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Mickey Mouse Emeritus: Character Protection and the Public Domain

Jessica Litman

MICKEY MOUSE EMERITUS: CHARACTER PROTECTION AND THE PUBLIC DOMAIN

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The intellectual property epidemic of the current era is the call to give increased legal protection to something *because* it is valuable: If it is valuable, then giving it property-like protection will generate trade, which will generate wealth, which will generate more investment in similar somethings. Giving it greater protection will generate more trade and more wealth and even more somethings. And we all like lots of somethings.

Peter Nolan's job involves maximizing the protection accorded to the somethings that fill the Walt Disney Company stable of characters. By combining copyright law, trademark law, unfair competition law, misappropriation law and contract law, his band of lawyers has stitched together some pretty impregnable armor for Mickey Mouse and his siblings. Indeed, after the Disney Company objected to a day care center's painting a picture of Mickey Mouse on its walls,[1] and sued over the cheesy Snow White parody[2] that began the 1989 Oscar broadcast, Disney's eagerness to go to court to protect its characters itself became a target of satire. *Saturday Night Live* did a skit about it with Jon Lovitz and Geena Davis; Berkley Breathed drew an *Outland* story about Mickey's brother Mortimer Mouse.[3]

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* Professor of Law, Wayne State University. This paper was written for the January 6, 1994 Art Law Section panel on Licensing and Merchandising of Characters at the 1994 AALS Annual meeting. My part of the program immediately followed an excellent presentation by Peter Nolan, of the Walt Disney Company, on Disney's character protection strategies, and some of my remarks were made in response to those of Mr. Nolan. As always, I am grateful to Jonathan Weinberg for his helpful suggestions.

1. The Disney Company's threats in 1987 to sue a Hallandale, Florida day care center inspired national media coverage. *See, e.g.*, Paul Richter, *Disney's Tough Tactics; Entertainment: Critics View the Company as the Fiercest of Hollywood's Bare-knuckle Fighters*, L.A. TIMES, July 8, 1990, at D1; George Thompson, *Face-off: Who Owns the Disney Characters*, USA TODAY, April 28, 1989, at 10A; *A Benign Mouse No Longer Fits the Image of Tough, Touchy Disney Co., Readers Suggest*, L.A. TIMES, July 29, 1990, at D9; *Cartoon Figures Run Afoul of Law*, CHICAGO TRIBUNE, April 27, 1989, at 26.

2. *See, e.g., Editorial: Who's the Unfairest of Them All?*, CHICAGO TRIBUNE, April 5, 1989, at 14; Nina J. Easton, *Disney & Oscar Live Happily Ever After*, L.A. TIMES, April 7, 1989, part 6 at 1; Aljean Harmetz, *An Apology to Disney*, N.Y. TIMES, April 6, 1989, at C30.

3. Berkeley Breathed, *Outland*, (syndicated) Oct. 8 and 15, 1989; *see Disney Chair-*

That's a very good business posture. Being known as the company so aggressive about policing its intellectual property that folks write comic strips and late night skits about it is a very cheap method of deterring infringement, once you've invested what you need to set it up.

The Disney Company is obviously interested in ensuring that its characters receive protection that is broader than the day is long. The law has gotten much more hospitable to character protection than it used to be. It used to be said that characters were themselves uncopyrightable (and it was never really true,[4] but it was often said);[5] today nobody would even say it. It used to be doubted that a character could function as a trademark or service mark; today, all sorts of characters are registered on the principal register.[6] There are a number of ways in which the current capacious protection available for characters could be further enhanced.[7] I'm here to ask this question: Is the sort of expansive protection that is in the Disney Company's long-term interest in the interest of society as a whole?

When Professor Page first called me about this program, he said that one of the things that made the issue especially topical was that Mickey Mouse himself was staring the public domain in the face. Mickey's first movie appeared in 1928,[8] so the renewal term of the copyright protecting the character as initially developed is scheduled to run out on December 31, 2003. That means that in about 10 years, Florida day care centers who paint pictures of Mickey on their walls won't have to be afraid that Mr. Nolan will threaten to sue them. Unless, of course, they are color pictures

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man Eisner Asks Breathed to Delete Comic Strip Character, ENT. LITIG. REP., January 8, 1990.

4. *See, e.g.*, Silverman v. CBS, 870 F.2d 40 (2d Cir.), *cert. denied*, 492 U.S. 907 (1989); Walt Disney Productions v. Air Pirates, 581 F.2d 751 (9th Cir. 1978); Detective Comics v. Bruns Publishing, 111 F.2d 432 (2d Cir. 1940). *See generally* Leslie A. Kurtz, *The Independent Legal Lives of Fictional Characters*, 1986 WISC. L. REV. 429, 439-74 (1986).

5. *See, e.g.*, Warner Brothers, Inc. v. Columbia Broadcasting System, 216 F.2d 945 (9th Cir. 1954), *cert. denied*, 348 U.S. 971 (1955). The *Warner Brothers* case demonstrates the reason courts were reluctant to grant copyright protection to characters: Hammett had assigned the copyright in *The Maltese Falcon*, and then gone on to write a sequel. Authors commonly write sequels, and it seems improper to require them to seek the permission of their assignees to do so.

6. *See, e.g.*, Registration No. 1,623,948 (The California Raisins); Registration No. 1,716,334 (Teenage Mutant Ninja Turtles); Registration No. 1,184,702 (Lois Lane); Registration No. 1,339,415 (Spiderman).

7. Peter Nolan mentioned some of them during this program. One of his proposals was an idea I had not run into before: he suggested that the common law right of publicity might be extended to give publicity rights to *fictional characters*.

8. *See* STEAMBOAT WILLIE (Walt Disney Company 1928).

rather than black and white pictures; the original Mickey Mouse movie, Steamboat Willie, was, of course, in black and white. Even that modest degree of freedom to use Mickey's likeness will only appear if Mickey Mouse's copyright actually expires; there happens to be a proposal out there to extend it.

I have been on sabbatical in Washington, D.C. this year and, since I sometimes write about legislative history and legislative process,[9] I thought I would attend any hearings on copyright issues that were held while I was there. The first one to come up was a hearing at the Copyright Office to extend the duration of every copyright (existing copyrights and future copyrights) for an extra twenty years, so that all copyrights would endure for 70 years from the author's death, or, for works made for hire, for 95 years from publication or 120 years from creation.[10] Everybody testified in favor of this proposal, and nobody could think of a single disadvantage, or a single reason to oppose it.[11] Indeed, one of the witnesses,[12] testifying for the motion picture industry, suggested that copyright should last as long as possible. The proposal to extend copyright duration has generated precious little in the way of opposition.

I would argue that copyright already gives *more than enough* protection to the characters embodied in works of authorship. Mickey Mouse has enjoyed a long, and very lucrative, run. If it is time to close the show, it has more than paid back its investment.

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9. *See* Jessica Litman, *Copyright and Information Policy*, 55 L. & CONTEMP. PROBS. 185 (1992); Jessica Litman, *Copyright and Technological Change*, 68 OREGON L. REV. 275 (1989); Jessica Litman, *Copyright, Compromise and Legislative History*, 72 CORNELL L. REV. 857 (1987).

10. *See Copyright Office: Hearing Held on Possible Extension of Copyright Term*, 46 PAT. TRADEMARK & COPYRIGHT J. (BNA) 466 (Sept. 30, 1993).

11. The public domain is currently hitting works first published in 1918, so the effect of the proposal would be to move that date back to 1898. Now that renewal is automatic, this would pretty well sew up rights in every motion picture, at least for a little while.

12. In response to a question about how to draw a line setting the appropriate duration for copyright, Bernard Sorkin, testifying on behalf of the Motion Picture Association of America, said: "In principle, I believe the further the better. Movies going into the public domain are worthless." *See also Copyright Office*, 46 PAT. TRADEMARK & COPYRIGHT 466 (Sept. 30 1993):

> [Susan] Mann [testifying for the National Music Publishers] stressed that a work that enters the public domain does not necessarily benefit the public because the public may never see it. Without the market exclusivity that copyright protection brings, there is no incentive to distribute the work, she reasoned. Bernard Sorkin, appearing on behalf of the Motion Picture Association of America, agreed, calling public domain works "essentially worthless." "If people don't know they're there, they might just as well not be there," he asserted. According to Sorkin, public domain works, if available at all, are usually of inferior quality.

Further, even when the copyright expires, the Disney Company will still own rights in Mickey Mouse that the rest of us don't. In addition to copyright, for example, we also have theories of character protection under the trademark laws.

A leading case here is the *Beatrix Potter* case.[13] After some of the Peter Rabbit stories entered the public domain, a company named "Book Sales" published a book collecting seven public domain stories and the illustrations that had accompanied them. The book had an illustration of Peter Rabbit on the cover. Frederick Warne, Potter's publisher, filed suit for infringement of its registered trademarks in the cover illustration. Now, the way this is supposed to go is that plaintiff is entitled to prove that defendant's use of something that functions as a trademark in the marketplace will confuse purchasers, who will buy defendant's product in the mistaken belief that it emanates from plaintiff. So limited, the remedy is a valuable one. Copyright gives Disney no special rights in the name, "Snow White" or the story of Snow White, because the Disney Company didn't create Snow White or her story; the company got the name and much of the story from the fairy tale. But, if I, the consumer, don't want to see an animated film about Snow White and the Seven Dwarves unless the Disney Company produced it, then Disney should be able to stop Filmation from deceiving me about who made the film, "Snow White: The Adventure Continues,"[14] although I'm not sure that that should extend to making Filmation take the name "Snow White" out of the title and call the movie "Happily Ever After."

But, the expansion over the past couple of decades of the reach of the Lanham Act to encompass reverse confusion,[15] non-purchaser confusion,[16] after-market confusion,[17] subliminal or unconscious confusion,[18] and dilution[19] and courts' increasingly generous (to plaintiffs) application of the *Polaroid* factors,[20] have

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

14. *Cf.* Walt Disney Productions v. Filmation Associates, 628 F.Supp. 871 (C.D. Cal. 1986).

15. *See, e.g.*, Banff Ltd. v. Federated Department Stores, 841 F.2d 486 (2d Cir. 1988).

16. *See, e.g.*, Koppers Co. v. Krupp-Koppers Gmbh., 517 F. Supp. 836 (W.D. Pa. 1981).

17. *See, e.g.*, Ferrari, S.p.A. v. McBurnie, 11 U.S.P.Q. 1843 (S.D. Cal. 1989).

18. *See, e.g.*, Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254 (2d Cir. 1987).

19. *See, e.g.*, MGM-Pathe Communication Co. v. Pink Panther Patrol, 774 F. Supp. 869 (S.D.N.Y. 1991).

20. The *Polaroid* factors are a series of elements considered by the courts in determining the likelihood of confusion in a trademark infringement case. *See* Polaroid Corp. v. Polarad Electronics Corp., 287 F.2d 492 (2d Cir.), *cert. denied*, 368 U.S. 820 (1961). They leave

given those who want to protect their characters under the trademark laws a tool that is not so narrowly confined. Leslie Kurtz is going to spend some time on character protection under the Lanham Act, so I don't want to go into too much detail.[21] For right now, though, you should remember that, in addition to copyright, there are other theories of protection out there: the Lanham Act is one. There's also state misappropriation law, and quasi-state law misappropriation claims created by federal courts exercising diversity or pendant jurisdiction; there are, in addition, no dearth of proposals, like the copyright duration proposal, to extend the theories of protection that are already available.[22]

Well, why not? Folks are willing to pay for licenses to make authorized Mickey Mouse merchandise; children want to buy that merchandise. If there were no intellectual property protection, there would be fewer high quality Mickey Mouse toys (try to find a good Raggedy Ann doll, or, for that matter, a high quality stuffed Peter Rabbit these days) for us to buy for our children and export to Europe and Asia and Latin America. So, why not extend some form of property protection to valuable, merchandisable characters so long as they have value?

That is not the bargain. Nor should it be. We give out exclusive rights in return for, among other things, the dedication of the work to the public after a limited period of time has expired. There's good reason for that. First, I mentioned that Disney's Snow White character is based on preexisting elements. That's also true of characters who were not the heroines of famous fairy tales in their former lives. Walt Disney created Mickey Mouse using preexisting elements. Mickey was not the first cartoon mouse, nor the first cute cartoon mouse. He was probably the first cute motion

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a great deal of leeway for the exercise of judicial discretion. *See, e.g.*, E.&J. Gallo Winery v. Consorzio Del Gallo Nero, 782 F. Supp. 457 (N.D. Cal. 1991). *Compare* Yankee Publishing Inc. v. News America Publishing Inc., 809 F. Supp. 267 (S.D.N.Y. 1992) (Leval, J.), *with* MGM-Pathe Communications Co. v. The Pink Panther Patrol, 774 F. Supp. 869 (S.D.N.Y. 1991) (Leval, J.).

21. Leslie A. Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, 12 U. MIAMI ENT. & SPORTS L. REV. 437 (Spring 1994).

22. A proposed federal anti-dilution law, introduced in the Senate as an amendment to the Lanham Act adding a new section 43(c), could surely have kept unauthorized pictures of Mickey Mouse off day care center walls well into the next century. *See* S. Rep. No. 515, 100th Cong., 2d Sess. 7-8, 19-20, 41-43 (1988); United States Trademark Association, *Trademark Review Commission Report and Recommendations to USTA President and Board of Directors*, 77 TRADEMARK REP. 375, 454-62 (1987). The proposed section was passed by the Senate, but struck by the House Subcommittee. *See* H.R. Rep. No. 1028, 100th Cong., 2d Sess. 5-6 (1988); UNITED STATES TRADEMARK ASSOCIATION, THE TRADEMARK LAW REVISION ACT OF 1988 4-5 (1989).

picture cartoon mouse with a squeaky voice, but other characters had had squeaky voices. The elements of Mickey Mouse's character that Walt Disney drew from the public domain belong to us, the public. The Disney Company has been hanging on to a particular combination of them for a time, but it has them *on loan* from us. Unless Disney is to pull up the bridge after itself, those elements, and their combination in the unique character of Mickey Mouse, need to be returned to the public domain so that the Walt Disneys of tomorrow will have raw materials that they can use to draw new characters. Also, not so incidentally, the pending expiration of the copyright in Mr. Mouse is doubtless one of the factors encouraging Disney to create Ariel the mermaid,[23] and Aladdin's blue genie,[24] so that it will have valuable characters to license to toy companies and tee-shirt companies and theme parks after its exclusive rights in Mickey expire. We want to encourage this too, since it ends up getting us a bunch of new somethings.

There is also good reason for limiting the *scope* of intellectual property rights even during the limited time period of protection. We don't give out intellectual property rights to encourage authors to appropriate all of the rents that a given creation might yield. What we want, rather, is to assist authors in earning just enough profit to, first, enhance the creative environment enough to stimulate them to create works in the first place, and, second, encourage them to make their works available to us. If they make a killing, that's great, but it isn't the system's purpose. The system incorporates limitations because its purpose is to benefit *all of us* in a variety of creativity-enhancing ways.

For example, once Mickey Mouse becomes a cultural icon, we need to be able to talk about him,[25] sometimes irreverently. All of you, I'm sure, have seen the mouse-ear stencils that show up on sidewalks in the shadow of parking meters. Mr. Nolan might have an interest in stopping folks from painting those stencils, or from putting out a counter-cultural parody comic book making fun of Mickey Mouse and Donald Duck,[26] but I'd argue that the interest of the public at large does not stretch to letting copyright or other intellectual property protection extend quite so far.

For another example, while we want to give Mickey Mouse

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23. *See* THE LITTLE MERMAID (Walt Disney Company 1989).

24. *See* ALADDIN (Walt Disney Company 1992).

25. *See, e.g.*, Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV 397 (1990).

26. *See* Walt Disney Productions v. Air Pirates, 581 F.2d 751 (9th Cir. 1978).

enough protection that the Disney Company can comfortably release the first Mickey Mouse movie without worrying that Filmation will enter the market with an identical squeaky-voiced mouse character, we don't want to give the Disney Company a 75, or 95, year monopoly on all films involving mice, or all characters with squeaky voices. Disney surely enriched our society by creating Mickey, but not enough to be entitled to a long term monopoly on the manufacture of all stuffed mouse toys. If the artists who draw Mickey these days, or the writers who write his scripts, or the actors who supply his voice, want to take a job working for another movie company, we certainly don't want to stop them from doing so *by using the copyright law.*

Indeed, it is in general important to make sure that our copyright law does not provide protection so strong that it enables the Disney Company, and other current stakeholders, to block—or even delay—the creation of new works and the exploitation of new media by tying up the raw material everyone needs to use. For that reason, copyright law has, and needs, limitations on the nature and scope of the rights we give to the copyright holder. It can undermine the system to make exceptions to those limitations for the sake of a tremendously appealing and lucrative character. It can also undermine the system to ask the courts to go outside copyright and make up a quasi-property right, nominally derived from unwritten, unarticulated state law,[27] that omits the limitations built into the copyright system. Trying to stretch the Lanham Act around this whole set of problems and opportunities avoids any problems of federal preemption of state law, but raises the very same policy issues. If the reasons we have limits on the scope of rights under copyright are sound, then we need to be very careful whenever we recognize a new set of rights designed to circumvent those limits.

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27. Disney appended state law unfair competition claims to its lawsuit against Filmation over *Pinocchio: The Adventure Continues. See* Walt Disney Productions v. Filmation Associates, 628 F.Supp. 871 (C.D. Ca. 1986). MGM asserted state unfair competition law claims in its suit against the Pink Panther Patrol to protect its Pink Panther character and trademark. *See* MGM-Pathe Communications Co. v. The Pink Panther Patrol, 774 F. Supp. 869 (S.D.N.Y. 1991). *See also* Original Appalachian Artworks v. Topps Chewing Gum, 642 F. Supp. 1040 (N.D. Ga. 1986). And then, of course, there's the Ninth Circuit's expansion of a right of publicity cause of action, in White v. Samsung Elecs. Am., Inc., 971 F.2d 1395 (9th Cir. 1992). *See* White v. Samsung Elecs. Am., Inc., 989 F.2d 1512 (9th Cir. 1993) (Kosinski, J., dissenting from denial of rehearing and rehearing *en banc*), *cert denied,* 113 S. Ct. 2443 (1993).