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LAW SUMMARY

Copyright Protection: The Force Could Not Keep Han Solo Alive, but Can It Protect Him from Authors' Derivative Works?

MICAH UPTEGROVE*

I. INTRODUCTION

Over the past century, fictional characters have become extremely valuable; the Harry Potter films all together, for example, grossed \$7.7 billion at the box office.¹ Even this huge sum is dwarfed by Marvel movies, which have brought in over \$9 billion to date.² While these newer characters are fascinating, the classics still live on; one of the most memorable fictional characters of all time is Mickey Mouse, who had his debut in 1928 as Steamboat Willie.³ In the past, Disney has worked diligently to protect its fictional characters, but copyright law does not offer perpetual protection.⁴ In fact, Steamboat Willie would have first entered the public domain in 1956, but because of Disney's efforts, he is now protected until 2023.⁵ The reason for this extended protection is buried in several acts of Congress, including most recently the Mickey Mouse Protection Act or, officially, the Sonny Bono Copyright Term Extension Act of 1998 ("CTEA").⁶ The CTEA is pejoratively referred to as the Mickey Mouse Protection Act as a result of Disney's extensive lobbying support designed to prevent its early works from entering

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1. Oliver Gettell, *J.K. Rowling's New Harry Potter Story: Could It See the Big Screen?*, L.A. TIMES (July 8, 2014), <http://www.latimes.com/entertainment/movies/moviesnow/la-et-mn-jk-rowling-new-harry-potter-story-movie-20140708-story.html>.

2. Rohan Patel, *The Marvel Cinematic Universe Has Officially Grossed over \$9 Billion Worldwide*, COMICBOOKMOVIE.COM (Oct. 22, 2015), <http://www.comicbookmovie.com/fansites/KingPatel/news/?a=126180>.

3. *Steamboat Willie*, IMDB, <http://www.imdb.com/title/tt0019422/> (last visited Mar. 28, 2016).

4. See 17 U.S.C. § 302 (2012).

5. See Beth Hutchens, *Copyrights Last for a Limited Time, At Least in Theory*, IPWATCHDOG (Mar. 27, 2011), <http://www.ipwatchdog.com/2011/05/27/copyrights-last-for-a-limited-time-at-least-in-theory/id=17391/>. See also Zachary Crockett, *How Mickey Mouse Evades the Public Domain*, PRICEONOMICS (Jan. 7, 2015), <http://priceonomics.com/how-mickey-mouse-evades-the-public-domain/>.

6. Pub. L. No. 105-298, 112 Stat. 287 (codified at 17 U.S.C. § 302 (2012)).

the public domain.⁷ The late Sonny Bono introduced the CTEA, which extended copyright protection; his ultimate goal, however, was to extend copyright protection indefinitely.⁸ Unfortunately for Bono, the Constitution prohibits perpetual copyright protection, a point his wife later conceded before the House of Representatives.⁹ The fact that these fictional characters are so valuable, however, incentivizes companies to try to protect their works in a variety of different ways.

Going forward, we will likely see companies attempting to further extend the duration of copyright, but constitutional constraints will incentivize businesses to seek the protection of other areas of law, such as trademarks for their fictional characters. In the future, we will likely see companies trying to further extend the duration of copyright, but we will also see different areas of law being applied to fictional characters.¹⁰ One possible example of this may be how Disney has incorporated Mickey Mouse. Since *Meet the Robinsons* was released in 2007, Mickey Mouse has appeared at the beginning of every Walt Disney Animation Studios' production.¹¹ Disney including this short film before all of its new films may be in order to establish trademark protection for the clip.¹²

There are several differences between the protection of graphical and literary characters, with those differences being especially profound when characters are created in one form of media but are then transferred to another.¹³ A well-known example of this is the *Harry Potter* series, which consists of books that were then turned into movies. What happens when a character in the books is a "flat" character that does not have anything more than a ge-

7. See Daniel Tencer, 'Mickey Mouse Protection Act' Headed for Canada After Feds 'Cave' in Trade Talks: Reports, HUFFINGTON POST CAN. (Feb. 7, 2015), http://www.huffingtonpost.ca/2015/02/07/mickey-mouse-protection-act_n_6633502.html; Crockett, *supra* note 5.

8. 144 CONG. REC. H9951–52 (1998) (daily ed. Oct. 7, 1998) (statement of Rep. Mary Bono).

9. *Id.*

10. See Timothy B. Lee, *15 Years Ago, Congress Kept Mickey Mouse Out of the Public Domain. Will They Do It Again?*, WASH. POST (Oct. 25, 2013), <https://www.washingtonpost.com/blogs/the-switch/wp/2013/10/25/15-years-ago-congress-kept-mickey-mouse-out-of-the-public-domain-will-they-do-it-again>.

11. See Bill Desowitz, 'Meet the Robinsons': Keep Moving Forward at Disney, ANIMATION WORLD NETWORK (Mar. 30, 2007, 12:00 AM), <http://www.awn.com/animationworld/meet-robinsons-keep-moving-forward-disney>; Beth Barany, *Trademark Protection for Fictional Characters*, WRITER'S FUN ZONE (Dec. 23, 2011), <http://www.writersfunzone.com/blog/2011/12/23/trademark-protection-for-fictional-characters/>. The animation was modified to better fit the theme for *Tangled*, *Frozen*, and *Wreck-It-Ralph* but otherwise appeared unaltered. See *TANGLED* (Walt Disney Animation Studios 2010); *WRECK-IT RALPH* (Walt Disney Animation Studios 2012); *FROZEN* (Walt Disney Animation Studios 2013).

12. See Barany, *supra* note 11.

13. See Ivan Hoffman, *The Protection of Fictional Characters*, IVANHOFFMAN, <http://www.ivanhoffman.com/characters.html> (last visited Mar. 14, 2016).

neric personality but is transformed into a “round” character in the movie series?¹⁴ Does the copyright for this new complex character originate in the book or instead in the later film adaptation?¹⁵ These questions can also be resolved in different ways; notably there is also a difference in preventing someone from creating and selling copies of another’s work and giving someone the right to create derivative works.

This Note is meant to address the issues surrounding the rights copyright holders have in their characters and what rights they should be given. These existing rights are so valuable that it is likely that major companies such as Disney are going to continue to try to extend copyright duration; this method has worked repeatedly in the past to protect their fictional characters.¹⁶ The extension of copyright duration through statutes is an attempt to navigate the issue that the U.S. Constitution technically only allows for copyrights to be protected for a “limited time.”¹⁷ If companies such as Disney can get a copyright term extension every few decades, they will essentially have created *de facto* perpetual copyright duration without violating the language of the Constitution. The right to create derivative works is also protection given by copyright law and it may be far more valuable to authors who wish to produce their works in a series. The U.S. Courts of Appeals decisions in *Warner Bros. Entertainment, Inc. v. X One X Products* and *Klinger v. Conan Doyle Estate*, however, seem to create a circuit split that complicates the issue of when other authors can begin to create derivative works. With copyrights protecting such a valuable industry there are some who argue for copyright duration to be extended indefinitely,¹⁸ but there are also strong arguments against perpetual copyright duration premised on the relationship between copyright protection, competition, and creativity.¹⁹

It is difficult to deny that copyright duration has an effect on creativity and competition, but as long as companies like Disney do not have an alternative method of protecting their fictional characters, they will continue to seek extended copyright duration. This then raises a question: What is it that

14. How well developed a character is can be extremely important for copyright protection, but other terms such as “round” or “flat” are often used to describe the character’s complexity. *Klinger v. Conan Doyle Estate, Ltd.*, 755 F.3d 496, 501–02 (7th Cir. 2014), *cert. denied*, 135 S. Ct. 458 (2014).

15. Hoffmann analyzes these questions, but unfortunately the answer is complex and very case specific. See Hoffman, *supra* note 13.

16. See Lee, *supra* note 10.

17. U.S. CONST. art. I, § 8, cl. 8.

18. Mark Helprin, *A Great Idea Lives Forever. Shouldn't Its Copyright?*, N.Y. TIMES (May 7, 2011), http://www.nytimes.com/2007/05/20/opinion/20helprin.html?ex=1337313600&en=3571064d77055f41&ei=5124&partner=permalink&exprod=permalink&_r=0.

19. Richard Posner, *Do Patent and Copyright Law Restrict Competition and Creativity Excessively?*, BECKER-POSNER BLOG (Sept. 20, 2012), <http://www.becker-posner-blog.com/2012/09/do-patent-and-copyright-law-restrict-competition-and-creativity-excessively-posner.html>.

companies like Disney are actually trying to protect, and is there some other way of protecting that interest without extending copyright protection? This Note takes the stance that what authors want to protect is the right to the use of their fictional characters in derivative works, and they would be willing to forgo fighting for statutory copyright duration extensions in exchange for this right. This stance is premised on the idea that copyright holders gain little income from their oldest works, such as the original Sherlock Holmes stories, but the right to create new movies and stories is extremely valuable.

This Note looks to answer those questions and begins by analyzing the legal background of copyright protection in the United States in Part II. This is important because copyright protection has changed greatly since the Constitution was written, and it is possible that some of those changes have created problems that now need to be addressed. Part III discusses the recent developments in areas germane to copyright law as they pertain to fictional characters. This includes issues concerning what it means to create a derivative work, the right of publicity as it relates to fictional characters, and the limitations of trademark protection for characters. Part IV contains a discussion analyzing the split in the federal district courts, along with unique challenges associated with corporations as authors and owners of copyrights. Part IV concludes with a discussion of the constitutional limitations to copyright duration and proposed changes to copyright law.

II. LEGAL BACKGROUND

This Part begins with an overview of the history of copyright law in the United States that, while not comprehensive, is intended to trace the development of copyright law and its application to fictional characters. It then describes how and when fictional characters are copyrightable in the first place, explores the concept of derivative work, and expands into a discussion of the right of publicity and its application to entities other than people. This Part then concludes with an overview of trademark law and its relevance for fictional characters.

A. *A Brief History of Copyright Law*

The United States has a long history of protecting copyrights, with the first copyright statute passed in Connecticut on January 29, 1783.²⁰ The 1783 statute provided the author of a book or pamphlet the exclusive right to print, publish, and vend the work in the state for a period of fourteen years from

20. Brian Lee Pelanda, *Declarations of Cultural Independence: The Nationalistic Imperative Behind the Passage of Early American Copyright Laws*, 58 J. COPYRIGHT SOC'Y U.S.A. 431, 441 (2011).

first publication.²¹ In 1788, the U.S. Constitution was ratified and authorized copyright legislation: “To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”²² Later, Congress passed the Copyright Act of 1790, which gave authors of maps, charts, and books the sole right to print, reprint, publish, and vend their works for fourteen years.²³ The author was required to apply for the copyright, and if they were still alive when the copyright was expiring, he or she could renew the copyright protection one time for an additional fourteen years, totaling twenty-eight years overall.²⁴ The Copyright Act of 1909 then extended the duration to twenty-eight years from the date of publication with the possibility of one renewal of the same duration for a total of fifty-six years.²⁵

The next major change came with the Copyright Act of 1976 (“Act”), which extended the copyright duration to the life of the author plus fifty years.²⁶ Works for hire, anonymous works, and pseudonymous works were given a copyright term of seventy-five years.²⁷ Works copyrighted before the promulgation of the Act that had not yet entered the public domain had their extension term expanded from twenty-eight years to forty-seven years, giving them an effective copyright term of seventy-five years.²⁸ The Act also expanded the subject matter of copyright, with Section 102 extending protection to “original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.”²⁹ Qualifying works of authorship were expanded to include the following: literary, musical, dramatic, choreographic, pictorial, graphic, sculptural works along with motion pictures and other audiovisual works, and sound recordings.³⁰ Section 106 granted authors the exclusive right to reproduce, distribute, perform, and display the works along with the right to create derivative works.³¹

21. Adam Barrett Townshend, Note, *Crashing by Design: Toward a Uniform Standard for Public Place Analysis Under Federal Copyright Law*, 79 NOTRE DAME L. REV. 2045, 2048 n.11 (2004).

22. U.S. CONST. art. 1, § 8, cl. 8.

23. Ch. 15, § 1, 1 Stat. 124 (repealed 1831).

24. *Id.*

25. Ch. 320, § 23, 35 Stat. 1075 (repealed by Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2541).

26. Copyright Act of 1976 § 302(a) (as originally enacted) (current version at 17 U.S.C. § 302(a) (2012)).

27. *Id.* § 302(c).

28. *Id.* § 304(a).

29. *Id.* § 102(a).

30. *Id.* Architectural works were added to this section in 1990. Architectural Works Copyright Protection Act, Pub. L. No. 101-650, §§ 701–06, 104 Stat. 5133 (1990) (codified as amended in scattered sections of 17 U.S.C. (2012)).

31. Copyright Act of 1976 § 106.

The (“CTEA”) further extended the copyright duration for new and existing works.³² Under the CTEA, works with known authors were protected for the life of the author plus seventy years.³³ Works for hire, corporate works, anonymous works, and pseudonymous works were given protection for 120 years after creation, or ninety-five years after publication, whichever occurred earlier.³⁴

B. Copyrighting Fictional Characters

When movies or cartoons are given a copyright, a component of the copyright serves to protect characters that are sufficiently distinctive.³⁵ Characters that are not distinctive enough for copyright protection fall into the concept of “scènes à faire,”³⁶ a legal doctrine that prevents an author from proving copyright infringement by pointing to elements in a work that are rudimentary or unavoidable given the nature of the work.³⁷ Drunken bums, talking cats, fire-breathing dragons, and monocle-wearing Prussian officers that click their heels are all examples of stock characters that would fall under “scènes à faire.”³⁸

In *Gaiman v. McFarlane*, the issue regarding which characters are copyrightable was addressed in the context of comic books.³⁹ McFarlane began publishing the *Spawn* comic book series in 1992 about the adventures of Al Simmons, who was deceased but returned to Earth as a Hellspawn.⁴⁰ McFarlane hired several writers, including Gaiman, to improve the story line; throughout the process, Gaiman also created several new characters, including Medieval Spawn and Count Nicholas Cogliostro.⁴¹ A confrontation developed, and in subsequent litigation, McFarlane made the argument that Medieval Spawn and Cogliostro were not copyrightable because they were too undeveloped.⁴²

The U.S. Court of Appeals for the Seventh Circuit began its analysis by examining the relevant characters and their similarities and differences.⁴³ The first character is the original Spawn who could be described as a malevolent Superman figure that wears a huge red cape and armor created by a neu-

32. Pub. L. No. 105-298, 112 Stat. 287 (codified at 17 U.S.C. § 302 (2012)).

33. *Id.* § 302(a).

34. *Id.* § 302(c).

35. *Warner Bros. Entm’t, Inc. v. X One X Prods.*, 644 F.3d 584, 597 (8th Cir. 2011).

36. *Gaiman v. McFarlane*, 360 F.3d 644, 659 (7th Cir. 2004).

37. *Id.* (quoting *Bucklew v. Hawkins, Ash, Baptie & Co.*, 329 F.3d 923, 929 (7th Cir. 2003)).

38. *Id.* at 660.

39. *Id.* at 648.

40. *Id.* at 649.

41. *Id.* at 649–50.

42. *Id.* at 657.

43. *Id.*

ral parasite.⁴⁴ The second relevant character is Medieval Spawn who rides a horse, wears armor that is similar to Spawn's but it is illustrated to look more like a medieval suit of armor, and speaks in an antiquated form of English.⁴⁵ The third relevant character is Count Cogliostro, who is a wisdom-toting sage whose physical characteristics are well described with him appearing similar to a skinny, old bum with a greyish-yellow, Santa Clause-like beard.⁴⁶

The Seventh Circuit held that Cogliostro's "age, obvious phony title ('Count'), what he knows and says, his name, and his faintly Mosaic facial features combine to create a distinctive character."⁴⁷ The court noted that the case of Medieval Spawn appears to be a closer question because the character does not have a proper name; yet, the Lone Ranger is also distinctive and does not have a name, so the lack of name cannot be a characteristic that alone defeats copyright protection.⁴⁸ The test was then whether Medieval Spawn was sufficiently different from the original Spawn to be independently copyrightable as a derivative work.⁴⁹

The court explained that there are two reasons why a derivative work is required to be significantly different from the original copyright in order to be copyrightable.⁵⁰ The first is to avoid the confusion that would be generated "if two indistinguishable works were copyrighted."⁵¹ The second is in order to prevent an author from "making an identical work as the statutory period was nearing its end, calling it a derivative work, and copyrighting it."⁵² The court concluded that this was not an issue here because "[a] Spawn who talks medieval and has a knight's costume would infringe Medieval Spawn, and if he doesn't talk medieval and doesn't look like a knight then he would infringe Spawn."⁵³ It may seem trivial to point out that a Spawn who wears a costume would infringe Medieval Spawn, but this case is important because it lays out the test in the Seventh Circuit for when a fictional character is copyrightable and what is required for another character to be considered a derivative work from the original character.

C. Copyright Protection of Characters in Derivative Works

Copyrightable works moving from one medium to another can produce complications with regard to when the copyright of each respective work begins and ends. An important case on this issue is *Warner Bros. Entertain-*

44. *Id.*

45. *Id.*

46. *Id.* at 657–58.

47. *Id.* at 660.

48. *Id.* at 661. The court noted that the Lone Ranger actually does have a name – John Reid – but most of his audience is unaware of it. *Id.*

49. *Id.*

50. *Id.*

51. *Id.*

52. *Id.*

53. *Id.* at 662.

ment, Inc. v. X One X Products from the U.S. Court of Appeals for the Eighth Circuit.⁵⁴

Warner Brothers is the owner of the registered copyrights to the 1939 films *The Wizard of Oz* and *Gone with the Wind*.⁵⁵ While the films were still in production, publicity materials were independently created featuring the characters in costume.⁵⁶ These materials did not conform to the copyright notice requirements of the time, and so, the works were not protectable by federal copyright.⁵⁷ X One X Productions and Art-Nostalgia.com, Inc. (“AVELA”), the defendant, extracted the images of the famous characters from the publicity materials and began marketing them on a host of consumer items and used them as models for various three-dimensional works.⁵⁸

Warner Brothers sued AVELA, alleging unfair competition and that the extracted images infringed the films’ copyrights and trademarks.⁵⁹ AVELA argued correctly, according to the court, that as a general proposition, the public was allowed to freely use materials in the public domain, including in the creation of derivative works based off of the original.⁶⁰ The caveat was that this right to freely modify the original work ends when the derivative work “comes into conflict with a valid copyright.”⁶¹ This means:

[I]f material related to certain characters is in the public domain, but later works covered by copyright add new aspects to those characters, a work developed from the public domain material infringes the copyrights in the later works to the extent that it incorporates aspects of the characters developed solely in those later works.⁶²

In order to determine if copyright infringement has occurred, it is necessary to determine the scope of the copyright in the later works, the scope of the materials in the public domain, and the scope of the derivative works created from the materials in the public domain.⁶³ The Eighth Circuit agreed with the district court’s conclusion that Dorothy, Tin Man, Cowardly Lion, and Scarecrow were all sufficiently distinctive to receive copyright protection from the film.⁶⁴

54. See 644 F.3d 584 (8th Cir. 2011).

55. *Id.* at 589.

56. *Id.*

57. *Id.*

58. *Id.* at 590.

59. *Id.*

60. *Id.* at 591, 596.

61. *Id.* at 596.

62. *Id.* at 597.

63. *Id.*

64. *Id.*

The court came to the same conclusion in regard to the characters Scarlett O'Hara and Rhett Butler from *Gone with the Wind*.⁶⁵ According to the court, AVELA correctly argued that the protection for the characters was limited to incremental changes of character expression that occurred when the characters were moved to the film from their respective books.⁶⁶ This had little value in the instant decision because of the fact that a character as described in a book “anticipates very little” of the character as it is expressed in the film.⁶⁷ As an example, the court noted Dashiell Hammett’s description of Sam Spade, played by Humphrey Bogart in the 1941 film,⁶⁸ from *The Maltese Falcon*:

Samuel Spade’s jaw was long and bony, his chin a jutting v under the more flexible v of his mouth. His nostrils curved back to make another, smaller, v. His yellow-grey eyes were horizontal. The v motif was picked up again by thickish brows rising outward from twin creases above a hooked nose, and his pale brown hair grew down—from high flat temples—in a point on his forehead. He looked rather pleasantly like a blond satan.⁶⁹

Warner Brothers noted that the court in *Gaiman* exclaimed that even after this description, hardly anyone would know what Sam Spade looked like, “[b]ut everyone knows what Humphrey Bogart looked like.”⁷⁰ The actors’ portrayals of these characters “appear to rely upon elements of expression far beyond the dialogue and descriptions in the books.”⁷¹ AVELA failed to identify any instance where “the distinctive mannerisms, facial expressions, voice, or speech patterns” of an actor’s portrayal of a movie character were anticipated by that character’s description in the book.⁷² The court found that for both films, the only images in the public domain were the precise images contained in the original publicity materials.⁷³

The court then divided AVELA’s products into three categories, the first being the images or parts of images from the promotional materials that were transferred to new media, such as a lunch box.⁷⁴ The court determined this category did not infringe the copyright of the movie because “Warner Bros. present[ed] no reasoned argument as to why the reproduction of one smaller contiguous portion of an image from an item of publicity material, rather than

65. *Id.*

66. *Id.*

67. *Id.*

68. *The Maltese Falcon*, IMDB, <http://www.imdb.com/title/tt0033870/> (last visited Apr. 11, 2016).

69. *Id.* (quoting *Gaiman v. McFarlane*, 360 F.3d 644, 660–61 (7th Cir. 2004)).

70. *Id.* at 597–98 (quoting *Gaiman*, 360 F.3d at 660–61).

71. *Id.* at 598.

72. *Id.*

73. *Id.*

74. *Id.* at 602.

the entirety of the image from that item, would add an increment of expression of the film character.”⁷⁵ The second category consisted of products on which AVELA had juxtaposed one image from the publicity materials with either an image from somewhere else in those materials or with a phrase from the book.⁷⁶ The court held that combining parts from materials in the public domain added a novel increment of expression that infringed the copyright of the corresponding movie.⁷⁷ The third category consisted of three-dimensional products that were created with the publicity materials.⁷⁸ AVELA indicated that its goal was to create products that the public would recognize as the film characters, so the court inferred that the details chosen to create three-dimensional perspective “were chosen to be consistent with the film characters.”⁷⁹ Therefore, the court found, the inclusion of additional details that transformed the two-dimensional images into three-dimensional figures infringed the copyright of the characters in the film.⁸⁰

This case is important to copyright law because the Eighth Circuit in *Warner Brothers* lays out a very encompassing test for what constitutes a derivative work. Under the rationale of this case, it seems that if part of a work remains copyrighted, it is very difficult to use any parts of the work in the public domain except in the exact format that the work was in when it entered the public domain.

D. Right of Publicity

Copyright law can create a number of results that are unfavorable to either the author or the public, so some attempts have been made to extend new areas of law, such as the right of publicity to fictional characters.⁸¹ In California, “the right of publicity is both a statutory and a common law right.”⁸² Originally, the codified right of publicity authorized the recovery of damages

75. *Id.*

76. *Id.*

77. *Id.* at 603.

78. *Id.*

79. *Id.* at 604.

80. *Id.*

81. For more information about death and the right of publicity, see Erik W. Kahn & Pou-I “Bonnie” Lee, “*Delebs*” and *Postmortem Right of Publicity*, LANDSLIDE Vol. 8 No. 3 (2016). For a more in depth analysis of the relationship between fictional characters and the right of publicity, see Jessica Joshua, *Fictional Characters and the Right of Publicity: Policies, History, and Conflict* (Dec. 2009) (unpublished seminar paper, Chicago-Kent College of Law), <http://www.kentlaw.edu/perritt/courses/seminar/papers%202009%20fall/jessica%20joshua%20Entertainment%20Law%20Final%20Seminar%20Paper.pdf>. For more background, see generally Dawn H. Dawson, Note, *The Final Frontier: Right of Publicity in Fictional Characters*, 2001 U. Ill. L. Rev. 635 (2001).

82. *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 799 (Cal. 2001).

by any non-consenting living person who had their name, photograph, or likeness used for commercial purposes.⁸³

In 1984, the California legislature created a new statutory right of publicity that echoed the previous right of publicity statutes but made the right descendible to the heirs and assignees of the deceased.⁸⁴ In order for a deceased person's right of publicity to qualify under the California statute, it is necessary that the person's "name, voice, signature, photograph, or likeness has commercial value" at the time of death, regardless of whether the person used any of the features commercially while alive.⁸⁵ This transferable right ceases when there is neither a transferee nor survivor, or after fifty years from the time of death, whichever occurs sooner.⁸⁶

In *Comedy III Productions v. Gary Saderup*, Comedy III was the registered owner of all rights to *The Three Stooges*, who were all deceased within the meaning of the statute.⁸⁷ Saderup created and sold lithographs and T-shirts depicting charcoal drawings of *The Three Stooges*.⁸⁸ The Supreme Court of California stated that when an artist uses a celebrity's literal depiction or imitation for commercial gain without significant added expression, the state law interest is to protect the celebrity's artistic labor over the interests of the imitative artist.⁸⁹ The rights of the celebrity are not absolute under the right of publicity statutes; however, their likenesses are not protected for varying uses, such as sports or political commentary.⁹⁰

The right of publicity has extended into a transferable right and can protect the fictional personas of groups such as the Three Stooges. The differences and similarities between fictional personas and fictional characters may be of significance later but even now there may be right of publicity connections to fictional characters when they are portrayed by actors.⁹¹ However, as far as the author is aware this right has not yet been extended to fictional characters in any jurisdiction.⁹²

83. *Id.*

84. *Id.*

85. *Id.* at 800 (quoting CAL. CIV. CODE § 3344.1(h) (West 2016)).

86. *Id.*

87. *Id.*

88. *Id.* at 800–01.

89. *Id.* at 808.

90. *Id.* at 800.

91. See Hoffman, *supra* note 13. For more information on actors, fictional characters, and the right of publicity, see Patrick Kabat, *From the Next Gen Committee: Rights of Publicity in Actor-Created Fictional Characters Whose Mask Is It Anyway?*, LEVINE SULLIVAN KOCH & SCHULZ, LLP (Aug. 2015), [http://www.lskslaw.com/documents/MLRC%20Aug.%202015%20\(00882765\).pdf](http://www.lskslaw.com/documents/MLRC%20Aug.%202015%20(00882765).pdf).

92. Virag, *S.R.L. v. Sony Computer Entm't Am. LLC*, No. 3:15-cv-01729-LB, 2015 WL 5000102, at *5 (N.D. Cal. Aug. 21, 2015).

III. RECENT DEVELOPMENTS

This Part explores the recent developments in the law surrounding fictional characters and derivative works. First, this Part examines *Warner Brothers* as applied in *Klinger v. Conan Doyle Estate*, which covers the issue of derivative works when part of a work is still under copyright protection and part of the work has entered the public domain. Then, this Part analyzes the right of publicity and the push by one company to extend the right of publicity to corporations. Finally, this Part surveys the use of trademarks to protect fictional characters by examining *DC Comics v. Towle* and how trademark protection protects the Batmobile.

A. Creating Derivative Works

The U.S. Court of Appeals for the Seventh Circuit took a seemingly different approach to derivative works in the case of *Klinger v. Conan Doyle Estate*, an opinion written by Judge Posner and decided on June 16, 2014, than it did in *Warner Brothers*.⁹³ The first *Sherlock Holmes* story was published in 1887, and the last story written by Arthur Conan Doyle was published in 1927.⁹⁴ Altogether, Doyle published fifty-six stories and four novels about the adventures of Sherlock Holmes, with the last ten stories published between 1923 and 1927.⁹⁵

The CTEA extended the copyright duration of these stories to ninety-five years after the original publication date, meaning that the copyright on these stories would expire between 2018 and 2022.⁹⁶ However, the stories and novels published before 1923 have all entered the public domain.⁹⁷ Klinger created a canon of the *Sherlock Holmes* books written by Doyle, and although Klinger did not believe he needed a license, his publisher paid Doyle \$5000 for a copyright license.⁹⁸ Klinger and a co-editor then decided to create a sequel and entered into negotiations with a publisher and a distributor.⁹⁹ The Doyle estate learned of the work in progress and informed the publisher that the book would require a license, subsequently threatening to use its contacts to prevent an unlicensed *Sherlock Holmes* story from being distributed through the major retailers.¹⁰⁰

Klinger then sued the Doyle estate, seeking a declaratory judgment that he could use the *Sherlock Holmes* material already in the public domain.¹⁰¹

93. See 755 F.3d 496 (7th Cir. 2014), *cert. denied*, 135 S. Ct. 458 (2014).

94. *Id.* at 497.

95. *Id.*

96. *Id.*

97. *Id.*

98. *Id.*

99. *Id.*

100. *Id.* at 498.

101. *Id.*

The Seventh Circuit found that because the estate had threatened to block distribution of the book and there was a latent threat to sue for copyright infringement, there was an actual controversy that created jurisdiction to hear the case.¹⁰² Doyle's estate argued that the suit was premature because the work was not yet created, and therefore, it would be impossible to determine whether the work infringed.¹⁰³

The court determined that prematurity was not an issue in this case because Klinger's question presented by the declaratory judgment was "whether he is free to copy the characters of Holmes and Watson as they are depicted in the stories and novels" that are in the public domain.¹⁰⁴ The court stated that when a story enters the public domain, the story elements, including its characters, "become fair game" for other authors to use.¹⁰⁵ The court then acknowledged the *Warner Brothers* case and the rule that the freedom to create new derivative works utilizing material in the public domain ends where the resulting work comes into conflict with works that are still copyrighted.¹⁰⁶ The court then found that, in this case, there was no conflict with any derivative works and the protected material.¹⁰⁷

The Doyle estate argued that creativity would be discouraged if copyright protection was not extended in this case, but the court noted that this argument did not apply here, seeing as Doyle had been dead for eighty-four years.¹⁰⁸ The court stated that extending copyright protection would result in less material available in the public domain, which would prevent subsequent authors from creating new stories about popular fictional characters.¹⁰⁹ The court reasoned that extending copyright protection would also discourage creativity because this would encourage authors to write more stories about old characters, rather than create new stories about new characters.¹¹⁰ The estate advanced the hypothetical of a mural that was first drawn and then later painted, saying that an artist that made the sketch would have less incentive to perfect the mural if creative copiers had already improved it.¹¹¹ The court responded that while allowing the sketch to enter the public domain would diminish the artist's incentive to perfect the mural, it would incentivize others to improve it or create derivative works.¹¹²

The Doyle estate advanced the idea of a test that revolved around whether a character was "flat," or not fully developed, or "round," meaning

102. *Id.* at 499.

103. *Id.* at 499–500.

104. *Id.* at 500.

105. *Id.*

106. *Id.* at 501 (quoting *Warner Bros. Entm't, Inc. v. X One X Prods.*, 644 F.3d 584, 596 (8th Cir. 2011)).

107. *Id.*

108. *Id.*

109. *Id.*

110. *Id.*

111. *Id.*

112. *Id.*

fully developed.¹¹³ “Round” characters continue to evolve, and the estate argued that these characters are not rounded off until the final story.¹¹⁴ The Seventh Circuit found this argument unconvincing, suggesting that this argument would presumably allow original trilogy *Star Wars* characters to not expire until the copyrights of *Episodes I, II, and III* expire.¹¹⁵ The court acknowledged that the Doyle estate may be concerned that another author would disparage Sherlock Holmes, thereby discouraging others from reading the Doyle series; but, the court said this issue was essentially trademark dilution, which has “no comparable doctrine of copyright law.”¹¹⁶ The court rejected Doyle’s arguments and concluded by chiding the specter of what appeared to be a request for effectively perpetual copyright protection, totaling 135 years, when the Constitution only allowed such protection for a limited time.¹¹⁷

B. Right of Publicity

Right of publicity lawsuits were traditionally only relegated to cases in which the rights of an actual person were potentially jeopardized, but recent suits have tried to expand the rights to other entities. In *Virag, S.R.L. v. Sony Computer Entm’t Am. LLC*, Micro Virag owned VIRAG, an Italian company that “was founded in the 1960s as a carpet distributor, and it later expanded into the field of commercial floorings”¹¹⁸ Micro Virag sued several divisions of Sony for violating VIRAG’s common law right of publicity and trademark rights.¹¹⁹

In 2004, VIRAG started sponsoring the Rally of Monza, which is held at a racetrack where the Formula One Italian Grand Prix is hosted.¹²⁰ Sony develops, produces, and distributes the *Gran Turismo* racecar simulation games, which have sold over seventy million copies.¹²¹ *Gran Turismo 5* and *6* contain a simulation of the VIRAG mark on a bridge at the Rally of Monza racetrack.¹²² Sony did not attempt to obtain rights to VIRAG’s mark, and VIRAG has always denied any requests to sponsor other products with the use of their mark.¹²³ Sony did receive authorization or license to use the marks of other trademark holders within the game.¹²⁴ VIRAG alleged that

113. *Id.*

114. *Id.* at 502.

115. *Id.*

116. *Id.* at 503.

117. *Id.* (quoting U.S. CONST. art. I, § 8, cl. 8).

118. *Virag, S.R.L. v. Sony Computer Entm’t Am. LLC*, No. 3:15-cv-01729-LB, 2015 WL 5000102, at *1 (N.D. Cal. Aug. 21, 2015).

119. *Id.*

120. *Id.*

121. *Id.* at *2.

122. *Id.*

123. *Id.* at *2–3.

124. *Id.* at *3.

Sony's use of the VIRAG mark in the video games did cause and was likely to cause confusion regarding VIRAG's sponsorship of the games.¹²⁵

The U.S. District Court for the Northern District of California dismissed the claim that Sony violated VIRAG's common law right of publicity because, under California law, corporations do not have a right of publicity.¹²⁶ The court also noted that no court "has held or even suggested that the right of publicity extends to non-human beings."¹²⁷

The few courts that have heard similar arguments have rejected them. For example, in *Eagle's Eye, Inc. v. Ambler Fashion Shop, Inc.*, the U.S. District Court for the Eastern District of California declined to extend the right of publicity to a corporation in 1985.¹²⁸ This is the same conclusion reached by a Missouri court that also refused to extend the right of publicity to corporations in 1998.¹²⁹ The court in *Virag* also analyzed the academic work of Professor Thomas McCarthy, who is opposed to extending the right of publicity to anyone or anything that is not a real human being.¹³⁰ Professor McCarthy clarifies that this belief extends to fictional and cartoon characters and lists Betty Crocker, the Jolly Green Giant, and Mickey Mouse as three characters undeserving of a right of publicity.¹³¹ Professor McCarthy believes that whatever exclusive rights these characters have should be found in copyright and trademark because he believes that right of publicity laws should only protect humans.¹³²

C. Trademark Protection for Fictional Characters.

In addition to the right of publicity, courts have wrestled with the issue of whether or not to extend trademark protection to fictional characters. A trademark can consist of a word, phrase, symbol, and/or design that is used to identify the source of the goods of one party as distinguishable from all others.¹³³ Some fictional characters, such as Disney's Pinocchio, are so identifi-

125. *Id.* at *2.

126. *Id.* at *5–6.

127. *Id.* at *5.

128. *Id.* at *5 (citing *Eagle's Eye, Inc. v. Ambler Fashion Shop, Inc.*, 627 F. Supp. 856, 862 (E.D. Pa. 1985)).

129. *Id.* (citing *Bear Foot, Inc. v. Chandler*, 965 S.W.2d 386, 389 (Mo. Ct. App. 1998)).

130. *Id.* (quoting 1 J. THOMAS MCCARTHY, *THE RIGHTS OF PUBLICITY AND PRIVACY* § 4:45 (2d ed. 2015)).

131. *Id.* at *6 (quoting MCCARTHY, *supra* note 130).

132. *Id.* (quoting MCCARTHY, *supra* note 130).

133. *Trademark, Patent, or Copyright?*, U.S. PATENT & TRADEMARK OFF., <http://www.uspto.gov/trademarks-getting-started/trademark-basics/trademark-patent-or-copyright> (last updated Nov. 16, 2015).

able with the source that they are protected by trademark law even if the work in which they originated has entered into the public domain.¹³⁴

Another beloved character, Batman's Batmobile, has recently been involved in trademark and copyright litigation.¹³⁵ Since 1941, Batman has protected Gotham City from villains utilizing his trusted Batmobile.¹³⁶ The Batmobile is a high-tech automobile that has changed in appearance over the years but has always served as "Batman's personal crime-fighting vehicle."¹³⁷

In *DC Comics v. Towle*, Defendant Mark Towle produced and sold replica versions of the Batmobile as it appeared both in the 1966 television show and in the 1989 film for approximately \$90,000 apiece.¹³⁸ DC Comics, who owns the rights to the Batmobile, sued Towle for copyright infringement, trademark infringement, and unfair competition.¹³⁹ The U.S. District Court for the Central District of California found that the Batmobile was a character, and as a character, it was subject to copyright protection.¹⁴⁰ The district court relied on several findings including:

[T]hat the Batmobile "is known by one consistent name that identifies it as Batman's personal vehicle," and, although some of its physical traits have changed over time, several have remained consistent, including its "high-tech gadgets and weaponry," "bat-like motifs," and its jet black color. Additionally, the district court found that the Batmobile is always "depicted as being swift, cunning, strong and elusive," and is even portrayed as a "superhero" and "Batman's sidekick, if not an extension of Batman's own persona."¹⁴¹

The court granted summary judgment to DC Comics, finding that Towle had infringed DC's copyrights. The district court also found that Towle had intentionally used the term "Batmobile" to refer to his replicas and that this action was done in bad faith to associate his replicas with the Batman productions.¹⁴² Towle argued that the Batmobile changed appearance multiple times and sometimes even "appeared without its signature sleek 'bat-like' features," but the court noted that a consistent appearance was not as significant as consistent traits and attributes.¹⁴³ The U.S. Court of Appeals for the Ninth Cir-

134. *Walt Disney Prods. v. Filimation Assocs.*, 628 F. Supp. 871, 874 (C.D. Cal. 1986); *Terms of Use*, WALT DISNEY FAM. MUSEUM, <http://waltdisney.org/terms-use> (last visited Mar. 14, 2016).

135. *DC Comics v. Towle*, 802 F.3d 1012, 1015 (9th Cir. 2015).

136. *Id.*

137. *Id.*

138. *Id.* at 1017.

139. *Id.*

140. *Id.*

141. *Id.* at 1017–18 (quoting *DC Comics v. Towle*, 989 F. Supp. 2d 948, 967 (C.D. Cal. 2013), *aff'd*, 802 F.3d 1012).

142. *Id.* at 1018.

143. *Id.* at 1022.

cuit held that the question of whether or not the Batmobile was a copyrighted character was a question of law and affirmed the trial court's findings.¹⁴⁴

The Ninth Circuit also affirmed the trial court's rulings with regard to the trademark infringement, finding that Towle used the Batmobile trademark in order to take advantage of the pre-existing value of the mark.¹⁴⁵ The Ninth Circuit found that no reasonable juror could have concluded that Towle's use of DC Comics' trademarks were for any reason other than exploiting those marks.¹⁴⁶

IV. DISCUSSION

Copyright protection is still the primary method of providing protection for fictional characters, but the idea that copyright can protect the individual characters within a story is a relatively new one. This Part analyzes the differences that are emerging in the federal circuit courts of appeals and explores the methods of eliminating the conflict between providing incentives to authors to produce new works and adding content to the public domain.

A. *A Divergence in Districts*

The *Klinger* and *Warner Brothers* cases, although seemingly divergent, may still be capable of reconciliation. Harmony can be achieved if the differences in the opinions are the result of the conclusion that the graphical and literary characters are treated differently. Take the animated series *Teenage Mutant Ninja Turtles*, for example. The comic books were first introduced in 1984,¹⁴⁷ and when the first comic book entered the public domain, there was still a large amount of material, including several animated and live film/TV adaptations, under copyright protection. Under *Klinger*, once these characters enter the public domain, anyone would be able to write stories about them.¹⁴⁸ Under *Warner Brothers*, anyone will be able to use Ninja Turtles material to create derivative works unless that work comes into conflict with a valid copyright.¹⁴⁹ *Warner Brothers* held that the juxtaposing of two different images that were otherwise in the public domain infringed on the copy-

144. *Id.* at 1022–23.

145. *Id.* at 1026–27.

146. *Id.* at 1027.

147. Douglas C. McGill, *Dynamic Duo: Kevin Eastman and Peter Laird; Turning Teenage Mutant Ninja Turtles Into a Monster*, N.Y. TIMES (Dec. 25, 1988), <http://www.nytimes.com/1988/12/25/business/dynamic-duo-kevin-eastman-peter-laird-turning-teenage-mutant-ninja-turtles-into.html?pagewanted=all>.

148. See *Klinger v. Conan Doyle Estate, Ltd.*, 755 F.3d 496, 500 (7th Cir. 2014), *cert. denied*, 135 S. Ct. 458 (2014).

149. See *Warner Bros. Entm't, Inc. v. X One X Prods.*, 644 F.3d 584, 596 (8th Cir. 2011)).

right of the film if the juxtaposition added a new increment of expression that was not present in the individual images.¹⁵⁰

So, under *Warner Brothers*, anyone would be free to create copies of the original Ninja Turtles comic book; but if they attempted to move the pictures around or create a new comic book depicting the identical characters, they might be infringing the copyright of the newer works that were still protected.¹⁵¹ If these two cases can be harmonized, then graphical works are seemingly given more protection than literary works. As a result, it would seem that, taken together, *Klinger* and *Warner Brothers* would allow others, upon expiration of the first copyright, to create literary works about the adventures of the Teenage Mutant Ninja Turtles, but any attempt to modify or create new depictions of the Turtles from public domain images could result in copyright infringement of the newer works if a “new increment of expression” was added.

Klinger rejects the notion that the copyrights on the characters as portrayed in the original *Star Wars* trilogy will expire only on expiration of the copyright for the later-released prequel trilogy.¹⁵² However, one question remains: How is this theory applied? If copyright from the original series enters the public domain for R2-D2, then what rights does a new author have? Under *Warner Brothers*, it would seem that a new author technically has the right to use the original images of R2-D2, but that the creation of any derivative works would almost certainly infringe the copyright of the subsequent prequel trilogy.¹⁵³

Klinger expressed hostility toward a nearly perpetual copyright duration of 135 years; however, this hostility may be the result of a failure to understand the current intricacies of copyright law.¹⁵⁴ For example, Alec Greven published his New York Times best-selling book *How to Talk to Girls* at age nine.¹⁵⁵ At the time the book was published, Alec was expected to live another sixty-seven years.¹⁵⁶ If he lived to the age of his life expectancy, his work would end up being protected by copyright for over 137 years: two years longer than what the Doyle estate was requesting for its series.¹⁵⁷ Although most authors will not have such a long life expectancy, this example illustrates the fact that at least some circumstances where very popular works will be protected for over 135 years already exist. In light of that fact, judicial reluctance to extend copyright protection past 135 years ignores the reali-

150. *Id.* at 603.

151. *See id.*

152. *See Klinger*, 755 F.3d at 502.

153. *See Warner Bros.*, 644 F.3d at 596.

154. *See Klinger*, 755 F.3d at 503.

155. Mike Celizic, *9-Year-Old Author Reveals Secrets of Picking Up Girls*, TODAY NEWS (Dec. 4, 2008, 9:55 AM), http://www.today.com/id/28049776/ns/today-today_news/t/-year-old-author-reveals-secrets-picking-girls/#.VjIExrSjl8E.

156. *Actuarial Life Table*, SOC. SECURITY ADMIN., <https://www.ssa.gov/OACT/STATS/table4c6.html> (last visited Mar. 14, 2016).

157. *Klinger*, 755 F.3d at 503.

ty of the predicted copyright duration for works that are being created right now.

The court in *Klinger* argues that extending copyright duration for works in a series will encourage authors to create stories about the same characters rather than creating new ones.¹⁵⁸ Current copyright laws already protect works with a known author for life plus seventy years.¹⁵⁹ If copyright protection is extended to the life of the author plus 200 years, will that really incentivize an individual author such as J.K. Rowling to create more books about Harry Potter than she already otherwise would?¹⁶⁰ When copyright protection originally only lasted for twenty-eight years, the argument would have been a lot stronger that an extension would incentivize the author to keep creating stories about the same characters so as to extend the copyright duration to the end of the author's life. But, the current copyright duration will always extend past the author's lifetime, and so they will be able to reap the benefits of their copyrights as long as they are alive; this seems like all the motivation an author would need.¹⁶¹ At this point in time, it seems difficult

158. *Id.* at 501.

159. Copyright Term Extension Act, 17 U.S.C. § 302(a) (2012).

160. *Eldred v. Ashcroft*, 537 U.S. 186, 248–49 (2003) (Breyer, J., dissenting) (citations omitted).

In conjunction with official figures on copyright renewals, the CRS Report indicates that only about 2% of copyrights between 55 and 75 years old retain commercial value—*i.e.*, still generate royalties after that time. But books, songs, and movies of that vintage still earn about \$ 400 million per year in royalties. Hence, (despite declining consumer interest in any given work over time) one might conservatively estimate that 20 extra years of copyright protection will mean the transfer of several billion extra royalty dollars to holders of existing copyrights -- copyrights that, together, already will have earned many billions of dollars in royalty “reward.”

Id.

161. *Id.* at 254–55 (citations omitted).

No potential author can reasonably believe that he has more than a tiny chance of writing a classic that will survive commercially long enough for the copyright extension to matter. After all, if, after 55 to 75 years, only 2% of all copyrights retain commercial value, the percentage surviving after 75 years or more (a typical pre-extension copyright term)—must be far smaller. And any remaining monetary incentive is diminished dramatically by the fact that the relevant royalties will not arrive until 75 years or more into the future Using assumptions about the time value of money provided us by a group of economists (including five Nobel prize winners), it seems fair to say that, for example, a 1% likelihood of earning \$ 100 annually for 20 years, starting 75 years into the future, is worth less than seven cents today. What potential Shakespeare, Wharton, or Hemingway would be moved by such a sum? What monetarily motivated Melville would not realize that he could do better for his grandchildren by putting a few dollars into an interest-bearing bank account? The Court itself finds no evidence to the contrary.

to imagine that an author will be more likely to continue a story about the same characters just because copyright protection is extended ten generations beyond their death instead of three.¹⁶²

B. Corporations as the Owners of Copyrights

An exception to this inventive argument is when corporations act as authors. In 2012, Disney purchased the *Star Wars* franchise for over \$4 billion with the intent to produce a new film every few years.¹⁶³ Disney, as an immortal entity that can collect revenue until judgment day, now has a lot of incentive to extend copyright protection to the *Star Wars* characters for as long a period of time as possible.¹⁶⁴ Let us, for simplicity's sake, assume that *Star Wars: Episode IV – A New Hope* is a work for hire that was published in 1977, which would give the work copyright protection until 2072.¹⁶⁵ Today, Disney still creates new works featuring the characters from this first movie, and Disney has indicated that it intends to continue to create *Star Wars* movies for the foreseeable future.¹⁶⁶

In this case, if Disney were able to extend the copyright protection of characters in the original trilogy by simply creating more works about those characters, it would seem clear that Disney has a tremendous incentive to do so. Though, with Disney's estimated budget of \$200 million for the newest *Star Wars* film,¹⁶⁷ it seems that Disney is not trying to create a new work simply to bolster the copyright protection of the earlier films. What seems more likely is that consumer expectations drive the economic decision to spend hundreds of millions of dollars on new films.

Id.

162. See *id.* at 254 (“And any remaining monetary incentive is diminished dramatically by the fact that the relevant royalties will not arrive until 75 years or more into the future, when, not the author, but distant heirs, or shareholders in a successor corporation, will receive them.”).

163. Alex Block, *Disney to Buy Lucasfilm for \$4.05 Billion; New ‘Star Wars’ Movie Set for 2015*, HOLLYWOOD REP. (Oct. 30, 2012, 12:54 PM), <http://www.hollywoodreporter.com/news/disney-buy-lucasfilm-405-billion-384448>.

164. See Germain Lussier, *20th Century Fox Still Owns Rights to First Six ‘Star Wars’ Films, Making Original Box Set Difficult*, /FILM (Oct. 31, 2012), <http://www.slashfilm.com/20th-century-fox-still-owns-rights-to-first-six-star-wars-films-making-original-box-set-difficult/>. The original purchase of the *Star Wars* franchise was not completely straightforward as 20th Century Fox retained some rights to the franchise. *Id.*

165. STAR WARS: EPISODE IV – A NEW HOPE (Lucasfilm 1977).

166. Ryan Nakashima, *Disney to Make New ‘Star Wars’ Movies, Buy Lucasfilm for \$4.05 Billion from George Lucas*, YAHOO! FIN. (Oct. 30, 2012, 8:59 PM), <http://finance.yahoo.com/news/disney-star-wars-films-buy-210830937.html>.

167. Brent Lang, *‘Star Wars: The Force Awakens’: Counting Down the Records it Broke*, VARIETY (Dec. 20, 2015, 11:14 AM), <http://variety.com/2015/film/box-office/star-wars-the-force-awakens-records-box-office-1201665770/>.

Han Solo's character may have been killed in *Star Wars: Episode VII - The Force Awakens*, but that does not mean that the character is not still extremely valuable.¹⁶⁸ Disney is also creating a new Han Solo spin-off film that will come out in 2018.¹⁶⁹ This film will feature a younger Han Solo, and it is possible that Disney will continue to make films about Han Solo for another hundred years.¹⁷⁰ If the Han Solo copyright protection from the first movie ends in 2072, and the copyright protection for this new film ends in 2113, we now have a period of forty-one years where some aspects of the Han Solo character are in the public domain, while other parts of his character are still under protection. During such time, it is foreseeable that other film producers might begin to create new films about Han Solo. Trying to follow *Klinger* and *Warner Brothers* would make it almost impossible to determine whether any of these knock-off creations would violate Disney's copyright on the protected work.

The problem may be that neither *Klinger* nor *Warner Brothers* deal explicitly with the issue at hand.¹⁷¹ It is clear under established copyright law that the Han Solo character, as it originally appeared, will eventually be in the public domain. However, under *Warner Brothers*, if the knock-off Han Solo were fashioned in such a way so as to cause the audience to think of the Han Solo in the remaining Disney movies, the knock-off Han Solo would violate Disney's copyright.¹⁷²

If such is the case, then simply saying that the copyright on the Han Solo character has expired is a gross misstatement of the rights that Disney holds, because they have essentially been granted the exclusive license to create derivative works of the original piece.¹⁷³ Consequently, the only right granted to the public is to reproduce *Star Wars: Episode IV – A New Hope* in the exact form that it was originally introduced. *Klinger* is similarly unhelpful to our Disney conundrum because the decision was arguably premature, seeing as the *Sherlock Holmes* work was not yet finished.¹⁷⁴

The takeaway from *Klinger* seems to be that if someone wants to create a work that is based in whole or in part on works in the public domain, and characters in that work are present in works that are still protected, the best thing the author can do is to seek a declaratory judgment if an actual contro-

168. See *STAR WARS: EPISODE VII – THE FORCE AWAKENS* (Lucasfilm 2015).

169. Peter Sciretta, 'Star Wars' Han Solo Spin-Off Movie to be Directed by 'The Lego Movie' Directors, /FILMS (July 7, 2015), <http://www.slashfilm.com/hah-solo-spinoff-movie/>.

170. *Id.*

171. See *Klinger v. Conan Doyle Estate, Ltd.*, 755 F.3d 496, 500 (7th Cir. 2014), *cert. denied*, 135 S. Ct. 458 (2014); *Warner Bros. Entm't, Inc. v. X One X Prods.*, 644 F.3d 584, 596 (8th Cir. 2011).

172. See *Warner Bros.*, 644 F.3d at 604.

173. See *id.* at 602–03.

174. See *Klinger*, 755 F.3d at 501.

versy arises that his or her unfinished work will not infringe the materials that are still copyrighted.¹⁷⁵

C. *The Constitutional Limitations on Copyright Protection*

The Constitution only gives Congress the power to protect the works of authors for limited times;¹⁷⁶ thus, in order for the characters in stories to be given perpetual protection, the Constitution must either be amended, or a new form of protection would need to be extended to such characters. Copyright protection could be extended for a very long period of time, such as 500 years, and it would still theoretically meet the limited times requirement.¹⁷⁷ But, there is no reason to think that even this duration would satisfy immortal entities such as Disney.

However, there are two other potential methods that could be used to protect fictional characters: trademark protection or an expanded right of publicity for fictional characters.¹⁷⁸ Trademark protection, though, would only protect characters that are identified with a brand and are actively used in commerce.¹⁷⁹ This could be the reason that Disney now includes a segment of Steamboat Willie before each of its new films.¹⁸⁰ The problem with trademark protection, though, is that it could only be used to protect a limited number of characters, and a company like Disney would need to have characters like Aladdin trademarked for a brand of chocolate chip cookies, for example, or Simba as the trademark for a light company. But creating new product lines just to create valid trademarks is far too cumbersome a process to warrant any serious consideration as a method of protecting fictional characters on any sort of large scale.¹⁸¹

Extending the right of publicity for fictional characters is accompanied by its share of problems. The biggest problem with extending the right of publicity to fictional characters is that this form of protection was designed for real humans and is always tied to the life of the individual.¹⁸² As fictional

175. *See generally id.*

176. U.S. CONST. art. I, § 8, cl. 8.

177. *See Eldred v. Ashcroft*, 537 U.S. 186, 197 (2003) (“[T]he CTEA’s terms, though longer than the 1976 Act’s terms, are still limited, not perpetual, and therefore fit within Congress’ discretion.”).

178. *See* Kathryn M. Foley, Note, *Protecting Fictional Characters: Defining the Elusive Trademark-Copyright Divide*, 41 CONN. L. REV. 921, 921 (2009); Samuel J. Coe, Note, *The Story of a Character: Establishing the Limits of Independent Copyright Protection for Literary Characters*, 86 CHI.-KENT L. REV. 1305, 1310 (2011).

179. Foley, *supra* note 178, at 940.

180. Beth Barany, *Trademark Protection for Fictional Characters*, WRITER’S FUN ZONE (Dec. 23, 2011), <http://www.writersfunzone.com/blog/2011/12/23/trademark-protection-for-fictional-characters/>.

181. *See* Foley, *supra* note 178, at 942.

182. Dawson, *supra* note 81, at 637.

characters are immortal, extending protection in this case would essentially be akin to creating a new form of intellectual property that has no duration.

Extending copyright protection by expanding the duration of copyright is the most practical method of protecting complex fictional characters.¹⁸³ The question then presents itself: If the copyright duration was extended from ninety-five years to 150 years for corporate creations, what incentive would Disney have to create more films about Han Solo? In the immediate future, this change does not seem to incentivize Disney to create any new movies about this character because its current copyrights on the character will not end for a very time. However, what such a change might do is cause Disney to be willing to invest in new enterprises in light of the long period of time they will have to recoup their investment. Disney surely considered the current ninety-five-year duration when it acquired the rights to the *Star Wars* franchise for over \$4 billion.¹⁸⁴ This ninety-five period gives Disney a safety net that would only require them to earn \$42 million a year to recover their investment, assuming that the ninety-five-year duration started at the time of acquisition and the last work acquired had just been published.¹⁸⁵ The reality, though, is that Disney has far fewer years left of copyright protection for the previously published *Star Wars* works.

The approach taken in *Warner Brothers* strikes a good balance for extending protection for humans, but it could become quite complex in the case of corporations.¹⁸⁶ Under the *Warner Brothers* approach, corporations have an incentive to continue to create interesting stories about characters for as long as it remains financially viable to do so.¹⁸⁷ In view of the tremendous amount of money invested in modern fictional works, it is foreseeable that most companies would actually utilize this opportunity to continue to create new and valuable works. Conversely, the Doyle estate was just sitting on its rights, and this would likely be the approach taken by the estate of any human author.¹⁸⁸ Companies, on the other hand, can continue to create high caliber works forever, to the continued amusement of their fans.

183. See Jasmina Zecevic, *Distinctly Delineated Fictional Characters That Constitute the Story Being Told: Who Are They and Do They Deserve Independent Copyright Protection?*, 8 VAND. J. ENT. & TECH. L. 365, 396–97 (2006) (discussing reasons why fictional characters should not be offered independent protection).

184. See Block, *supra* note 163.

185. In reality, this was a much better investment for Disney. because *Star Wars: Episode VII – The Force Awakens* grossing over \$2 billion in the worldwide box office. Sam Turner, *Yes, Disney Will Keep Milking the Star Wars Cow*, DESERET NEWS (Apr. 10, 2016, 7:55 AM), <http://www.deseretnews.com/article/865651939/Yes-Disney-will-keep-milking-the-Star-Wars-cow.html?pg=all>.

186. See generally *Warner Bros. Entm't, Inc. v. X One X Prods.*, 644 F.3d 584 (8th Cir. 2011).

187. See generally *id.*

188. See generally Lee, *supra* note 10.

D. A Proposal for a Modified Copyright Rule

A possible solution could be the following blanket rule: copyright protection extends to the characters of a story so long as there are works in the series that are still under copyright protection. Under such a rule, as long as Disney keeps creating *Star Wars* movies about Han Solo, Disney would never suffer a production that depicts Han Solo in a manner that is contrary to canon. Consequently, the loss to society might merely be that the public would never get to witness a version of the film in which Han Solo betrays the rebel alliance, or another in which Han aspires to become the greatest Jedi of all time. If both Disney and hundreds of other companies are producing Han Solo movies, the market will become very complicated, very quickly. If one of the knock-off derivative films features Han Solo wielding a light saber, then one of the official Disney movies could potentially end up infringing if their Han Solo fights include even one battle with a light saber. So, the issue becomes this: How much control should society extend to the owner of a copyrighted series? It would seem that society might be more willing to give extended protection to a corporation that will continue to entertain by creating new works than to an estate that will just sit on the works already created.

In order for a system like this to work, though, it is important that restraints be placed on the company to ensure that products are still being added to the marketplace. One method of achieving this goal is, following the Han Solo example above, to start with the law that works of corporate authorship last ninety-five years. After the end of this period, that work enters the public domain. This would mitigate the concern that if the work never enters the public domain, then authors could continue to charge a premium for the work and restrict the poor from access to many classical works.¹⁸⁹ The change would be that the company then receives the right to create derivative works based on the characters for a period of time, possibly twenty years.

A short time period like this could be used to ensure that the company is not just sitting on its rights, but actively creating new content as a method of maintaining the rights to use the characters in derivative works. This could theoretically be used by a company in order to preserve the rights to a character such as Han Solo for eternity, so the constitutional limitation protecting copyrights only for a limited duration will arise. There are two arguments that could be used to address this issue. The first is that perpetual rights are not being given, but rather copyright extensions to create derivative works.¹⁹⁰ Each respective original and derivative work would still enter into the public domain after ninety-five years but the right to build on those works would be maintained by the company. So, even if the protection is classified as copy-

189. *Eldred v. Ashcroft*, 537 U.S. 186, 250 (2003) (Breyer, J., dissenting).

190. See Joshua H. Warmund, *Development Agreements Are Vital to Prevent Disputes over Proprietary Interests in Web Sites*, 74-DEC N.Y. ST. B.J. 34, 35 (2002).

right protection, it is not perpetual protection but rather finite extensions that can be granted an infinite number of times so long as certain conditions are met.

The second argument is that the protection that is being extended to the company is not copyright protection but rather a temporarily exclusive license to create derivative works.¹⁹¹ This argument is supported by the fact that the original copyright protection laws only extended to the right to print, publish, and vend the book or pamphlet.¹⁹² This idea would still be followed in the new regime where the author loses those rights at the end of the ninety-five-year period. What the author then is maintaining is the right to create derivative works, which is a concept that was not extended to American copyright law until the Act.¹⁹³ It could be the case that such a right to create derivative works is not governed by copyright protection as laid out in the Constitution but is instead simply a right that is now provided to authors along with copyright protection.¹⁹⁴

The loss to society in granting companies the exclusive right to create derivative works will shrink the public domain because other authors will not be able to build upon characters such as Han Solo or Harry Potter. The public will be able to build upon the stock characters, though, and the only reason that an author would want to utilize the previously copyrighted characters is to build on the success of the original authors. Requiring them to create their own characters in fact encourages these new authors to be more creative than simply telling a new story with existing characters previously originating from another mind.

In essence, this new system would provide balance to the struggle between copyright protection and the public domain. Authors would be encouraged to create new, exciting works about existing characters as long as they have an interesting story that the public will support by buying movie tickets, books, or other methods. The original works will all enter the public domain so they can be enjoyed by anyone, but the rights to modify the works will be curtailed only as long as the author is actively developing the characters. This means that a company like Disney will eventually have to let some characters enter the public domain for logistical reasons.

As the number of complex characters in the *Star Wars* movies exponentially increase, it will become impossible for the company to continue to create new works utilizing all of the characters and still make it profitable to do so. The rights to some of these characters will then lapse and the public will be free to make derivative works with them. In order to make sure the company is not just sitting on its rights like the Doyle estate, laws could be estab-

191. *See id.* at 35–36.

192. Copyright Act of 1790, ch. 15, § 1, 1 Stat. 124 (repealed 1831).

193. Copyright Act of 1976, ch. 17, § 103, 90 Stat. 2541 (as originally enacted) (current version at 17 U.S.C. § 103 (2012)).

194. *Compare id.*, with U.S. CONST. art. I, § 8, cl. 8.

lished that prevent the derivative rights extension from applying in cases where the characters are licensed to other entities.

V. CONCLUSION

There is nothing to suggest that companies will not continue to lobby for longer and longer copyright protection in order to protect their fictional characters. If companies are able to keep extending the copyright duration of the works they have already created, there are strong arguments that the public would be deprived because it does not have access to these works that would otherwise be free or very inexpensive.¹⁹⁵ A suitable compromise should be struck that provides companies with a way to protect the works in which they have invested so much money, but where the work will eventually enter the public domain.

Granting companies a renewable license to create derivative works through their continued creative efforts while leaving the copyright duration for each work of corporate authorship at ninety-five years seems to be a suitable compromise. This will incentivize companies to continue to create popular derivative works while still granting each work to the public after a fixed amount of time. This would mean that *Star Wars: Episode IV – A New Hope* and all of the subsequent films would enter the public domain after ninety-five years but Disney could still have the exclusive right to create Han Solo movies for a set period of time from the last time they created a Han Solo work. These subsequent Han Solo films would also enter the public domain after ninety-five years, but the exclusive license to create Han Solo films would continue as long as Disney continued creating works about the character.

During the brief history of the United States, copyright duration has almost quadrupled works of corporate authorship, and if we continue on this trajectory, it will not be long before copyright duration exceeds several hundred years. This solution seeks to stop this expansion of copyright duration by protecting the characters in works that the authors actually care about in exchange for the author continuing to create works around the characters they care about. This will ensure that all works enter the public domain where they can be enjoyed by all.

195. See *Eldred v. Ashcroft*, 537 U.S. 186, 250 (2003) (Breyer, J., dissenting).