBLEM WITH THE EXPANSION OF TRADEMARK PROTECTION**

One of the largest objections that can be expected when discussing any expansion of intellectual property rights is the fear that the move will

124. See generally *Universal*, 216 U.S.P.Q. 679.

125. See *Lai*, *supra* note 116.

126. See JAMES G. SAMMATARO, *FILM AND MULTIMEDIA AND THE LAW*, § 1:13 (West 2012).

127. This is not to say that if something is capable of being copyrighted it should automatically qualify as a trademark. Copyright law has a long history of establishing what is needed for a character to gain protection which is absent from trademark law.

stifle innovation and prevent new works from being created. If more works are eligible for copyright or fair use shrinks, there are fewer ideas for others to use and there may come a time when everything is protected.

This comes to a head when trademark and copyright law is combined. Through copyright, a company can prevent others from using an image or other work. The exclusive right to use that image can then be leveraged over time to help the image gain secondary meaning, and thus qualify the image as a trademark.<sup>128</sup> Then, as seen in *Warne*, when the copyright expires, the trademark can continue to exist off of its secondary meaning. This coexistence of trademark and copyright laws should not be that big of a problem, as they each deal with protecting different things. However, when the laws become muddled there is a large risk of trouble.<sup>129</sup>

The idea of “fair use” that exists in copyright law allows some uses of a copyrighted image without the permission of the creator of the image.<sup>130</sup> This tenant of copyright law has no equivalent in trademark law, which at its heart seeks to prevent confusion instead of the underlying creative work. If a magazine could find a way to use Mickey Mouse under fair use Disney could attempt to sue them under trademark law and may well win. This would, in effect, be using a trademark to gain the protections of copyright law, in the sense that the exclusionary rights granted by trademark law may be accessed when only a fair use analysis should apply.<sup>131</sup> The situation becomes even worse when Mickey falls into the public domain after its designated period of protection under copyright and Disney prevents any use of the character by bringing trademark infringement suits.

Even if trademarks are not being directly used to extend copyright protection, there is some blurring of the law between the two fields. While discussing the “damage to the market” factor of the copyright fair use analysis, courts have found that the argued fair use of a copyrighted character damaged the image associated with that character.<sup>132</sup> The possible dilution of the mark is not the same as the harm to the market, as these concepts arise in different areas of the law, and should remain separated.

If courts continue to go down this path, the public may be left with the worst of all fields: the expansive bundle of rights of copyright coupled with unlimited duration and the confusion standard of trademarks. As of now, there are cracks showing in the armor with the creation of “copyright dilution.”<sup>133</sup> Courts do not need to go down this path; the correct results can

128. See Moffat, *supra* note 25, at 1508.

129. See generally Kenneth L. Port, *The Expansion Trajectory: Trademark Jurisprudence in the Modern Age*, 92 J. PAT. & TRADEMARK OFF. SOC'Y 474 (2010) (commenting on the protection of some trademarks from dilution by creating a copyright in the mark that is not subject to the other drawbacks of normal copyrights).

130. See *e.g.*, *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605 (2d Cir. 2006) (using thumbnails of concert posters in an illustrated biography of the Grateful Dead was considered fair use).

131. Moffat, *supra* note 25, at 1516.

132. See *D.C. Comics Inc. v. Unlimited Monkey Business, Inc.*, 598 F. Supp. 110, 118 (N.D. Ga. 1984).

133. For a discussion of the concept of copyright dilution, see Lucille M. Ponte,

be reached without expanding the protections of either field.<sup>134</sup>

One thing that is problematic about using characters as source representation is the blending of copyright's concept of creator and trademark's concept of source. It seems disingenuous to argue for the mixing of ideas in one section and then call for their segregation in another. Although trademark law likes to think it has nothing to do with anything creative, it still deals with creative people. When marks are owned by entities that sell a variety of products, it is easy to argue that trademarks do not protect creativity. But when a smaller scope is considered, like a mark used to denote handmade jewelry, the protection of creativity starts to bubble up.

The mark itself may not be creative, and it does not have to be, but the meaning associated with it draws from the creativity of the maker. The distinctive mark gains its secondary meaning as consumers associate the creative elements of the work with the mark. It is easy to forget this importance when bombarded with dozens of marks every hour. Just because many things protected by trademarks are not seen as creative does not mean that all trademarks are not creative.

Just as the mark of a craftsman draws meaning and significance from the underlying work, so does a character draw from the story they appear in. The creativity is essential to the mark gaining any meaning. If a mark begins as only descriptive, it relies on creativity to gain secondary meaning. That creativity may be in the way it is advertised to become associated with a source or the creativity used to make the product the way it is. This is not to say that creativity is all that matters, just that it is not completely irrelevant when discussing trademark law.

Another important factor to consider with the blurring between copyright and trademark is the interaction between a copyright-like trademark and the Intellectual Property Clause of the Constitution.<sup>135</sup> The important aspect of the clause here is that it secures "exclusive Rights" for "limited Times."<sup>136</sup> The Supreme Court in the *Trade-Mark Cases* said that trademarks do not fall under the Intellectual Property Clause and thus can last for an unlimited amount of time.<sup>137</sup>

Due to the repeated expansions of the copyright term,<sup>138</sup> courts have not had to deal with many cases where a company is seeking to solely use trademark law to try and enforce its rights under copyright. In *Dastar*, the Supreme Court signaled that Section 43(a) of the Lanham Act would not serve as an alternative to a copyright.<sup>139</sup> Time will tell if lower courts will

*Preserving Creativity from Endless Digital Exploitation: Has the Time Come for the New Concept of Copyright Dilution?*, 15 B.U. J. SCI. & TECH. L. 34 (2009).

134. See Helfand, *supra* note 4, at 649.

135. U.S. CONST. art. I, § 8, cl. 8.

136. *Id.*

137. *Trade-Mark Cases*, 100 U.S. 82, 94 (1879).

138. See *Eldred v. Ashcroft*, 537 U.S. 186 (2003) (finding expansions of the copyright term to be constitutional).

139. Port, *supra* note 129, at 494.

follow that reasoning, or if they even need to.

When Congress decides to retroactively expand the term of copyright protection,<sup>140</sup> they are making a decision about whose rights and interests are more important. On one side are the creators who put their time and energy into their works and deserve to profit from that investment and have exclusive control for a limited time.<sup>141</sup> On the other side is the general public who will be free to use any work after the exclusive period has ended. The shorter the copyright term the less time an author will have to profit from their creations, and some would argue that less innovation or creation would occur.<sup>142</sup> The current copyright term lasts for the life of the author plus seventy years, which is twenty years longer than the minimum term required under international agreements.<sup>143</sup> The seventy years after the life of the author is already longer than the original term of copyright.

Companies that profit from copyrighted works like the long term because it gives them more time to profit off of existing creations.<sup>144</sup> This is somewhat paradoxical. A longer copyright term means companies do not have to aggressively innovate and create to remain profitable. One company that is well known for profiting off of an existing creation is Disney, who fought hard for the 1998 copyright extension.<sup>145</sup> They have been one of the companies leading the call for extensions of the copyright term, trying to hold onto the exclusive rights of Mickey Mouse for as long as they can.<sup>146</sup> When they copyright on Mickey Mouse finally expires,<sup>147</sup> they will most likely be aggressively litigating to protect their existing trademarks in Mickey Mouse.<sup>148</sup> What courts need to do now (and are failing to do) is draw firm distinctions between copyright and trademark protections to be ready for the deluge of cases that will arise once Mickey Mouse and other valuable properties enter the public domain.

140. Both the Copyright Act of 1976 and the Sonny Bono Copyright Term Extension Act extended copyright duration for future works and those still in copyright at the time of the extensions.

141. U.S. CONST. art. I, § 8, cl. 8.

142. *Contra* Lavigne, *supra* note 14, at 324.

143. Doris Estelle Long, *When Worlds Collide: The Uneasy Convergence of Creativity and Innovation*, 25 J. MARSHALL J. COMPUTER & INFO. L. 653, 666 (2009).

144. *See* Lavigne, *supra* note 14, at 331.

145. Disney fought hard for the extension. A legislative example of copyright term extension can be found in the Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, 112 Stat. 2827 (1998).

146. They would most likely not object to copyrights lasting for the limited term of “forever minus one day,” as suggested by Jack Valenti.

147. Mickey Mouse is actually protected under an older copyright act that initially granted protection for two fixed terms and was then extended under the Sonny Bono Copyright Term Extension Act.

148. Walt Disney Co., Annual Report (Form 10-K) (Nov. 23, 2011). In its most recent 10-K filing with the SEC, the Walt Disney Company stated that its business is dependent on its intellectual property rights. *Id.* The report goes on to state that substantial resources are currently devoted to protecting those rights. *Id.*

### C. THE SEPARATE PURPOSES OF TRADEMARKS AND COPYRIGHT

Courts need to delineate where consumer protection ends and the public domain begins. Right now, the Harry Potter series of books is still protected by copyright and Harry Potter can effectively serve as a trademark for the type of stories that the author has written. What will happen to the Harry Potter trademark when the stories enter the public domain? At that time anyone could republish the books again, saying they are by J.K. Rowling. In that case there would be no confusion as to the source of the books.

An author could also, under fair use, use the characters in any way that they would like. If a new author wanted to write a series of side stories about Harry and his friends during their time at wizard school, they would be free to do so under fair use. What about the trademark for Harry Potter? Marketing the books as part of the Harry Potter series (the seven main books and any official derivatives) would most likely create confusion; other users would then have to try different ways to position the book so it would not violate any trademark rights.

Due to the current extension of the copyright term the courts have not had to deal with this question much in the past and may not have to deal with it much in the near future. When these types of cases do begin to be litigated, the courts will have to decide how to limit the potential for consumer confusion while still allowing the free use of a public domain character. It becomes a question of how best to balance copyright protected expression, trademark protected source identification, and the public domain

In *Walt Disney Productions v. Air Pirates* the Ninth Circuit addressed the use of a potentially confusing mark among other causes of action, including copyright infringement.<sup>149</sup> Under consideration was the defendants' use of "Silly Sympathies" to play off of the plaintiff's "Silly Symphony" in their adult<sup>150</sup> comic.<sup>151</sup> The appellate court concluded that the lower court's finding for the plaintiff was improper, saying that the lower court focused too narrowly on a simple visual comparison between the marks.<sup>152</sup> When the court took the context in which they were sold (adult, counter-culture stores) the likelihood of any confusion was diminished.<sup>153</sup> The court went on to further say that because the defendants had properly attributed the source of the material on the front of the book it was less likely that the use of "Silly Sympathies" would be confusing.<sup>154</sup>

149. *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751 (9th Cir. 1978).

150. The defendants' comics contained bawdy depictions of Disney characters peering in a bathroom window as someone gets ready to take a bath and descriptions of sexual acts between those characters. *Id.*

151. *Walt Disney Prods.*, 581 F.2d at 759.

152. *Id.*

153. *Id.*

154. *Id.*

Even though the appellate court's decision was reversed, the case analysis demonstrates how courts can delineate the line between fair use and trademark rights, because the court took into account the added context in which the different works were sold to determine likelihood of confusion between the plaintiffs satire of defendant's work.

This case helps to show some of the ways that the line between fair use of an expired copyright and the continuing trademark rights may be delineated. The court stressed the lack of actual confusion and the lack of improper intent by the defendants.<sup>155</sup> Requiring the holder of valid trademarks in now public domain works to meet a higher threshold in the likelihood of confusion test would help others to use their marks in expressive ways. Another idea is to have courts consider the public interest when deciding whether to issue a preliminary injunction in a trademark case.<sup>156</sup> This change would address some of the current failures of trademark disputes<sup>157</sup> but would allow courts to consider the valid use of a public domain character that also serves as a trademark, balancing the copyright and trademark uses of the character.

When a popular character enters the public domain there will be a rash of knockoff stories using them and people will be confused by these new stories. However, the new authors can help to limit the confusion by highlighting the "new" author of the stories, avoiding using the trademarked styles<sup>158</sup> of the series or book they are borrowing from, and not doing more than is necessary to promote the characters in the book. A book pronouncing that it contains "new stories of Harry Potter and his friends" is much more honest than a book declaring "the next chapter of Harry Potter." The latter is trying to ride on the success of the original series and its intent is less pure than the former. This is just a simple example, but the line between innocent and improper intent will need to be flushed out by courts and Congress. What cannot be done is to give too much power to the trademark holder to restrict any expressive use of the characters after they enter the public domain. If there is no distinction between those two realms, then trademark law becomes a more powerful, perpetual form of copyright, and the law is not equipped to behave in that way.<sup>159</sup>

## V. CONCLUSION

What this paper advocates seems radical at first; allowing multitudes of unique literary characters to serve as trademarks from the moment a

155. *Id.*

156. Mireles, *supra* note 5, at 489.

157. *Id.*

158. For example, the typeface used for the title words on the cover of the Harry Potter series.

159. For example, trademark law has no exception for parody or other fair uses of a character; it is focused on consumer confusion. A well-done parody book may cause some consumer confusion while still being protected under copyright law.

book is published, and then allowing their protections to be limited in copyright law after the works pass into the public domain. While it is true that the mixing of copyright and trademark law has currently turned a trademark into a form of everlasting copyright,<sup>160</sup> this does not need to continue to be the case. If courts return to a pure analysis of the law and segregate copyright and trademark claims into their respective territories, many confusing problems may be resolved.<sup>161</sup>

While there may be an increase in the number of trademarks registered after such a rule is adopted, the impact should not be as great as worried. First, the owners of the rights, either original or assigned would need to register the mark, a potentially frustrating and time-consuming process. This alone will cause the number of marks immediately registered to be lower than feared. Only the characters of the most promising works may be registered, as a hedge on perceived popularity and economic potential. If the work is popular, there is protection from day one; if not, the owner is only out the cost of the mark. This will just move up the protection that famous characters now have and prevent the courts from having to find ways to justify the obvious under the existing structure.

Popular and pervasive literary characters should not need to acquire secondary meaning in order to be protected under the law. Extending protections to valuable characters from the beginning would allow courts to focus on the correct application of trademark law and copyright law distinctly, without muddying the waters with an initially-conflagrated analysis. The passage of time will show which line of reasoning prevails, and in that time Walt Disney may get the copyright term extended yet again, putting off this difficult decision yet again.

160. See Moffat, *supra* note 25, at 1516.

161. The courts have yet to address an issue surrounding a company that is both the creator of a mark and the distributor of a work bearing a mark. Do the limits in *Dastar* prevent a company in this role from gaining the protection of § 43(a) of the Lanham Act, or is there an implied exception in the court's decision? *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003). This issue is beyond the scope of this paper.