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Cover Page Footnote
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TERMINATION OF TRANSFER OF COPYRIGHT: ABLE TO LEAP TRADEMARKS IN A SINGLE BOUND?

Lauren Beth Emerson*

INTRODUCTION

He is "[f]aster than a speeding bullet! More powerful than a locomotive! Able to leap tall buildings in a single bound!"1 In fact, Superman has been hailed as the greatest comic book hero of all time.2 He has defended the world against evil for over sixty years.3 The story of Superman, however, is one of turmoil as well as triumph. Since his creation, Superman has been the subject of a series of copyright battles between the people who created him, Jerome “Jerry” Siegel and Joe Shuster, and the company who made him famous, Detective Comics, Inc., (“DC Comics”) and its predecessors.4

After the deaths of Siegel and Shuster, their heirs took up the battle armed with a powerful new weapon: the termination right. When Congress extended the duration of copyright protection in 1976 and then again in 1998, they created a mechanism through which the authors of works, or their heirs, could enjoy that extended period even if they had assigned their copyright to another party.5 The termination right enables authors to take back the copyrights to their works at certain points in time.6 Both Siegel’s heirs and Schuster’s heirs have attempted to exercise this provision of the Copyright Act to take back the rights that Siegel and Shuster granted to DC Comics.7

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3. See Daniels, supra note 1, at 11.

4. See infra Part I.D.

5. See infra notes 121-37 and accompanying text.

6. See id.

7. See infra notes 336-40 and accompanying text.
In fact, even now, a battle for the copyright to the original Superman comics rages on in the U.S. Court of Appeals for the Ninth Circuit; the heirs of Superman author Jerome Siegel claim that they have successfully exercised their right to terminate the transfer of copyright that Siegel made to DC Comics' predecessor. They argue that, as a result of this termination, they own the copyright to the original Superman comics jointly with DC Comics and that they are entitled to a portion of the money that DC Comics, Warner Brothers Entertainment, Inc., and Time Warner, Inc., have made off of the Superman property since the termination became effective.

Buried in the Siegels' complaint is a request for declaratory relief recognizing that the Siegels' joint ownership of the copyright to the original comics entitles them to exploit the Superman crest—the "S" symbol emblazoned on Superman's chest—despite the fact that the crest is a DC Comics trademark. The Siegels raise an interesting legal issue: When an author terminates an assignment of copyright to a given work, and the assignee owns trademarks in aspects of that work, do those trademarked aspects revert to the author? In other words, in the context of a termination of transfer, does copyright trump trademark?

Conversely, do the assignees' trademarks allow them to retain control over certain aspects of the work despite the reversion of copyright? If so, the value of the Siegels' recaptured copyright might be substantially diminished, as DC Comics owns trademarks in many aspects of the Superman property. While the Siegels have asked the court to clarify their rights only vis-à-vis the crest, presumably any conclusion the court comes to would apply universally to DC Comics' trademarks.

This Note examines the extent to which DC Comics could use trademarks to retain substantial ownership over Superman in the event that the Siegels have in fact successfully recaptured the copyright to the original comics. Part I of this Note first examines the histories and relative capacities of copyright and trademark as methods of protecting various aspects of characters, and then analyzes the case law relevant to situations where copyright and trademark conflict. Part I concludes with a history of the controversy surrounding the Superman copyright and a summary of the current litigation. Part II presents the factual and legal arguments surrounding the right to the Superman crest and other Superman trademarks in the event that the Siegels are deemed to have recaptured their portion of

8. See infra notes 341-45 and accompanying text.
9. See id. Because Jerome Siegel and Joe Shuster created the Superman comics together, they are joint owners of the copyright in those works. See 1 Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 6.03 (2006). In the absence of an agreement to the contrary, each joint owner is permitted to assign his copyright or license his share to another party, so long as he shares the profits he earns proportionally with the co-owner. See id. §§ 6.10-12.
10. See infra notes 354-60 and accompanying text.
11. See infra Part I.B-C and accompanying text.
the Superman copyright. Part III concludes that should the court tackle the issue of the Superman crest, it would likely and rightly conclude that the Siegels indeed do have the right to exploit the crest as depicted in the original comics despite DC Comics' trademark rights.

I. A RECIPE FOR DISASTER

Superman\textsuperscript{12} was created by Jerry Siegel and Joe Shuster in 1933, at the dawn of the golden age of comic books.\textsuperscript{13} The hero went through several incarnations, including a villainous one, before becoming the benevolent alien he remains today.\textsuperscript{14} Siegel and Shuster struggled for five years working on other comic books before the newly formed DC Comics agreed to publish the first Superman comic in 1938 as part of \textit{Action Comics \#1}.\textsuperscript{15} It was a tremendous success,\textsuperscript{16} and Superman has since conquered virtually every medium: comic books, animated cartoons, radio programs, books, movies, and television.\textsuperscript{17}

Characters such as Superman are a substantial business. In 2004, worldwide retail sales of character brand licensed products reached an estimated $40 billion, up 1.8% from 2003.\textsuperscript{18} This is more than sports brand licensed products, which pulled in $18 billion, and more than fashion brand licensed products, which made $37.3 billion.\textsuperscript{19} While Major League Baseball pulled in $3.5 billion in 2004 on licensed goods,\textsuperscript{20} Disney Consumer Products Worldwide earned $15 billion.\textsuperscript{21}

In the parlance of the industry, each character brand is a “property,”\textsuperscript{22} and guardians\textsuperscript{23} take protecting the rights in their properties very seriously.

\textsuperscript{12} As the famous story goes, Superman is an alien who was born on the planet Krypton. Before Krypton exploded, Superman’s parents placed their baby in a rocket and sent him out into the universe. The rocket landed on Earth near Smallville, Kansas. Superman was discovered by Jonathan and Martha Kent, farmers who decided to raise the baby as their own. They named the boy Clark. As Clark grew up, it became clear that he possessed amazing abilities including strength, invulnerability, extremely acute senses, and the ability to fly. The family decided to keep his powers a secret. Eventually, Clark made his way to the city of Metropolis, where he became a reporter for the Daily Planet. Clark uses his extraordinary abilities to keep Metropolis and the world safe from evil villains, but wears a costume so as not to give away his true identity. Ironically, it was his coworker, Lois Lane, who, upon seeing the flying wonder, decided to name Metropolis’s new hero Superman. See Phil Jimenez et al., \textit{The DC Comics Encyclopedia} (2004), available at http://www.DCcomics.com/secret_files/pdfs/superman.pdf (Superman excerpt).

\textsuperscript{13} See Daniels, \textit{supra} note 1, at 11-31.

\textsuperscript{14} See \textit{id.} at 13-19.

\textsuperscript{15} See \textit{id.} at 31.

\textsuperscript{16} See \textit{id.} at 35.

\textsuperscript{17} See \textit{id.} at 11.


\textsuperscript{19} See \textit{id.} at 16, 18.

\textsuperscript{20} See \textit{id.} at 18.


Guardians of characters such as Superman are entertainment conglomerates such as Warner Brothers and Viacom. They are Walt Disney, Marvel Comics, and Pokémon USA. They are licensing agents such as 4Kids Entertainment and companies such as Classic Media. These are businesses that make money through the distribution of content, such as movies and television shows, and through the production and sale of merchandise.

Given the potential value of characters, their guardians use a combination of methods to protect them against would-be infringers. Despite the financial importance of character protection, no single intellectual property
right provides sufficient protection on its own. Copyright protects an author's interest in his expressive creations. Copyright protection, however, is not an impenetrable barrier. First, copyright is finite. For this reason, trademark protection, which can last forever, is an attractive addition. Second, various exceptions, such as fair use and parody, create gaps in copyright protection that trademark can plug up. Trademark law prevents one company from confusing consumers by passing off its goods as those of another company. Trademark, however, cannot be used to prevent non-confusing copying, whereas copyright can.

Layering different types of intellectual property rights gives guardians more control over unauthorized third-party use of their characters. As Gerald Jagorda colorfully put it: "Similar to a recipe, one takes a large measure of copyright, adds some trademark, and a dash of unfair competition. Season with misappropriation and contract law, then garnish with right of publicity and right of privacy." Copyright and trademark especially form a powerful pair, and together they cover enough intellectual property territory to provide a character with meaningful protection.

Given that guardians use copyright and trademark to protect the very same characters, it is not necessarily clear who owns what after a termination. If one party has the control offered by copyright, and another has the control offered by trademark, which party really controls the character? No doubt because of the tremendous uncertainty in this area, in their current lawsuit, Siegel's heirs have urged the court to specifically declare that their recaptured copyright includes the right to use and commercially exploit the Superman crest "comprised of a large red 'S'"

32. See infra notes 46-47 and accompanying text.
35. Seeinfra notes 109-13 and accompanying text.
36. See infra notes 162-65 and accompanying text.
37. See infra notes 165-66, 181 and accompanying text.
38. See id.
41. Trademark is a method of protecting consumers by identifying the source of goods. See 1 McCarthy supra note 34, § 3:1. It can be used to prevent other parties from making knockoff merchandise that the consumer might believe was authorized or official. See id. §§ 25:1, 25:10.
42. See Jagorda, supra note 39, at 248-49.
43. See Robert Vosper, The Woman of Steel: DC Comics' General Counsel Lillian Laserson Fights To Keep the Superman Copyright from Slipping Through Her Client's Fingers, Corp. Legal Times, Feb. 2005, at 68, 73.
centered on a broad triangular yellow field,” despite the fact that DC
Comics has trademarked this very symbol.44

This Part will provide the necessary background to evaluate the value of
trademarks in the event of a copyright termination. Part I.A discusses the
nature of copyright, the history of copyright protection of characters, and
the nature of the termination right. Part I.B discusses the nature of
trademark and the trademark protection of characters, especially Superman.
Part I.C discusses the interplay between trademark and copyright in various
situations. Part I.D describes Siegel’s and Shuster’s struggle to regain the
Superman copyright and the current litigation taken up by their heirs.

A. Copyright

The Constitution vests Congress with the power to legislate 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.”45 This Clause serves as the basis of federal copyright and
patent law.

The Copyright Act of 1976 provides that “[c]opyright protection subsists,
in accordance with this title, in 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.”46 Eligible works of
authorship include literary works, musical works, dramatic works,
pantomimes and choreographic works, pictorial, graphic and sculptural
works, motion pictures and other audiovisual works, sound recordings, and
architectural works.47

44. First Amended Complaint ¶ 62, Siegel v. Warner Bros. Entm’t, Inc., No. 04-8400
47. Id. The Copyright Act established two basic requirements for copyrightability:
fixation and originality. See id. Fixation is achieved when a work is made manifest in a
more-or-less permanent form. See 1 Nimmer, supra note 9, § 2.03(b). An original work
receives copyright protection from the very moment that it is fixed. See id. For literature, for
example, this means that a text receives protection as soon as it has been transcribed.

In Feist Publications, Inc. v. Rural Telephone Service Co., Justice Sandra Day O’Connor
elucidated the meaning of originality in the Copyright Act: “Original, as the term is used in
copyright, means only that the work was independently created by the author (as opposed to
copied from other works), and that it possesses at least some minimal degree of creativity.
To be sure, the requisite level of creativity is extremely low; even a slight amount will
suffice.” 499 U.S. 340, 345 (1990) (citation omitted) (holding that white pages in a telephone
book which list names alphabetically are not copyrightable).

In addition, there is a third tenet of copyrightability. Copyright offers a temporary
monopoly on the expression of ideas, but this protection does not extend to the ideas
themselves. See Baker v. Selden, 101 U.S. 99, 103 (1880) (holding blank forms annexed in a
book on bookkeeping are not copyrightable as “[t]he copyright of a work on mathematical
science cannot give to the author an exclusive right to the methods of operation which he
propounds, or to the diagrams which he employs to explain them, so as to prevent and
engineer from using them whenever occasion requires”). This allows the public the
Copyright is finite.\textsuperscript{48} Works copyrighted after 1978 last for the life of the author plus seventy years.\textsuperscript{49} Prior to 1978, copyright lasted for two consecutive twenty-eight year terms, provided that the author renewed the copyright between terms.\textsuperscript{50} Once a copyright expires, the work passes into the public domain, and anyone is free to use it.\textsuperscript{51}

Copyright gives authors three basic rights: (1) the exclusive right to reproduce their works; (2) the exclusive right to produce derivative works; and (3) the exclusive right to perform or display their works.\textsuperscript{52} The author may exploit these rights for the duration of the copyright.\textsuperscript{53} When these rights are infringed, copyright holders have a variety of remedies available to them, including monetary damages and injunctive relief.\textsuperscript{54}

Given the breadth of copyright protection and because copyright is the method of protection for works of art and works of literature,\textsuperscript{55} it is only opportunity to benefit and "build freely upon the ideas and information conveyed by [the] work." \textit{Feist}, 499 U.S. at 350. It also prevents the Copyright Act from encroaching on the First Amendment's guarantee of free speech. See \textit{Harper & Row, Publishers, Inc. v. Nation Enters.}, 471 U.S. 539 (1985) (holding that a magazine's unauthorized use of key quotations from a former president's yet unpublished memoirs does not qualify as fair use).

Works based on other works may also be copyrightable. See 17 U.S.C. § 101 (2000). The Copyright Act defines a derivative work as one "based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted." Id. For such a work to be copyrightable, it must be substantially different than the underlying work or reflect true artistic skill. See Gracen v. Bradford Exch., 698 F.2d 300, 304-05 (7th Cir. 1983) (holding that Gracen's plate designs were not substantially different from the movie scenes they were based on and therefore were not copyrightable); L. Batlin & Son, Inc. v. Snyder, 536 F.2d 486, 491-92 (2d Cir. 1976) (holding that reproductions of an Uncle Sam bank were not copyrightable because they lacked artistic skill).

\textsuperscript{49} Id. § 302(a).
\textsuperscript{52} Id. § 106.
\textsuperscript{53} See id. § 302(a) (defining the duration of copyright as the life of the author plus seventy years after the author's death).
\textsuperscript{54} See id. §§ 502, 504. The Copyright Act specifically permits certain types of uses deemed "fair." See id. § 107. These include teaching, scholarship, research, criticism, comment, and news reporting. See id. There are four factors to weigh to determine whether unauthorized uses should be permitted:

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
(2) the nature of the copyrighted work;
(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
(4) the effect of the use upon the potential market for or value of the copyrighted work.

\textit{Id.} Fair use can also be used as a defense to the copying involved in parodies. See, e.g., \textit{Campbell v. Acuff-Rose Music, Inc.}, 510 U.S. 569 (1994) (holding that commercial parodies may be fair use); \textit{Fisher v. Dees}, 794 F.2d 432 (9th Cir. 1986) (holding that the song \textit{When Sunny Sniffs Glue} was a fair use parody of plaintiff's song \textit{When Sunny Gets Blue}).

\textsuperscript{55} See 17 U.S.C. § 102(a).
natural that guardians have turned to copyright to protect the characters contained therein. The next section will examine the history and scope of copyright protection for characters.

1. Copyright Protection for Characters

Graphic representations of characters are inherently expressive and thus considered copyrightable works. For purely literary characters, however, and literary aspects of characters, copyrightability cannot be assumed; they are protectable only if they pass some sort of threshold. Judge Learned Hand laid out the first test for determining the copyrightability of a character outside of the illustration context in dicta in *Nichols v. Universal Pictures Corp.* In a much-cited passage, Judge Hand wrote,

If Twelfth Night were copyrighted, it is quite possible that a second comer might so closely imitate Sir Toby Belch or Malvolio as to infringe, but it would not be enough that for one of his characters he cast a riotous knight who kept wassail to the discomfort of the household, or a vain and foppish steward who became amorous of his mistress.... It follows that the less developed the characters, the less they can be copyrighted; that is the penalty an author must bear for marking them too indistinctly. Characters, in other words, must be sufficiently delineated to merit copyright protection.

Though dicta, the "distinctly delineated" test has been widely followed, perhaps most famously in *Anderson v. Stallone.* There, the court held that a script featuring Rocky, a character featured in a previously released series of movies, was an unauthorized derivative work and infringed the defendant's copyright in the Rocky character. The plot of the script was

56. See 1 Nimmer, supra note 9, § 2.12.
57. See 45 F.2d 119 (2d Cir. 1930) (holding that the copyright in the play *Abie's Irish Rose* was not infringed by *The Cohens and the Kellys* despite a similar story because defendant borrowed only uncopyrightable ideas).
58. Id. at 121.
59. See id.
60. See, e.g., Anderson v. Stallone, 11 U.S.P.Q.2d (BNA) 1161, 1166 (C.D. Cal. 1989) ("The Rocky characters are one of the most highly delineated group of characters in modern American cinema."); Warner Bros., Inc. v. Am. Broad. Cos., 530 F. Supp. 1187, 1193 (S.D.N.Y. 1982) ("After forty years of development in various media, Superman is... sufficiently developed to deserve copyright protection."); *aff'd*, 720 F.2d 231 (2d Cir. 1983); Burroughs v. Metro-Goldwyn-Mayer, Inc., 519 F. Supp. 388, 391 (S.D.N.Y. 1981) ("It is beyond cavil that the character 'Tarzan' is delineated in a sufficiently distinctive fashion to be copyrightable.").
62. See id. at 1167. The character of Rocky Balboa is described as a struggling boxer trying to make the big time. Working in a meat factory in Philadelphia for a pittance, he also earns extra cash as a debt collector. When heavyweight champion Apollo Creed visits Philadelphia, his managers want to set up an exhibition match between Creed and a struggling boxer, touting the fight as a chance for a 'nobody' to become a 'somebody.' The match is supposed to be easily won by Creed, but someone forgot to tell Rocky, who sees this as his only shot at the big time.
original; it was merely the characters that the plaintiff had borrowed. Nevertheless, the court found that the "Rocky characters are one of the most highly delineated group of characters in modern American cinema." Therefore, the defendant's use of Rocky infringed the plaintiff's copyright.

Later, in *Warner Brothers Pictures, Inc. v. Columbia Broadcasting System, Inc.*, the Ninth Circuit developed a somewhat stricter standard. Author Dashiell Hammett and his publisher, Alfred Knopf, conveyed the rights to the novel "The Maltese Falcon" to Warner Brother Pictures. Hammett subsequently granted rights in the character Sam Spade to various third parties for radio shows, television, and motion pictures. The plaintiff contended that, because it had exclusive rights to the novel featuring Sam Spade, it owned the exclusive copyright in the character. The court was not persuaded. Rather, Judge Albert Lee Stephens, Sr., held that because the character had not been specifically addressed by the grants, it could not be assumed that the author had meant to convey those valuable rights. Authors of detective novels frequently reuse their characters and would not part with that privilege lightly.

Judge Stephens then turned to the question of whether literary characters were copyrightable. He agreed with Judge Learned Hand that a line, however arbitrary, was necessary to distinguish copyrightable and non-copyrightable characters. If the characters were merely "chessmen" or "vehicles" to move the plot along, they would not be copyrightable. By contrast, if a "character really constitutes the story being told," then that character merits copyright protection.

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63. See Anderson, 11 U.S.P.Q.2d (BNA) at 1162.
64. See id. at 1166.
65. See id. at 1174.
67. See id. at 946-47.
68. See id. at 948. The character of Sam Spade is described as a partner in a private-eye firm who finds himself hounded by police when his partner is killed whilst tailing a man. The girl who asked him to follow the man turns out not to be who she says she is, and is really involved in something to do with the 'Maltese Falcon,' a gold-encrusted life-sized statue of a falcon, the only one of its kind.
69. See Warner Bros., 216 F.2d at 948-49.
70. See id. at 949.
71. See id.
72. See id. at 949-50.
73. See id. at 950.
74. See id. (citing Nichols v. Universal Pictures Corp., 45 F.2d 119 (2d Cir. 1930)).
75. See id.
76. Id.
This "story being told" test sets a higher bar for literary character copyrightability than Judge Hand's "distinctly delineated" test. A highly developed minor character, for example, could easily pass the "distinctly delineated" test but fail to constitute the story being told. In fact, it is extremely difficult for a character to qualify for copyrightability under the Ninth Circuit test. Moreover, where the "distinctly delineated" test calls for a judge to consider the expression of a character, the Ninth Circuit test requires a judge to examine that character within the context of the entire work. Perhaps for this reason, the "distinctly delineated" test has been more popular. In fact, the Ninth Circuit itself was quick to limit the applicability of this test.

The most recent word on character copyrightability came in 2004 from Judge Richard Posner, writing for the Seventh Circuit in Gaiman v. McFarlane. The plaintiff, Neil Gaiman, an illustrator, had created three characters as part of an issue of the comic book Spawn that he drew at defendant Todd McFarlane's request: Medieval Spawn, Angela, and Count Nicholas Cogliostro. McFarlane contended that Gaiman could not be a joint owner of the copyright in those Spawn comic book characters because such characters were not copyrightable. Judge Posner disagreed. Speaking specifically of Cogliostro, Posner said that he "has a specific name and specific appearance. Cogliostro's age, obviously phony title ('Count'), what he knows and says, his name, and his faintly Mosaic facial features combine to create a distinctive character. No more is required for a character copyright."

Once secured, copyright is a key and powerful ingredient in the stew that is character protection. The three following cases demonstrate the

77. See 1 Nimmer, supra note 9, §2.12.
78. See id.
79. See id.
81. 360 F.3d 644 (7th Cir. 2004).
82. According to the official Spawn Web site, the plot of the comic books is as follows: Al Simmons, once the U.S. government's greatest soldier and most effective assassin, was mercilessly executed by his own men. Resurrected from the ashes of his own grave in a flawed agreement with the powers of darkness, Simmons is reborn as a creature from the depths of Hell. A Hellspawn. Now, Spawn must choose between his life on Earth and his place on a throne in Hell. Spawn.com, Spawn, http://www.spawn.com/comics/series.aspx?series_id=1 (last visited Aug. 20, 2006).
83. See Gaiman, 360 F.3d at 650.
84. See id. at 657.
85. See id.
86. See id. at 660 (citations omitted).
87. See Jagorda, supra note 39, at 240-43.
scope and potential power of copyright. In *Walt Disney Productions v. Air Pirates*, the court affirmed the district court’s dismissal of what seemed to be a colorable fair use defense of parody on the part of authors of “adult ‘counter-culture’ comic books.” Instead, the court focused on how similar the defendants’ characters were to Disney’s, emphasizing how little would be necessary to “conjure up” Disney characters in readers’ minds. The opinion suggested that a parody that had borrowed less from its subject would not have infringed. Though criticized as vague, this opinion demonstrates how powerful copyright in a character can be.

In fact, this decision was used to justify a similar denial of fair use by parody in *Original Appalachian Artworks v. Topps Chewing Gum, Inc.* The plaintiffs, the manufacturers of Cabbage Patch Dolls, sued Topps Chewing Gum, Inc., over the distribution of Garbage Pail Kids stickers and cards, alleging copyright and trademark infringement. The cards featured dolls strikingly similar to Cabbage Patch Kid dolls. However, unlike their more wholesome counterparts, Garbage Pail Kids were grotesque. The defendants argued that their cards were a parody of Cabbage Patch Kids, but the court found that the defendants had not acted in good faith. Therefore, the court granted a preliminary injunction in favor of the plaintiff.

In a more recent case, *Walt Disney Co. v. Powell*, Disney obtained an injunction against a T-shirt manufacturer to prevent him from featuring Mickey and Minnie Mouse on shirts. The injunction was remarkably powerful in that it extended to all Disney characters—not just to those whose copyrights had been infringed. In upholding that injunction, the D.C. Circuit noted that “when, as here, liability has been determined adversely to the infringer, there has been a history of continuing...

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88. See id. at 248-49.
90. See *Walt Disney*, 581 F.2d at 757-58.
91. See id.
92. See *Jagorda, supra* note 39, at 243.
94. See id.
95. See id. at 1032.
97. See *Original Appalachian Artworks*, 642 F. Supp. at 1036.
98. See id. at 1034.
99. See id. at 1041.
101. See id. at 568.
infringement and a significant threat of future infringement remains, it is appropriate to permanently enjoin the future infringement of works owned by the plaintiff but not in suit." 102 With these types of precedents, copyright can be a powerful tool against infringers.

Copyright protection has been a powerful ally for Superman, too. For example, as early as 1940 in *Detective Comics, Inc. v. Bruns Publications, Inc.*, Judge Augustus Hand found that a Wonderman comic infringed DC Comics' copyright in Superman. 103 The defendants argued that Superman was a generic Hercules. 104 Judge Hand, however, held that “[s]o far as the pictorial representations and verbal descriptions of 'Superman' are not a mere delineation of a benevolent Hercules, but embody an arrangement of incidents and literary expressions original with the author, they are the proper subjects of copyright.” 105

Copyright, however, has its limitations. Although it is not expensive to register a copyright, 106 enforcement can be very costly. 107 Not surprisingly, “expenses often top more than a million dollars per party in complex intellectual property cases.” 108 Moreover, from the standpoint of a character guardian, fair use defenses such as parody can be especially troublesome, as unauthorized uses can tarnish a character’s reputation. 109 Perhaps the greatest weakness of copyright protection, however, is that it is of finite duration. 110 Seventy years after the death of the author, the property will pass into the public domain. 111 While few characters have

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102. Id.
104. See id. at 433.
105. Id. at 433-34. By contrast, in *Warner Bros., Inc. v. American Broadcasting Cos.*, the court found that The Greatest American Hero did not infringe upon the plaintiff’s copyright in Superman. 530 F. Supp. 1187, 1195 (S.D.N.Y. 1982). The court concluded that the Superman character was “sufficiently developed” enough to merit protection. Id. at 1193. The court based this decision on the fact that Superman is visually depicted, either through drawings or actors, and because the character had penetrated various media for over forty years. Id. However, because the Greatest American Hero had copied from Superman only unprotectable ideas, such as super-strength, super-hearing, super-vision, super-speed, super-breath, invulnerability, and an alter ego, the court found no infringement. See id. at 1190-92, 1195. In other words, “[c]hiefly, what was taken was the idea of a superhero who fights evil—a benevolent super-human.” Id. at 1190.
107. Goldberger, supra note 2, at 386.
108. Id.
109. See *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257 (11th Cir. 2001). At issue in this case was the book *The Wind Done Gone*, a biting critique of *Gone With the Wind*’s portrayal of slavery and the South. See id. The plaintiff claimed that the book infringed on its copyright in *Gone With the Wind* because *The Wind Done Gone* significantly appropriated the characters, plot, setting, etc., from the classic novel. See id. The U.S. Court of Appeals for the Eleventh Circuit disagreed, holding that the defendant had a fair use defense as the four requirements of fair use were satisfied. See id.
sufficient longevity to make this a realistic concern, this is a serious issue for older and more enduring characters. It has been speculated that Mickey Mouse's impending expiration was partially responsible for the passage of the Copyright Term Extension Act of 1998, which tacked on another twenty years to existing copyrights.

2. The Termination Right

In the Copyright Act of 1909, Congress attempted to enhance authors' rights by granting authors of copyrighted works protection for two consecutive twenty-eight-year terms. The separation of the duration into two distinct periods would allow authors an opportunity to renegotiate any assignments they had made. The idea was that authors who had made bad deals before they realized the financial potential of their works would have a second chance to profit from them.

In practice, however, courts read the Act to permit authors to assign their rights in the renewal term before the end of the first twenty-eight-year term. In Fred Fisher Music Co. v. M. Witmark & Sons, the parties disputed the rights to the renewal term of the copyright in the song “When Irish Eyes Are Smiling.” The Court held that the author of a work could assign his interest in its renewal term prior to the vesting of his rights in that term. Naturally, publishers began to insist on having the rights to both terms to avoid later hassles.

In the Copyright Act of 1976 (“the 1976 Act”), which extended the life of copyrights, Congress again attempted to offer paternalistic protection to authors by creating two types of termination rights. Section 203 conveys a termination right that covers all transfers of copyright made by

112. See Goldberger, supra note 2, at 376.
116. See id.
118. See id. at 645.
119. See id. at 659.
120. See, e.g., Marvel Characters, Inc. v. Simon, 310 F.3d 280 (2d Cir. 2002).
121. See H.R. Rep. No. 94-1476, at 124-28 (1976). According to the report, “[a] provision of this sort is needed because of the unequal bargaining position of authors, resulting in part from the impossibility of determining a work’s value until it has been exploited.” Id. at 124.
122. Copyright Act of 1976, 17 U.S.C. §§ 203, 304 (2000). Speaking specifically of § 304, the U.S. Supreme Court said that the concept of a termination right itself, [was] obviously intended to make the rewards for the creativity of authors more substantial. More particularly, the termination right was expressly intended to relieve authors of the consequences of ill-advised and unremunerative grants that had been made before the author had a fair opportunity to appreciate the true value of his work product. Mills Music, Inc. v. Snyder, 469 U.S. 153, 172-73 (1985) (citations omitted).
authors starting in 1978. Those authors will be able to terminate those transfers, thereby reclaiming the copyright in the work, during a five-year window beginning thirty-five years after the original transfer.

Similarly, authors who had transferred the copyright in their works prior to 1978 are eligible to use § 304(c) or (d) to terminate their transfer agreements. Section 304(c) termination rights become available for a five-year period beginning at the end of the fifty-sixth year after the copyright was secured or beginning on January 1, 1978, whichever comes later. Section 304(d), added in conjunction with the Sonny Bono Copyright Term Extension Act of 1998 (CTEA), provides that those whose § 304(c) option had expired can choose to terminate their transfers within a five-year window beginning seventy-five years after the copyright was originally secured.

Authors retain their termination rights no matter what, "notwithstanding any agreement to the contrary." Termination rights cannot be assigned. If the author passes away, the right passes to the author's widow or widower, children, or grandchildren, or else to the author's executor, administrator, personal representative, or trustee. No termination right, however, is applicable to works originally created as works-for-hire.

The 1976 Act carved out an exception for derivative works created prior to the termination. It provided that "[a] derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination, but this privilege does not extend to the preparation of other derivative works based upon the copyrighted work covered by the terminated grant." The U.S. Supreme Court explained that the legislative history of the 1976 Act discloses a concern about the status of a number of motion-picture films that had been prepared pursuant to grants by book publishers. Without the exception, the reversion that an author's termination effected would have given the author the power to prevent further utilization of the motion-picture films, or possibly to demand royalties that the film producers were unwilling to pay.

The CTEA had two major effects on the termination right. First, by further extending the life of older (pre-1978) copyrights for another twenty

124. See id. § 203(a)(3).
125. See id. § 304(c)-(d).
126. See id. § 304(c)(3).
127. See id. § 304(d).
128. See id. §§ 203(a)(5), 304(c)(5).
129. See id. §§ 203(a)(2), 304(c)(2).
130. See id. §§ 203(a), 304(c).
131. See id. §§ 203(b)(1), 304(6)(a).
132. Id.
133. Mills Music, Inc. v. Snyder, 469 U.S. 153, 177 (1985) (holding that a terminated party may collect royalties on a derivative work created under "the terms of the grant" after the underlying copyright has been terminated).
years, it made existing copyrights more valuable. Second, the CTEA enhanced the termination right by expanding the class of people able to exercise it in the event of the author’s death. Thus, it is hardly surprising that the CTEA has motivated people to file notices of termination.

It is not easy for an author or his heirs to exercise a termination right. The terminating party must be sure that they are acting within the five-year window in which termination is permitted. They must also give between two and ten years notice before the termination becomes effective. If there are multiple agreements, or agreements that are renegotiated over time, this time frame can be difficult to discern.

For example, in Milne v. Slesinger, a dispute over a termination of the rights to the Winnie-the-Pooh books, Clare Milne, the granddaughter of the Pooh books’ author, purported to terminate a grant of rights from 1930. However, in 1983, her father, Christopher Milne, and the defendant, Stephen Slesinger, had created a second agreement in which the earlier agreement was revoked and terms were renegotiated. Clare argued that the 1983 agreement constituted an invalid § 304(c)(5) “agreement to the contrary.” Slesinger argued that neither termination right applied because the pre-1978 transfer had been revoked and the post-1978 transfer had not been made by the author. Though the court acknowledged that the wording “agreement to the contrary” was vague, it did not find any support for Clare’s position. Thus, the court affirmed the district court’s decision in Slesinger’s favor.

In contrast, in Marvel Characters, Inc. v. Simon, Joseph Simon was able to persuade the Second Circuit that a settlement agreement he had signed in 1969 stating that he had created Captain America comics as an “employee

135. Arguably, the primary reason for the extension was to make U.S. copyright protection as strong as European Union copyright protection. See Disney Lobbying for Copyright Extension No Mickey Mouse Effort: Congress OKs Bill Granting Creators 20 More Years, Chi. Trib., Oct. 17, 1998, § 1, at 22. However, there were other key players lobbying for the Act, including Disney, which was concerned about the then-imminent expiration of the copyrights to Mickey Mouse, Donald Duck, and other classic Disney characters. See id.
137. See, e.g., Milne v. Slesinger, 430 F.3d 1036 (9th Cir. 2005), cert. denied, No. 05-1332, 2006 U.S. LEXIS 4934 (June 26, 2006) (dealing with the heir to the author of the Winnie-the-Pooh books who unsuccessfully filed notice of termination in response to the adoption of the CTEA); Vosper, supra note 43, at 72 (stating that Shuster’s nephew, now eligible as a result of the CTEA, filed a notice of termination with DC Comics for Shuster’s half of the Superman copyright).
138. See supra notes 123-27 and accompanying text.
140. See Milne, 430 F.3d at 1042.
141. See id. at 1040-41.
142. See id. at 1043.
143. See id. at 1041-42.
144. See id. at 1043-46.
145. See id. at 1048.
for hire” was in fact an invalid § 304(c)(5) “agreement to the contrary.”

Simon created the comic books in the early 1940s and claimed to have sold his rights in them to Marvel’s predecessor, Timely Comics, via oral agreements. Timely Comics registered copyrights for each issue.

Simon had sued twice in the 1960s, as the first twenty-eight year term was about to end, claiming that he owned the copyright in the Captain America character. He sought an injunction and monetary damages.

Marvel argued that Simon had created the works as works-for-hire and that, therefore, Simon had no rights in them. The parties settled the lawsuits and, as a condition for settlement, Simon signed an agreement acknowledging that the works had been done for-hire and also assigning any rights he might have had over to the defendants.

Not surprisingly, when Simon subsequently filed a notice of termination of transfer, Marvel insisted that he had no right to do so, as the works had been done for-hire. Simon argued that the settlement agreement was precisely the kind of § 304(c)(5) “agreement to the contrary” that was not to stand in the way of a termination. The court concurred, holding that “[a]ny other construction of § 304(c) would thwart the clear legislative purpose and intent of the statute.” Therefore, Simon was not estopped from raising claims of authorship in his termination action.

Even if the heirs of Siegel and Shuster succeed in terminating transfer of the Superman copyright to DC Comics, the potential impact of that termination is unclear. It is particularly unclear what the effect of DC Comics’ trademarks would be on the rights the heirs are able to recapture. As one article put it, “what kind of impact would it have on the marketability of Superman if DC still owns the trademark?” The next section will explore the nature of trademark rights in general, trademark

146. See Marvel Characters, Inc. v. Simon, 310 F.3d 280 (2d Cir. 2002).
147. See id. at 282.
148. See id.
149. See id. at 283.
150. See id.
151. See id.
152. See id. at 283-84.
153. See id. at 284-85.
154. Id. at 289.
155. Id. at 290.
156. See id. at 292-93.
157. See Vosper, supra note 43, at 73.
158. Id. There is also a compelling argument that the Superman of today is not the Superman whose copyright DC Comics obtained roughly sixty years ago. Thus, even if the copyright reverted, DC Comics would retain the rights to any new developments in the character since the original transfer. For examples of how the Superman characters have developed, see generally, Ashok Chandra, Crisis of Indefinite Consequence: How the Derivative Works Exception the Lanham Act Undercut the Remunerative Value of Termination of Transfers, 16 Fordham Intell. Prop. Media & Ent. L.J. 241 (2005).
159. See infra notes 162-99 and accompanying text.
right in characters specifically, and will conclude with an analysis of DC Comics’ trademarks in the Superman character.

B. Trademark

Trademarks are words, names, symbols, logos, sounds, scents, or even colors that symbolize the good will of a brand and aid consumers in distinguishing and identifying products. Unlike copyright law, which protects the original creation of an author, trademark law is designed to protect the consumer. In the words of Justice Holmes, “trade mark only gives the right to prohibit the use of it so far as to protect the owner’s good will against the sale of another’s product as his.” In other words, it does not grant blanket protection against the copying of that mark; only certain types of uses will be forbidden.

The Federal Trademark Act, known as the Lanham Act, defines a trademark as

any word, name, symbol or device, or any combination thereof—
(1) used by a person, or
(2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

Trademarks enable consumers to make decisions about which products to purchase. If consumers know where a particular good comes from, they will know something about the quality of that product. Such marks not only symbolize the origin of the goods, but also over time come to represent

160. See infra notes 200-12 and accompanying text.
161. See infra notes 213-42 and accompanying text.
162. See 1 McCarthy, supra note 34, § 7.
163. See supra notes 45-55 and accompanying text.
164. See 1 McCarthy, supra note 34, § 3:10.
165. Prestonettes, Inc. v. Coty, 264 U.S. 359, 368 (1924) (holding that the defendant’s use of the plaintiff’s brand name only to describe the product being sold did not constitute trademark infringement).
166. See infra notes 177-80 and accompanying text.
167. Trademark Act of 1946 (Lanham Act) § 45, 15 U.S.C. § 1127 (2000). As with copyright, registration is permissive but beneficial. See 3 McCarthy, supra note 34, § 19:3. Registration is prima facie evidence of the mark’s validity. See Lanham Act § 33(a), 15 U.S.C. § 1115(a). A common law trademark, however, will also be valid if it is either intrinsically distinctive, as opposed to descriptive or generic, or if it has come to have a secondary meaning. See Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 767 (1992) (holding that an inherently distinctive trade dress is protectable without proving that the trade dress had acquired secondary meaning).
168. See Minnesota Co. v. Normandin, 338 N.W.2d 18, 22 (Minn. 1983) (holding that defendant’s T-shirt design was not similar enough to infringe upon plaintiff’s T-shirt design).
169. See id.
the good will, or consumer preference and satisfaction, associated with that source.\footnote{170}{See id.; 1 McCarthy, supra note 34, § 3:2.}

Unlike copyright, which eventually expires, trademarks are potentially infinite.\footnote{171}{See 1 McCarthy, supra note 34, § 6:6.} Trademarks can be lost, however, in two ways: abandonment and genericide.\footnote{172}{See, e.g., King-Seeley Thermos Co. v. Aladdin Indus., 321 F.2d 577 (2d Cir. 1963) (holding that the term "thermos" had become generic because the word had come to identify the type of good rather than a particular source of such goods). This can happen when the mark becomes part of the cultural vocabulary and ceases to identify the one product to which it originally applied. See id. at 581.} Once a mark is no longer useful to a consumer in terms of identifying the source of goods, there is no reason to prevent others from using it.\footnote{173}{See Bemer Int'l Corp. v. Mars Sales Co., 987 F.2d 975, 979 (3d Cir. 1993) (reversing a grant of summary judgment for plaintiff because the district court misconstrued the relevant consuming public).}

Trademark protection is acquired through use.\footnote{174}{See 2 McCarthy, supra note 34, § 16.1.} As trademark expert J. Thomas McCarthy explains, "[w]ith each sale of goods or services under such a business symbol, the seller builds up greater and greater legal rights in that symbol."\footnote{175}{Id.} As with copyright, registration is permissive.\footnote{176}{See 2 Nimmer, supra note 9, § 7.16.}

Trademarks can be infringed in various ways. "Palming off" occurs when one brand is ordered and another is supplied, when one company fraudulently attempts to pass its goods off as being those of another company, or when, even despite a lack of fraudulent intent, there is a likelihood of consumer confusion between two products.\footnote{177}{See 4 McCarthy, supra note 34, § 25:1.} "Counterfeiting" is selling a product with a false trademark that is meant to replicate plaintiff's trademark.\footnote{178}{See id. § 25:10.} As with copyright, those whose trademarks have been infringed can seek monetary damages\footnote{179}{See Trademark Act of 1946 (Lanham Act) § 35, 15 U.S.C. § 1117 (2000).} and injunctive relief.\footnote{180}{See id. § 34, 15 U.S.C. § 1116.}

To prove that a trademark has been infringed, the plaintiff must first prove that his trademark is valid, and second, that a likelihood of confusion exists.\footnote{181}{Warner Bros., Inc. v. Gay Toys, Inc., 658 F.2d 76 (2d Cir. 1981) (finding infringement where plaintiff had a valid mark in the "General Lee" car and where defendant's "Dixie Racer" toy car caused a likelihood of confusion); DC Comics v. Kryptonite Corp., 336 F. Supp. 2d 324 (S.D.N.Y. 2004) (finding infringement where DC}
common law mark is valid if it is either distinctive or has secondary meaning.183

The strength of a trademark is related to its distinctiveness. Marks that are arbitrary, fanciful, or suggestive are considered inherently distinctive.184 Marks that are descriptive are not inherently distinctive, but they can acquire distinctiveness and protectability by acquiring a secondary meaning.185 A mark has secondary meaning if the mark instantly reminds the consumer of the source of that product.186 At the very end of the spectrum are generic marks, which are never distinctive and therefore never merit trademark protection.187

Courts follow a variety of multifactor tests to determine if a likelihood of confusion exists. The Ninth Circuit developed its own multifactor test in AMF Inc. v. Sleekcraft Boats.188 This test has been widely followed.189 The Ninth Circuit's factors include: (1) strength of the mark; (2) proximity or relatedness of goods; (3) similarity of appearance, sound, and meaning of the marks; (4) evidence of factual confusion; (5) degree to which the marketing channels converge; (6) types of goods and degree of care consumers are likely to exercise in purchasing them; (7) intent of the defendant in selecting the allegedly infringing mark; and (8) likelihood that the parties will expand their product lines.190

As with copyright protection, trademark protection is subject to certain limitations. For example, fair use is recognized as a defense to trademark infringement.191 There are two types of fair use for trademarks. One type is classic fair use, which is codified in section 33(b)(4) of the Lanham Act.192 Classic fair use is a defense to infringement if the defendant uses

Comics had a valid trademark in Kryptonite, and defendant's use of the term caused a likelihood of confusion.

183. See Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 767 (1992) (holding that inherently distinctive trade dress is protectable without proving that the trade dress had acquired secondary meaning).
184. See 2 McCarthy, supra note 34, § 11:2.
185. See id.
187. See 2 McCarthy supra note 34, § 11.2.
188. 599 F.2d 341, 348-49 (9th Cir. 1979) (holding that based on an eight factor test of likelihood of confusion, defendant's "Sleekcraft" mark infringed upon plaintiff's "Slickcraft" mark).
189. See, e.g., Brockum Co. v. Blaylock, 729 F. Supp. 438, 445 (E.D. Pa. 1990) (holding that, because most of the Sleekcraft factors were met, a likelihood of confusion existed); Eagle's Eye, Inc. v. Ambler Fashion Shop, Inc., 627 F. Supp. 856, 859 (E.D. Pa. 1985) (applying a test based on Sleekcraft to determine that plaintiff's trademark infringement claims were valid).
190. Sleekcraft, 599 F.2d at 348-49.
the mark as something other than a trademark in good faith to describe its own goods or services.\textsuperscript{193} This defense "in essence, forbids a trademark registrant to appropriate a descriptive term for his exclusive use and so prevent others from accurately describing a characteristic of their goods."\textsuperscript{194}

By contrast, non-confusing nominative fair use is a newer defense developed by the Ninth Circuit that allows a party to use another's mark as a mark to identify or describe its owner's goods or services.\textsuperscript{195} Such use can be appropriate where the mark is used to describe the mark owner's goods even if the end goal is to describe the user's goods.\textsuperscript{196} Among other things, nominative fair use permits use of a party's mark in comparative advertising.\textsuperscript{197}

\textsuperscript{193} See 2 McCarthy, supra note 34, § 11:49. For examples of common law fair use, see Packman v. Chi. Tribune Co., 267 F.3d 628, 643 (7th Cir. 2001) (holding that a newspaper's use of "the joy of six" in a headline replicated on various merchandise constituted "nontrademark use, in good faith, to describe a characteristic or quality of their goods"); McDonald's Corp. v. Burger King Corp., 107 F. Supp. 2d 787 (E.D. Mich. 2000) (holding that the defendant's use of "Big Kids Meal" to describe a larger children's meal did not infringe on the plaintiff's "Big Kid's Meal," even if the plaintiff's usage was a valid mark because the defendant's usage is a description of its own product).

\textsuperscript{194} Soweco, Inc. v. Shell Oil Co., 617 F.2d 1178, 1185, 1191 (5th Cir. 1980) (holding that the plaintiff's mark was not generic but upholding the defendant's fair-use defense). A recent Supreme Court decision, \textit{KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.}, has given more bite to the classic fair use defense. 543 U.S. 111 (2004). The Court there held that the burden of proof to show a likelihood of confusion rests on the plaintiff, not on the party asserting a fair use defense. \textit{See id.} at 121-22. Moreover, the Court held that "some possibility of consumer confusion must be compatible with fair use." \textit{Id.} at 121. In that case, the plaintiff objected to the defendant's use of the term "micolor" to describe a type of permanent cosmetic. \textit{See id.} at 114-15. The Court reversed and remanded the lower court's decision in favor of the plaintiff. \textit{See id.} at 124. However, the Court noted that there was a difference between the defendant's use of the term in text and its stylized use of the term on its brochures. \textit{See id.} at 124 n.6. This may signify that the "manner of display" is a factor to be weighed in determining fair use. \textit{See} Dickerson M. Downing, \textit{KP Permanent Make-Up and Fair Use of Trademarks, in Advanced Seminar on Trademark Law 2005} (2005), \textit{available at} 834 PLI/Pat 7, 20 (Westlaw). Some commentators have noted that this case is part of a recent Supreme Court trend reducing the power of trademark. \textit{See} Kane, supra note 192.

\textsuperscript{195} See Downing, supra note 194, at 23.

\textsuperscript{196} See Cairns v. Franklin Mint Co., 292 F.3d 1139, 1151 (9th Cir. 2002) (holding that Franklin Mint was entitled to a nominative fair use defense for using Princess Diana's name and likeness to describe products relating to her).

\textsuperscript{197} See 3 McCarthy, supra note 34, § 23:11. In \textit{New Kids on the Block v. News Am. Publ’g}, the New Kids on the Block sued the defendant newspaper companies over polls that appeared in their papers querying the popularity of each of the members of the musical group. 971 F.2d 302, 304-05 (9th Cir. 1992). In denying the plaintiff's claims that this constituted trademark infringement, the court identified a type of use that was neither classic fair use nor infringement. \textit{See id.} at 308. The Court noted that "it is often virtually impossible to refer to a particular product for purposes of comparison, criticism, point of reference or any other such purpose without using the mark.” \textit{Id.} at 306. The court then laid out a three-part test for nominative fair use:

First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would... suggest sponsorship or endorsement by the trademark holder.
Finally, trademark is subject to one other potentially substantial weakness: disclaimer. So long as a party can use another’s mark without confusing the consumer as to the source of the product, such use will not infringe on the mark. The alleged infringer has the burden of showing that “the proposed materials would significantly reduce the likelihood of consumer confusion.”

1. Trademark and Characters

If the image or name of a character indicates the source of the good on which it is printed, that mark can be a trademark under the Lanham Act. Because characters are inherently “arbitrary” and “fanciful,” their only meaning is their meaning as a mark; it is not necessary for them to have acquired a secondary meaning to be considered trademarks.

For example, in 1976, in Edgar Rice Burroughs, Inc. v. Manns Theaters, the plaintiff alleged that his copyrights and trademarks in the Tarzan characters had been infringed by the defendant’s X-rated film

Id. at 308. For more examples of nominative fair use, see Mattel Inc. v. Walking Mountain Prods., 353 F.3d 792, 796, 807 (9th Cir. 2003) (affirming grant of summary judgment in favor of defendant, a photographer who “depicted Barbie in various absurd and often sexualized positions” because “the public interest in free and artistic expression greatly outweighs its interest in potential consumer confusion about Mattel’s sponsorship of Forsythe’s works”); Cairns, 292 F.3d at 1155 (“Franklin Mint’s use of the name and likeness of Princess Diana was a permissible nominative fair use.”); Playboy Enters., Inc. v. Welles, 279 F.3d 796 (9th Cir. 2002) (holding that Terri Welles’s use of “Playmate of the Year” to describe that accolade on her Web site constituted nominative fair use of Playboy’s mark).

198. See Goldberger, supra note 2, at 386.

199. Home Box Office, Inc. v. Showtime/The Movie Channel Inc., 832 F.2d 1311, 1316 (2d Cir. 1987) (holding that Showtime, the defendant, had the burden of proof to demonstrate that its disclaimers would adequately reduce the likelihood of confusion caused by its advertising slogans). This has proven to be a difficult requirement. For example, in Toho Co. v. William Morrow & Co., the defendant produced a book about Godzilla. No. CV 98-0925, 1998 U.S. Dist. LEXIS 11920, at *2-4 (C.D. Cal. Apr. 15, 1998). Toho owned the copyright to and trademarks in Godzilla. See id. In fact, Toho had licensed the right to create such a book to Random House, Inc. See id. at *3-4. The defendant had used the word “unauthorized” on the front cover and had included a statement on the back noting that “[t]his book was not prepared, approved, licensed or endorsed by any entity involved in creating or producing any Godzilla movie, including Columbia/TriStar and Toho Co.” See Toho Co. v. William Morrow & Co., 33 F. Supp. 2d 1206, 1212 (C.D. Cal. 1998), amended by Toho Co., 1998 U.S. Dist. LEXIS 11920. Nevertheless, the court found that these disclaimers were inadequate based on the placement, color, size, and lack of such notice in advertisements. See Toho, 1998 U.S. Dist. LEXIS 11920, at *9-12. In the first version of his opinion, Judge Dickran Tevrizian Jr. noted that “the Second Circuit has also recognized a growing body of academic literature that suggests that disclaimers are generally ineffective.” Toho Co., 33 F. Supp. 2d at 1212.

200. See Goldberger, supra note 2, at 382.


The court concluded that "[t]he public have come to recognize the trademark Tarzan, individually and in conjunction with the names Jane, Boy and Cheeta, when used in connection with entertainment related goods and services as being exclusively supplied or authorized by plaintiff." The court went on to hold that the defendant's X-rated film diluted the value of the plaintiff's trademark. Similarly, in *DC Comics, Inc. v. Unlimited Monkey Business, Inc.*, the court found that the defendant had infringed the plaintiff's trademarks as well as its copyright interest in Superman and Wonder Woman by selling singing telegrams delivered by individuals costumed as Super Stud and Wonder Wench. The performances delivered by the characters mimicked Superman scripts. Furthermore, Super Stud's script suggested that he identify himself first as "Dark Dent." The script describes "Dark Dent" as "too 'mild mannered' to perform the singing telegram," so he removes his glasses, rips open his shirt and proclaims, "This must be a job for 'Super Stud.'" Based on these facts, the court concluded that the plaintiff was entitled to summary judgment.

2. DC Comics' Trademarks in Superman

DC Comics' registered trademarks include Superman, Lois Lane, Lex Luthor, Daily Planet, Kryptonite, Perry White, Jimmy Olsen, and "Man of Steel." Furthermore, DC Comics can assert common law trademark

203. See id. at 161.
204. Id.
205. See id. at 161-62.
207. See id. at 119.
208. See id. at 114.
209. See id.
210. See id.
211. Id.
212. See id. at 119.
rights in other elements that the public would associate with Superman and DC Comics.\textsuperscript{214}

DC Comics has claimed to have many trademarks in the Superman property over the years. Some claims have been more successful than others. In \textit{Warner Brothers, Inc. v. American Broadcasting Co.}, for example, Warner Brothers claimed that \textit{The Greatest American Hero} television series infringed on its rights in Superman.\textsuperscript{215} Specifically, it claimed that the show infringed on the following trademarks: Superman’s powers, Superman’s “S” shield costume, the phrase “faster than a speeding bullet, more powerful than a locomotive, able to leap tall buildings in a single bound,” the phrase “it’s a bird, it’s a plane, it’s Superman,” and various visual images of Superman.\textsuperscript{216}

While the court found that the phrases and the Superman costume could have secondary meaning, they denied that such was possible for “ideas” such as powers.\textsuperscript{217} However, even where the court was willing to find that such “indicia” had secondary meaning, they found no infringement because \textit{The Greatest American Hero} made reference to Superman only for the purpose of distinguishing the character Ralph Hinkley.\textsuperscript{218} Whereas Superman is portrayed as an alien superhero who understands his powers and his place in the universe, Hinkley is very much a human character who

\begin{footnotesize}

\textsuperscript{214} In \textit{Warner Bros., Inc. v. American Broadcasting Cos.}, DC Comics’ parent company argued that ABC had also infringed on the Superman costume, the phrase “faster than a speeding bullet, more powerful than a locomotive, able to leap tall buildings in a single bound,” the phrase “it’s a bird, it’s a plane, it’s Superman,” and on visual images of Superman. \textit{See} 530 F. Supp 1187, 1195-97 (S.D.N.Y. 1982).

\textsuperscript{215} See id. at 1187-88. In addition to copyright infringement, Warner Brothers claimed that the show infringed on its trademark interests. See id.

\textsuperscript{216} See id. at 1195-96.

\textsuperscript{217} See id. at 1195.

\textsuperscript{218} See id. at 1195-96.
is baffled and troubled by his powers and his role in life.219 Because the similarities existed only to emphasize the differences between the characters, there was no likelihood of confusion.220

However, in other cases, DC Comics has been quite successful. For example, in 1978, DC Comics sued an underground newspaper calling itself the Daily Planet.221 The judge found that the Daily Planet had acquired secondary meaning associated with DC Comics through the "key role" the newspaper played in the Superman story in television, comics, and radio.222 The court also found that there was a likelihood of confusion in part because the defendant's newspaper contained many references to Superman and granted DC Comics' motion for summary judgment.223

More recently, in DC Comics v. Kryptonite Corp., DC Comics sued to protect its trademark rights in the term "Kryptonite."224 DC Comics had developed the term "Kryptonite" in conjunction with the Adventures of Superman radio show.225 The parties had entered into an agreement in 1983 after DC Comics had learned that Kryptonite Corporation was using the term.226 The agreement stipulated, among other things, that Kryptonite Corporation would not do anything to suggest that it was affiliated with DC Comics or Superman.227 Kryptonite Corporation was not to use the term "super," let alone refer to Superman or other characters.228 It had also agreed to only use "Kryptonite" and "Krypto Grip" on devices and accessories for two-wheeled vehicles.229

DC Comics filed suit in response to various activities that they claimed breached this agreement.230 DC Comics contended that Kryptonite Corporation’s comic book style advertising, which contained Superman references, super villains, references to "men of steel," and used the term "up, up and away," had breached the agreement not to associate itself with DC Comics.231 Furthermore, it claimed that these actions infringed upon its

219. See id. at 1194-96. The court rejected Warner Brothers' contention that because Superman's younger self, Superboy, had struggled like Ralph Hinkley before he had his powers, confusion was likely. See id. at 1194.
220. See id. at 1197.
221. See DC Comics, Inc. v. Powers, 465 F. Supp. 843 (S.D.N.Y. 1978). The Daily Planet is the newspaper for which Clark Kent works as a reporter. It was also the name of a column in some of the Superman comic books. See id. at 845.
222. See id. at 846-47.
223. See id. at 849-50.
224. See DC Comics v. Kryptonite Corp., 336 F. Supp. 2d 324, 327 (S.D.N.Y. 2004). Kryptonite is a green substance that comes from the planet Krypton where Superman was born. It is the only substance that is capable of killing Superman. See id.
225. See id.
226. See id. at 327.
227. See id. at 328.
228. See id.
229. See id.
230. See id. at 327-28.
231. See id. at 330.
trademark in Kryptonite. The defendant claimed that DC Comics had no valid trademark in the term.

Judge Richard Owen held that Kryptonite was indeed a valid mark. He based his decision in part on the Second Circuit’s reasoning in *DC Comics, Inc. v. Filmation Associates* and quoted Judge MacMahon as saying,

> [W]here the product sold by plaintiff is “entertainment” in one form or another, then not only the advertising of the product but also an ingredient of the product itself can amount to a trademark protectable under §43(a) [of the Lanham Act] because the ingredient can come to symbolize the plaintiff or the product in the public mind.

Judge Owen also referenced *DC Comics, Inc. v. Powers* before concluding that because Kryptonite “is an element associated with Superman entertainment products,” it was entitled to protection.

That trademark law can be used to protect a character’s name or image is certain. Earlier, this Note discussed how copyright protects not only the graphic image of a character, but also more abstract notions of character, if that character is sufficiently delineated. Whether trademark protection can be as expansive as copyright protection and protect the character in the abstract remains to be judicially determined. This possibility was raised in *Frederick Warne & Co. v. Book Sales Inc.*, but the judge found it unnecessary to rule on the issue.

In an article on the fate of trademarks after the expiration of the underlying copyright, DC Comics lawyer Jay Kogan suggests that the trademark rights in a character naturally extend to cover its “identity elements.” Identity elements include “[c]haracter names, visual likenesses, and logos, slogans and other indicia associated with the characters.” Conversely, “substance elements” such as “literary attributes such as personality traits, special powers or abilities, origins and background, character development and plotlines associated with the characters” are not within the scope of trademark.

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232. *See id.* at 331.
233. *See id.*
234. *See id.* at 334.
235. *Id.* at 332 (quoting *DC Comics, Inc. v. Filmation Assocs.*, 486 F. Supp. 1273, 1277 (S.D.N.Y. 1980)).
236. *Id.* (citing *DC Comics, Inc. v. Powers*, 482 F. Supp. 494 (S.D.N.Y. 1979)).
237. *See supra* notes 200-12 and accompanying text.
238. *See supra* notes 56-86 and accompanying text.
239. *See 481 F. Supp.* 1191, 1197 n.3 (S.D.N.Y. 1979) (“Some commentators have suggested that trademark and unfair competition theories might serve to protect a character beyond the term of copyright applicable to the underlying work. This provocative question need not be reached, since plaintiff does not seek to establish exclusive trademark rights in the characters themselves but only to protect its limited right to use specific illustrations of those characters.”).
242. *See id.*
If Kogan is correct, and DC Comics can in fact claim trademark rights in all of the identity elements in Superman, then the Siegels’ claim regarding the crest is all the more crucial. If, as a result of successfully terminating copyright grants, the Siegels could exploit all of the trademarked elements of the early comics, this would constitute a huge blow to DC Comics. Conversely, if DC Comics could prevent the Siegels from exploiting any of those elements, then the rights recaptured by the Siegels would be severely devalued. The next section will explore other similar scenarios in which trademark and copyright law have been found to conflict.

C. Where Trademark and Copyright Collide

Copyright and trademark work well in tandem, particularly for characters. As Judge Abraham Sofaer said in Frederick Warne,

> Because the nature of the property right conferred by copyright is significantly different from that of trademark, trademark protection should be able to co-exist, and possibly overlap, with copyright protection without posing preemption difficulties . . . . A character deemed an artistic creation deserving copyright protection may also serve to identify the creator, thus meriting protection under theories of trademark or unfair competition.243

Even the happiest of unions, however, can engender a sticky separation. This Note examines in particular the scenario in which an assignment of copyright has been terminated, leaving the assignee with only the trademarks to a character property. This section looks at four similar conflicts between trademark and copyright: expiration of copyright, trademark in public domain characters, trademark in characters in which others have copyrights, and reverse passing off as seen in Dastar Corp. v. Twentieth Century Fox Film Corp.244

1. Expiration

One conflict between copyright and trademark occurs when copyrights expire. One of the reasons people turn to trademark to protect characters is that they believe that such protection can extend beyond the expiration of the copyright.245 The most famous case supporting this proposition is Frederick Warne.246 In that case, the plaintiff was the publisher of the Peter Rabbit books by Beatrix Potter.247 After the copyright expired, the defendant republished several of the Peter Rabbit books in one volume.248

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244. 539 U.S. 23 (2003) (holding that Dastar did not infringe on the plaintiff’s trademarks, as Dastar was the source of the video).
245. See, e.g., Frederick Warne, 481 F. Supp. at 1196; Lee & Ullendorf, supra note 172.
247. See id. at 1193.
248. See id. at 1194.
The defendant also copied several illustrations, including cover art and a design known as the "sitting rabbit" illustration. The plaintiff claimed that these designs were trademarks and that the defendant was not entitled to use them. The defendant argued that these drawings had passed into the public domain along with the texts of the books.

Provided that the designs were valid trademarks that had come to represent the goodwill of the plaintiff, Judge Sofaer held that those trademarks can continue to exist even in the absence of the copyright, and that such marks can be infringed upon. In fact, "that a copyrightable character or design has fallen into the public domain should not preclude protection under the trademark laws so long as it is shown to have acquired independent trademark significance, identifying in some way the source or sponsorship of the goods." Yet despite Frederick Warne's ringing endorsement for post-copyright trademarks as ample protection for characters, implementation has not proved quite so easy. In Silverman v. CBS Inc., CBS was unable to prevail on such a claim. CBS argued that Stephen Silverman's Amos 'n' Andy musical infringed on their copyrights and trademarks in the Amos 'n' Andy radio programs. The situation was complicated by the fact that the copyright on some of the programs had expired. While the court found a limited amount of copyright infringement, it also found that CBS's trademarks had been abandoned through twenty-one years of non-use.

Moreover, not all courts agree with Frederick Warne's assertions. In Comedy III Productions, Inc. v. New Line Cinema, Comedy III argued that the defendant's use of a clip of The Three Stooges' short film Disorder in the Court in The Long Kiss Goodnight infringed on its trademarks, notwithstanding the fact that the copyright in the film used had long since expired. The court disagreed with Comedy III that the clip was a trademark, and so the issue was moot. In dicta, however, the court noted that "the Lanham Act cannot be used to circumvent copyright law. If material covered by copyright law has passed into the public domain, it

249. See id.
250. See id. at 1193-94.
251. See id. at 1196.
252. See id. at 1197.
253. Id. at 1196.
254. See supra notes 245-53 and accompanying text.
255. 870 F.2d 40 (2d Cir. 1989).
256. See id. at 43.
257. See id. at 42-43.
258. See id. at 50.
259. See id. at 45-46. The court held that CBS's stated intent to use the marks again "should the social climate become more hospitable" was not adequate under the Lanham Act to prevent abandonment. Id.
260. 200 F.3d 593 (9th Cir. 2000).
261. See id. at 594.
262. See id. at 595.
263. See id.
cannot then be protected by the Lanham Act without rendering the Copyright Act a nullity."  

The Ninth Circuit’s opinion on the subject is not without precedent. In 1889, when the copyright on Webster’s Dictionary expired, Judge Miller addressed the issue of whether or not another company could call its own dictionary “Webster’s Dictionary.” In a famous passage, he said:

I want to say, however, with reference to the main issue in the case, that it occurs to me that this proceeding is an attempt to establish the doctrine that a party who has had the copyright of a book until it has expired, may continue that monopoly indefinitely, under the pretense that it is protected by a trade-mark, or something of that sort. I do not believe in any such doctrine, nor do my associates. When a man takes out a copyright, for any of his writings or works, he impliedly agrees that, at the expiration of that copyright, such writings or works shall go to the public and become public property. I may be the first to announce that doctrine, but I announce it without any hesitation. If a man is entitled to an extension of his copyright, he may obtain it by the mode pointed out by law. The law provides a method of obtaining such extension. The copyright law gives an author or proprietor a monopoly of the sale of his writings for a definite period, but the grant of a monopoly implies that, after the monopoly has expired, the public shall be entitled ever afterwards to the unrestricted use of the book.

Nevertheless, Judge Miller was troubled that the defendant’s use of the title would deceive the public and damage the plaintiff.  

This concern was picked up on in a later case on the same subject. In 1907, Merriam claimed that George Ogilvie infringed on the latest version of Webster’s Dictionary, Webster’s International Dictionary, by publishing his own version of Webster’s earlier public domain edition using “Webster” in the title. Judge Colt said, “To say that the public have the right to publish the book, and not the incidental right to use the name by which it is known, is in effect to destroy the public right, and to perpetuate the monopoly.” Therefore, Ogilvie had a right to use the title, so long as he made it clear that he, and not Merriam, was the publisher of his dictionaries.

2. Trademark in Public Domain Characters

In reaching his decision in Frederick Warne, Judge Sofaer relied on the judgment in Wyatt Earp Enterprises v. Sackman, Inc. Wyatt Earp

264. Id.
265. See Merriam v. Holloway Publ’g Co., 43 F. 450 (E.D. Mo. 1890).
266. Id. at 451.
267. See id.
269. Id. at 860.
270. See id. at 861.
presented another situation where trademark and copyright collide.\textsuperscript{272} There, the plaintiff was the producer of the television series "The Life and Legend of Wyatt Earp."\textsuperscript{273} The defendant, a manufacturer of children's costumes, was a former licensee of the plaintiff.\textsuperscript{274} However, when the license expired, the defendant persisted in manufacturing and selling the costumes under a "Wyatt Earp" label.\textsuperscript{275} The plaintiff sought a preliminary injunction, arguing that the label would confuse consumers and lead them to believe that the costumes were associated with the show.\textsuperscript{276} The defendant objected to the idea that anyone could monopolize a historical figure.\textsuperscript{277} The court, however, found that the public's knowledge of Wyatt Earp and its desire for Wyatt Earp merchandise resulted from the television show\textsuperscript{278} and granted the injunction.\textsuperscript{279} 

By contrast, in \textit{Nancy Ann Storybook Dolls, Inc. v. Dollcraft Co.}, the Ninth Circuit held that the defendant had not infringed on the plaintiff's marks because the marks were not valid.\textsuperscript{280} The plaintiff had registered its dolls' names as trademarks.\textsuperscript{281} Because the dolls represented characters from public domain works, the court determined that they had not acquired secondary meaning as Nancy Ann dolls.\textsuperscript{282} The dolls' names, including "Red Riding Hood," "Little Bo-Peep," and "Goldilocks" came mostly from fairy tales and nursery rhymes.\textsuperscript{283}

3. Trademark in Characters in Which Others Have Copyright

Similarly, in \textit{Tristar Pictures, Inc. v. Del Taco, Inc.}, the court held that the plaintiffs, producers of the 1998 film \textit{The Mask of Zorro}, could assert trademark rights in the character Zorro despite the fact that other unrelated parties held copyrights in various Zorro products.\textsuperscript{284} The court pointed out that trademark and copyright "are neither mutually dependant nor mutually

\textsuperscript{273} See id. at 621-23.
\textsuperscript{274} See id.
\textsuperscript{275} See id.
\textsuperscript{276} See id.
\textsuperscript{277} See id.
\textsuperscript{278} See id. at 624-25.
\textsuperscript{279} See id. at 626.
\textsuperscript{280} Nancy Ann Storybook Dolls, Inc. v. Dollcraft Co., 197 F.2d 293, 296 (9th Cir. 1952).
\textsuperscript{281} See id. at 294-95.
\textsuperscript{282} See id. at 295-96.
\textsuperscript{283} See id. at 294-95. But \textit{cf}. Walt Disney Prods. v. Filmination Assocs., 628 F. Supp. 871, 874, 879-81 (C.D. Cal. 1986). In that case, Disney successfully argued that defendants' films, entitled \textit{The New Adventures of Pinocchio, Alice Returns to Wonderland}, and \textit{The Continuing Adventures of the Jungle Book} infringed on Disney's films \textit{Pinocchio, Alice in Wonderland}, and \textit{The Jungle Book}. The fact that Disney's works were based on stories in the public domain did not stop the court from denying the defendants' motion for summary judgment.
exclusive. Indeed, they do not necessarily affect each other at all.”

Moreover, “[b]ecause trademark only relates to the item’s origin-identifying characteristics, the owner of the trademark need not own any other aspects of the item.”

The defendant had based the bulk of its argument on an erroneous interpretation of an earlier case, Universal City Studios, Inc. v. Nintendo Co. In that case, Universal asserted that it owned trademark rights in the King Kong character and that those rights had been infringed by Nintendo’s popular video game, Donkey Kong. The court, however, was unable to find any proof that Universal’s King Kong had acquired any secondary meaning linking it to Universal. In fact, the court had trouble discerning exactly what aspect of the King Kong character Universal owned, given that three other parties seemed to own substantial parts.

The court summarized, “Universal’s position is thus that the consuming public, though confronted with extensive merchandising use of two King Kong images that represent other product sources, is still able to perceive that there is a distinct third image of King Kong that designates a third product source—Universal.” However, Universal offered inadequate evidence to support this proposition. Thus, while it is true that the fact that others had copyrights in King Kong would make it more difficult for Universal to claim that its King Kong acted as a mark that would signify Universal as its maker, that fact alone was not determinative. Universal’s claim failed, not because other parties owned copyrights in the King Kong character, but because Universal could not establish that it itself owned a valid trademark in King Kong.

4. A Glimpse into the Supreme Court’s Perspective

In 2003, the Supreme Court addressed a different issue that placed trademark and copyright on opposite sides of the table. In Dastar Corp. v. Twentieth Century Fox Film Corp., the respondents claimed that the defendant’s use of public domain footage that they had developed without proper attribution violated the Lanham Act. The petitioners had taken the footage, condensed it, added a new opening sequence, moved some of

285. Id. at 1093.
286. Id.
289. See id. at 923.
290. See id. at 924.
291. See id. at 925.
292. See id.
294. See id.
296. See id. at 26-27.
the segments, and created new packaging. Dastar also replaced the credits and removed references to the book upon which the original series had been based.

The Ninth Circuit summarily affirmed the equally terse district court opinion:

We affirm the district court’s summary judgment on the reverse passing off claim under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). Dastar copied substantially the entire Crusade in Europe series created by Twentieth Century Fox, labeled the resulting product with a different name and marketed it without attribution to Fox. Dastar therefore committed a “bodily appropriation” of Fox’s series. Dastar’s minimal changes to the series are not sufficient to avoid liability.

The Supreme Court granted certiorari and reversed and remanded the case. Speaking for the court, Justice Antonin Scalia wrote:

The problem with [this] argument according special treatment to communicative products is that it causes the Lanham Act to conflict with the law of copyright, which addresses that subject specifically. The right to copy, and to copy without attribution, once a copyright has expired . . . "passes to the public." In other words, trademark is necessarily subsidiary to copyright where copyright legislation exists. The Lanham Act should not be read to conflict with copyright law.

Thus far, this Note has examined the legal background necessary to understand the crest controversy in the current Superman litigation. The next section examines the factual background leading up to the current litigation.

D. The Struggle for the Control of the Superman Rights 1933-1996

Superman was born in 1933, when a young Jerry Siegel first conceived of a superhero, perhaps the world’s first, who would “perform feats of great importance for the public good.” He paired up with artist Joe Shuster and the two co-authored comic strips. These unpublished strips are arguably the basis for the Superman strips that were later published by DC Comics’ predecessor, although DC Comics contends that there is little

297. See id.
298. See Twentieth Century Fox Film Corp. v. Entm’t Distrib., 34 F. App’x 312, 315 (9th Cir. 2002).
299. Id. at 314 (citations omitted).
300. See Dastar Corp., 539 U.S. at 28, 38.
301. Id. at 33 (citations omitted).
302. See id. at 33-34.
303. See id. at 34.
304. First Amended Complaint, supra note 44, ¶ 16.
306. See First Amended Complaint, supra note 44, ¶ 17.
similarity between the published and unpublished strips other than that the title character was called Superman.\textsuperscript{307}

Siegel and Shuster tried to have the unpublished Superman comic strips published, but to no avail.\textsuperscript{308} In the meantime, the pair created various other strips that were published.\textsuperscript{309} In 1937, Siegel and Shuster contracted with Detective Comics, Inc., ("DCI") to produce two comic features for the company for two years.\textsuperscript{310} The agreement contained a clause giving DCI the right of first refusal for sixty days on any new works that the pair created.\textsuperscript{311}

In 1938, DCI became interested in publishing the Superman comics as part of a new comic book to be called \textit{Action Comics}.\textsuperscript{312} In response, Siegel and Shuster cut and pasted their unpublished comic strip into a magazine layout.\textsuperscript{313} DC Comics contends that the two also produced additional new material in order to create the comic that DCI eventually accepted for publication.\textsuperscript{314}

As per an agreement dated March 1, 1938 ("Agreement 1"), Siegel and Shuster received ten dollars per page for thirteen pages, which DCI would later publish as part of \textit{Action Comics No. 1}.\textsuperscript{315} In addition, the agreement stated that Siegel and Shuster transferred to DCI "the strip entitled "Superman"... all good will attached thereto and exclusive right to the use of the characters and story, continuity and title of strip."\textsuperscript{316}

After \textit{Action Comics No. 1} was published, Siegel and Shuster continued to prepare Superman materials, which appeared in subsequent issues of the \textit{Action Comics} series.\textsuperscript{317} In September of 1938, DCI, Siegel and Shuster, and the McClure Newspaper Syndicate entered into an agreement for the publication of Superman in newspapers ("Agreement 2").\textsuperscript{318} Also around that time, Siegel and Shuster entered into a new agreement with DCI by which DCI would "employ and retain" the two for "artwork and

\textsuperscript{307} See First Amended Counterclaims, supra note 305, at 6.
\textsuperscript{308} See First Amended Complaint, supra note 44, ¶ 19; First Amended Counterclaims, supra note 305, at 8.
\textsuperscript{309} See First Amended Complaint, supra note 44, ¶¶ 19-20; First Amended Counterclaims, supra note 305, at 9.
\textsuperscript{310} See First Amended Complaint, supra note 44, ¶ 20; First Amended Counterclaims, supra note 305, at 10.
\textsuperscript{311} See First Amended Complaint, supra note 44, ¶ 20; First Amended Counterclaims, supra note 305, at 11.
\textsuperscript{312} See First Amended Complaint, supra note 44, ¶ 21; First Amended Counterclaims, supra note 305, at 11.
\textsuperscript{313} See First Amended Complaint, supra note 44, ¶ 22; First Amended Counterclaims, supra note 305, at 11.
\textsuperscript{314} See First Amended Counterclaims, supra note 305, at 11.
\textsuperscript{315} See First Amended Counterclaims, supra note 44, ¶¶ 24-25.
\textsuperscript{316} See First Amended Counterclaims, supra note 305, at 12 (quoting March 1, 1938 agreement).
\textsuperscript{317} See First Amended Complaint, supra note 44, ¶ 27; First Amended Counterclaims, supra note 305, at 15.
\textsuperscript{318} See First Amended Complaint, supra note 44, ¶ 29; First Amended Counterclaims, supra note 305, at 16.
TERMINATION OF TRANSFER OF COPYRIGHT

continuity’’ on various strips, including Superman (“Agreement 3”).\(^{319}\) This agreement also stated that DCI owned Superman exclusively.\(^{320}\)

On December 19, 1939, Siegel and Shuster entered into yet another agreement with DCI (“Agreement 4”).\(^{321}\) This agreement raised Siegel and Shuster’s compensation for Superman material.\(^{322}\) This agreement also contained an acknowledgement of DCI’s rights in Superman.\(^{323}\)

Siegel and Shuster first sued DCI’s successor, National Comics Publications, Inc., (“National Comics”) in 1947.\(^{324}\) Although the suit largely concerned the Superboy rights, Siegel and Shuster also sought to have Agreement 1 declared invalid.\(^{325}\) On November 21, 1947, the court issued an opinion stating that Agreements 1 and 3 were valid.\(^{326}\) The opinion also stated that DCI had been publishing Superboy illegally.\(^{327}\) Subsequently, in 1948, the parties entered into a stipulation and a consent agreement, both of which stated that Agreement 1 had transferred all of the rights in Superman to DCI, making National Comics the sole owner.\(^{328}\) They also agreed that National Comics was the sole owner of Superboy.\(^{329}\)

Siegel and Shuster sued again several years later.\(^{330}\) In Siegel v. National Periodical Publications, Inc., the Court of Appeals for the Second Circuit held that although the Superman strips were not works for hire, Siegel and Shuster had indeed transferred their rights to DCI.\(^{331}\)

In 1975, Siegel and Shuster entered into an agreement with Warner Communications, Inc., the parent company of National Comics (“Agreement 5”).\(^{332}\) In exchange for annual compensation, medical benefits, and credit on certain Superman publications, Siegel and Shuster

\(^{319}\) See First Amended Complaint, supra note 44, ¶ 30 (quoting September 22, 1938 agreement); First Amended Counterclams, supra note 305, at 15.

\(^{320}\) See First Amended Counterclams, supra note 305, at 15.

\(^{321}\) See First Amended Complaint, supra note 44, ¶ 33; First Amended Counterclams, supra note 305, at 20.

\(^{322}\) See First Amended Complaint, supra note 44, ¶ 33; First Amended Counterclams, supra note 305, at 20.

\(^{323}\) See First Amended Counterclams, supra note 305, at 20.

\(^{324}\) See First Amended Complaint, supra note 44, ¶ 35; First Amended Counterclams, supra note 305, at 23.

\(^{325}\) See First Amended Counterclams, supra note 305, at 23. Superboy is a clone of Superman who was created and then rapidly aged to become a teenager; for more information on the “Boy of Steel,” see Jimenez et al., supra note 12, available at http://www.DCcomics.com/secret_files/pdfs/superboy.pdf (Superboy excerpt).

\(^{326}\) See First Amended Counterclams, supra note 305, at 24.

\(^{327}\) See id.

\(^{328}\) See First Amended Complaint, supra note 44, ¶ 35; First Amended Counterclams, supra note 305, at 26.

\(^{329}\) See First Amended Counterclams, supra note 305, at 26.

\(^{330}\) See First Amended Complaint, supra note 44, ¶ 36; First Amended Counterclams, supra note 305, at 27.

\(^{331}\) See Siegel v. Nat’l Periodical Publ’ns, Inc., 508 F.2d 909, 914 (2d Cir. 1974); First Amended Complaint, supra note 44, ¶ 37; First Amended Counterclams, supra note 305, at 28.

\(^{332}\) See First Amended Complaint, supra note 44, ¶ 38; First Amended Counterclams, supra note 305, at 29.
acknowledged that Warner Communications, Inc. owned all rights in Superman,333 including the concept, idea, continuity, pictorial representation, formula, characters, cartoons and comic strips, title, logo, copyrights and trademarks, including any and all renewals and extensions of such rights, in the United States and throughout the world, in any and all forms of publication, reproduction and presentation, whether now in existence or hereafter devised.334

E. The Current Lawsuit

Jerry Siegel died in 1996.335 One year after his death, Siegel’s widow and daughter filed a notice of termination of transfer.336 If this termination became effective, it did so in April of 1999.337 Shuster had no heirs as they were classified under the 1976 Act, so there was no one available to file a termination of transfer for his portion of the copyright until the CTEA was passed in 1998.338 Following the passage of that Act, Shuster’s nephew filed a notice of termination in 2003.339 This termination would become effective in 2013.340

I. The Siegels’ Claims

In 2004, Siegel’s widow and daughter filed suit in the Central District of California against Warner Brothers Entertainment, Inc., Time Warner, Inc., DC Comics, and ten unnamed defendants, Does 1-10.341 The Siegel family alleges that they filed notice of termination of transfer of copyright on April 3, 1997,342 and therefore, the termination became effective on April 16, 1999.343 The notices purported to terminate the Alleged Grants of the renewal copyright to (i) the copyrightable “Superman” character, (ii) the 1934 Superman Comic Strip and the

333. See First Amended Counterclaims, supra note 305, at 29.
334. See First Amended Complaint, supra note 44, ¶ 38; First Amended Counterclaims, supra note 305, at 29 (quoting December 23, 1975 agreement).
335. See Vosper, supra note 43, at 72.
336. See id.
337. See id.
338. See id.
339. See id.
340. See id. The Shuster’s heirs are entitled to terminate his portion of the copyright in the original Superman comics based on 17 U.S.C. § 304(d). See supra note 136 and accompanying text. This section of the act provides for a five-year window beginning seventy-five years after the date copyright was secured. See supra note 127 and accompanying text. Copyright was secured in 1938; seventy-five years later is 2013. See Vosper, supra note 43, at 72. The first year that Shuster’s nephew could file a notice of termination was 2003 because the statute provides for a minimum of two and maximum of ten years notice. See supra note 139 and accompanying text.
341. See First Amended Complaint, supra note 44.
342. See id. ¶ 39.
343. See id. ¶ 44.
Revised 1934 Superman Comic Strip, both published as/in Action Comics No. 1, (ii) the material published as/in Action Comics Nos. 1-6 . . . , (iv) the material published as/in Action Comics Nos. 7-61 . . . , and/or (v) subsequent works involving “Superman,” all as set forth in the Notices of Termination.344

Because Siegel had co-owned the rights to Superman with Shuster, the Siegel family’s termination would recapture fifty percent of the rights.345

The Siegel family alleges that the defendants acknowledged the termination and offers quotes from two different letters that the family claims to have received.346 One letter, written on April 16, 1997 by the Executive Vice President and General Counsel of Warner Brothers, John Schulman, stated, “As to the Notices of Termination, I wasn’t surprised at their arrival. . . . After the effective date of the termination, there will still remain 14 years of copyright protection left to the joint copyright holders of the original Superman elements. Those are what we should share.”347 The second letter, dated October 10, 1997, was sent from the President and Publisher of DC Comics, Paul Levitz.348 It claimed that “[t]he [Superman] rights involved are non-exclusive; they are shared with DC. Since both you and DC would have these rights, we would each have the obligation to pay the other for using those rights if you did not re-grant them to DC.”349

It appears, however, that DC Comics changed its mind.350 The day before the termination allegedly became effective, DC Comics sent a letter informing the Siegel family that “DC Comics rejects both the validity and scope of the notices and will vigorously oppose any attempt by your clients to exploit or authorize the exploitation of any copyrights, or indeed, any rights at all, in Superman.”351 Since that time, the Siegel family alleges that none of the defendants have accounted to them for their exploitation of Superman.352

The Siegel family asks the court for an accounting for its share of what they believe to be more than fifty million dollars in profits since the termination became effective.353 They request declaratory relief with respect to the effectiveness of the termination,354 the profits they are entitled to,355 and the Superman crest.356

344. See id. ¶ 39.
345. See id. ¶ 45.
346. See id. ¶¶ 47-48.
347. Id. ¶ 47 (quoting Letter from John Schulman, Executive Vice President and General Counsel, Warner Bros., Inc., to Joanne Siegel (Apr. 16, 1997)).
348. See id. ¶ 48.
349. Id. (quoting Letter from Paul Levitz, President and Publisher, DC Comics, to Joanne Siegel and Laura Siegel Larson (Oct. 10, 1997)).
350. See id. ¶ 49.
352. See id. ¶ 51.
353. See id. ¶¶ 69-70.
354. See id. ¶¶ 52-55.
355. See id. ¶¶ 56-59.
The Superman crest is "comprised of a large red 'S' centered on a broad triangular yellow field, first appearing as part of 'Superman's' costume, centered on and highlighting Superman's 'V' shaped muscular chest."\textsuperscript{357} The Siegels allege that the design currently trademarked by the defendants "arose directly from, and is substantially identical to, Siegel and Shuster's copyrighted Superman Crest."\textsuperscript{358} Further, they assert that the defendants are accountable to them for the profits they receive from the exploitation of the symbol.\textsuperscript{359} Lastly, the Siegels contend that the defendants "cannot use the alleged Superman Trademark or any other purported trademark interest regarding 'Superman' to prevent, hinder or restrain Plaintiffs' use, exercise or exploitation of their rights under the Copyright Act in any of the jointly owned Recaptured Copyrights."\textsuperscript{360}

2. The Defendants' Counterclaims

In response to the plaintiffs' complaint, and a separate but related complaint relating to the Superboy property, the defendants counterclaimed.\textsuperscript{361} In the counterclaim, they state that following receipt of the notices of termination, they commenced negotiations with the Siegel family.\textsuperscript{362} They suggest that their indications that they would not challenge the validity and scope of the notices are being taken out of context by the plaintiffs and that the defendants only agreed to set aside those issues for the purposes of trying to negotiate a settlement.\textsuperscript{363} DC Comics claims that it proposed a settlement in December of 1997, but despite various communications between the parties, it never received a response.\textsuperscript{364} Therefore, the day before the purported effective date of the terminations, DC Comics sent plaintiffs a notice that they considered the notices invalid.\textsuperscript{365}

Despite this, in 1999, the Siegels obtained new counsel and negotiations continued.\textsuperscript{366} The defendants allege that in October of 2001, the Siegels' new counsel accepted an offer over the phone.\textsuperscript{367} The Siegels' counsel then sent a letter to DC Comics outlining the details of that offer.\textsuperscript{368} In exchange for monetary compensation, the Siegels would transfer their rights in Superman and in Superboy.\textsuperscript{369} The parties went back and forth for several

\textsuperscript{356} See id. ¶¶ 60-64.  
\textsuperscript{357} Id. ¶ 63.  
\textsuperscript{358} Id.  
\textsuperscript{359} See id. ¶ 61.  
\textsuperscript{360} Id. ¶ 63.  
\textsuperscript{361} See First Amended Counterclaims, supra note 305.  
\textsuperscript{362} See id. at 47, 51.  
\textsuperscript{363} See id. at 47.  
\textsuperscript{364} See id. at 48-50.  
\textsuperscript{365} See id. at 50.  
\textsuperscript{366} See id. at 51.  
\textsuperscript{367} See id. at 52.  
\textsuperscript{368} See id.  
\textsuperscript{369} See id.
months. In May of 2002, Joanne Siegel apparently wrote a letter to DC Comics' parent company acknowledging that the Siegels had accepted DC Comics' offer, but repudiating the formal written draft. DC Comics contends that there are no inconsistencies between the oral and written agreements. Finally, DC Comics claims to have received yet another letter on September 30, 2002, claiming that the Siegels had repudiated the October 2001 agreement and breaking off negotiations.

Throughout their counterclaim, the defendants stress the tremendous developments that Superman has undergone since its initial publication. Specifically, they point to the addition of various villains, changes in Superman's appearance, and the addition of various superpowers. Superpowers that were not part of the comic published in Action Comics No. 1 include flying, x-ray vision, telescopic vision, super-hearing, and invulnerability to injury. With regard to Superman's appearance, defendants stress that the crest in particular has changed through the years.

Their first counterclaim is for a declaration that the Superman and Superboy notices are ineffective. They claim that because the plaintiffs did not send a notice of termination with regard to the 1948 Consent Agreement, the transfer of rights in that agreement is still in effect. Furthermore, defendants claim that because Joanne Siegel has continued to accept benefits that she has inherited via Agreement 5 even after she had purported to terminate the grant of copyright in that agreement, the termination is invalid. In addition, the defendants allege that the Superman notices were served two years too early to be valid.

Alternatively, as a second counterclaim, the defendants request declarative relief on the basis that the plaintiffs' claims are barred by a three-year statute of limitations. Their third counterclaim is for breach of the October 2001 contract, which they claim was ratified and is binding on the plaintiffs. Their fourth counterclaim is for a declaration that this agreement is valid.
The fifth counterclaim addresses the possibility that the Superman and Superboy notices are held to be effective.\(^3\) In that case, they point out that the Siegel family's termination notices did not address certain advertisements that were prepared in conjunction with the release of the Superman comic in *Action Comics No. 1*.\(^8\) These ads appeared in other comic books published in May of 1938.\(^7\) They "depict the Superman character in his costume, exhibiting super-strength" and "show almost the entirety of what would become the cover of 'Action Comics No. 1.'"\(^8\)

Further, they contend they would still retain the right to make use of derivative works pursuant to the derivative works exception and that they would not have to account to the plaintiff for such uses.\(^9\) They claim that Superboy is one such work and, further, that the television series "Smallville" is not derived from Superboy.\(^0\) Finally, they contend that the *Action Comics No. 1* materials that were created in preparation for publication by DCI were works made for hire that are not subject to termination.\(^1\)

Their final counterclaim concerns the methods of accounting that would be used in the event that the terminations were upheld.\(^2\)

II. THE BATTLE FOR THE CREST

If *Siegel v. Time Warner, Inc.* proceeds as scheduled, Judge Ronald Lew will preside over a jury trial on the merits in the Central District of California on June 25, 2007.\(^3\) Part II considers the factual and legal arguments likely to be considered on the issue of the Superman crest if the court finds that the Siegels successfully terminated the transfer of copyright.

A. The Factual Controversy

At the heart of the factual controversy is the question of whether the Superman crest currently trademarked and used by DC Comics is the same symbol that Siegel and Shuster originally created, or whether the current crest is a derivative work, exempt from recapture. In their documents, the Siegels stress that the symbol currently used by DC Comics is "only

\(^{385}\) See *id.* at 106-13.
\(^{386}\) See *id.* at 109-13.
\(^{387}\) See *id.* at 13.
\(^{388}\) See *id.*
\(^{389}\) See *id.* at 114-17.
\(^{391}\) See First Amended Counterclaims, *supra* note 305, at 132-35.
\(^{392}\) See *id.* at 136-39.
The defendants, in contrast, claim that the crest is a significantly changed work. They claim,

In Action Comics No. 1, the emblem was comprised of a small yellow inverted triangle bearing the letter “S” shown in yellow and sometimes in red . . . . Thereafter, in changing the appearance of Superman and his costume, DC Comics and/or its predecessors significantly changed the Action Comics No. 1 Crest. Bearing little if any resemblance to the original, it is now a large yellow five-sided shield, outlined in the color red, and bearing the letter “S” in the middle, also in the color red . . . .

Thus, the decision here would hinge solely on whether the court found that the current crest is a derivative work of the original, or the original itself. If the jury found that the crest as currently exploited is essentially the same as the original crest, then it would be subject to a termination of transfer. By contrast, if the current crest is a derivative work, then it would be covered by the derivative works exception and it would not revert.

B. The Legal Controversy

If the jury found that the modern crest is not a derivative work, Judge Lew would then have to consider whether the trademarked elements of a copyrighted work revert with the copyright when that copyright is recaptured pursuant to a termination of transfer of copyright.

1. Arguments in Favor of Restricting the Siegels’ Access to DC Comics’ Trademarks

The mere fact that the copyright has been terminated should not affect the validity of DC Comics’ trademarks, including the crest. Pursuant to Frederick Warne, DC Comics’ trademarks are not dependent on copyright in the underlying comic books for their existence. Indeed, according to Frederick Warne, even when a copyright in a work expires, valid trademarks subsist. By analogy, if trademarks subsist past the expiration of copyright, they should subsist past a termination of a copyright assignment.

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395. See First Amended Counterclaims, supra note 305, at 35.
396. Id.
397. See supra notes 132-33 and accompanying text.
398. See id. For a more detailed analysis of derivative works in serial comics, and in Superman comics specifically, see Chandra, supra note 158.
399. See supra notes 213-83 and accompanying text.
400. See Frederick Warne & Co. v. Book Sales, Inc., 481 F. Supp. 1191, 1196 (S.D.N.Y. 1979) (quoting Boston Prof’l Hockey Ass’n v. Dallas Cap & Emblem Mfg., 510 F.2d 1004, 1014 (5th Cir. 1975)).
401. See id.
Although the Ninth Circuit rejected this idea in dicta in Comedy III,402 it expressed a very similar notion in Del Taco.403 In Del Taco the Ninth Circuit established that trademark protection can be entirely appropriate even when another party holds valid copyrights in the same character.404 Trademarks are source signifiers, and this has nothing to do with copyright; copyright and trademark are not mutually dependent.405 Therefore, the fact that the Siegels would have a valid copyright interest in Superman should not affect DC Comics' Superman trademarks.

Because DC Comics' rights in the crest are not diminished by the reversion of the copyright, it is arguably incongruous that the Siegels would obtain an unfettered right to exploit the crest along with their recaptured copyright. If the rights are not mutually dependent, then the Siegels should be in no better position than anybody else; their status as copyright holder should be irrelevant to their access to DC Comics' trademarks.

Although, pursuant to Ogilvie, the right to use the title of work must necessarily accompany the right to publish that work,406 there is a fundamental difference between a mere title and the marks at stake here. For over half a century, DC Comics has developed and promoted the Superman property.407 The Superman indicia, especially those that are trademarks, are infused with years of context, emotion, and associative strength. This goodwill is value that the Siegels are not entitled to exploit. The Siegels should not be able to use the termination of transfer provisions of the Copyright Act to recapture more than ever belonged to Jerry Siegel in the first place. Therefore, even if Ogilvie means that the Siegels must be permitted to republish the original Superman comics in their original form regardless of DC Comics' trademark interests,408 that should be the extent of their rights. It does not necessarily follow that the Siegels could place the Superman crest on a T-shirt, or use DC Comics' trademarks in a new comic book or movie or in conjunction with any other derivative work.

DC Comics and its predecessors have been the sole publishers of Superman and the sole source of Superman merchandise since the very beginning.409 It is likely, therefore, that consumers would mistakenly believe that merchandise bearing DC Comics trademarks—but made by the Siegels—was really made by DC Comics. This is precisely the type of confusion that the Lanham Act was designed to prevent.410 If the rights of

404. See id. (discussing Universal City Studios, Inc. v. Nintendo Co., 578 F. Supp. 911 (S.D.N.Y. 1983)).
405. See id.
406. See supra notes 269-70 and accompanying text.
408. See supra notes 268-70 and accompanying text.
409. See supra note 312 and accompanying text; see also DC Comics, supra note 407.
410. See supra notes 162-70 and accompanying text.
heirs of an author to exploit that person's work for money are to be balanced against the right of the public not to be deceived by those heirs, it stands to reason that equity would favor the public at large. Moreover, if this merchandise was in some way inferior, DC Comics' reputation would likely suffer. Although Judge Colt believed these issues could be adequately addressed by disclaimers, courts have since come to question the efficacy of such messages. Therefore, in order to avoid public deception and unnecessary harm to DC Comics, the court would have to deny the Siegels' request and limit their access to the Superman crest and to any other DC Comics trademark.

2. Arguments in Favor of a Complete Reversion

Though certain cases suggest by analogy that trademarks can be used defensively to block a meaningful termination of transfer of copyright, the contrary case law is compelling. In Comedy III, the Ninth Circuit expressly rejected Frederick Warne's holding that trademarks can protect character images after the expiration of the underlying copyright, albeit in dicta. The Supreme Court confirmed this notion in Dastar when it held that trademark rights cannot be used to effectively keep works from entering the public domain when copyright expires. The arguments in Part II.B.1 effectively read the Lanham Act to conflict with the Copyright Act by punching holes into the work returned to the author. This is precisely what the Supreme Court has cautioned against.

Moreover, it is not clear that analogizing is appropriate. A termination of transfer is not an expiration. It is a unique situation with unique policy concerns. The Constitution authorizes Congress to issue legislation that encourages artists to create. Congress has chosen to do this by minimizing certain financial hardships inherent in business. An author usually has no way of knowing the commercial value of his work until a publisher or distributor has had the opportunity to exploit it. This puts authors, especially first-time authors, in a relatively weak bargaining position. While today many authors receive royalties and can profit proportionately to the success of their works, in the golden age of comic books, authors such as Siegel and Shuster parted with all of their rights for

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411. See supra note 270 and accompanying text.
412. See supra note 199 and accompanying text.
413. See supra Part II.B.1.
414. See supra notes 260-64 and accompanying text.
416. See id.
417. See supra notes 114-37 and accompanying text.
418. See supra note 45 and accompanying text.
419. See supra notes 121-22 and accompanying text.
420. See id.
421. See id.
one flat fee.\textsuperscript{422} In order to compensate for the inequities of the past and to caution the publishers of today against future inequities, Congress created the termination right.\textsuperscript{423}

A termination clause that would only return to the terminating party those parts of the work that are generic enough to have been available to the entire world anyway would hardly have been worth including. Construing the termination clause to refer only to the non-trademarked aspects of the copyrighted work simply would not accomplish what Congress intended.\textsuperscript{424} The termination clause was designed to give authors a second bite at the apple.\textsuperscript{425} If DC Comics could use the Lanham Act to make an end-run around the Copyright Act, it is conceivable that all assignees would do so and authors and their heirs would gain nothing through termination.\textsuperscript{426}

It simply would not be enough to allow the Siegels to reprint what has already been created. Copyright is a far more expansive right than that.\textsuperscript{427} Copyright encompasses the ability to create new works based on the original.\textsuperscript{428} Trademark law must not be read to curtail these aspects of copyright. To the extent that the Siegels’ use of DC Comics’ marks would be confusing, disclaimers would be adequate protection for the public.\textsuperscript{429}

The termination clause of the Copyright Act states that, in certain circumstances, the authors can reclaim copyrights that they have transferred.\textsuperscript{430} The only exception is for extant derivative works.\textsuperscript{431} Nothing in the Act suggests that the mere fact that aspects of the copyrighted work had come to be used as trademarks would render the termination less potent.\textsuperscript{432}

III. “S” STANDS FOR SIEGEL

It is unlikely that Judge Lew will ever decide the question of whether the DC Comics’ trademark rights in the Superman crest would prevent Siegel’s heirs from reclaiming that symbol as part of the copyrighted material recaptured by the termination of transfer.

The parties might settle. In fact, despite the plaintiffs’ bravado,\textsuperscript{433} a settlement seems likely. If the Siegels are correct that they have terminated certain transfers of copyright to the defendants, then they co-own the Superman property. Without some kind of agreement, the Siegels would

\textsuperscript{422} See Daniels, supra note 1, at 41. Siegel and Shuster parted with the rights to Superman for $130. See id.
\textsuperscript{423} See supra notes 114-56 and accompanying text.
\textsuperscript{424} See supra note 114-37 and accompanying text.
\textsuperscript{425} See supra notes 117-20 and accompanying text.
\textsuperscript{426} See supra notes 52-54 and accompanying text.
\textsuperscript{427} See id.
\textsuperscript{428} See supra notes 198-99, 269-70 and accompanying text.
\textsuperscript{430} See supra note 43, at 72.
have all of the rights of a joint owner, including the right to assign the property or to grant exclusive licenses unilaterally so long as they account to the defendants. It is simply unrealistic to imagine that Warner Brothers Entertainment or DC Comics would find that arrangement acceptable.

Moreover, even if eventually the heirs of both Siegel and Shuster succeed in terminating the transfers such that the combined heirs owned one hundred percent of those rights, those rights would still be incomplete. Terminations of transfers of copyright only apply to domestic rights. Furthermore, the Superman property has developed over many years, and the rights to the older version may not be commercially relevant. To the extent that they are protected by copyright, all of the new plotlines and characters would be off-limits to the heirs. Therefore, the value of their rights would be diminished. For all of these reasons, the Siegels might consider a settlement.

It is also possible that the plaintiffs will lose. The court might find that the 2001 agreement is valid. If it did, then this case might turn out much like Milne v. Slesinger. There, the plaintiff was held to be incapable of terminating a transfer of copyright in the Winnie-the-Pooh books because a later grant had been made by someone who was not the author. The purported termination did not, and could not, revoke that later grant. If the court finds that Joanne Siegel did regrant the rights to Superman, then her notices of termination of Jerry Siegel’s earlier grants would be irrelevant. Alternatively, the court might find that the notices are invalid based on any number of reasons that the defendants have suggested including timing or that the statute of limitations has run, etc.

Finally, even if the court finds that the Siegels successfully terminated the transfers of rights that they sought to terminate and reaches the question of the crest, the court might find that the current crest is a derivative work of the original and therefore not subject to termination. Thus, there are many directions in which this case could go that do not involve resolving the question of whether the crest reverts along with the copyright.

DC Comics’ potential loss is certainly troubling. The Siegels could either choose to retain their recaptured copyright or to license the rights back to DC Comics. If the recaptured rights include the ability to exploit DC Comics’ trademarks, that greatly enhances the value of those rights to

434. See supra note 9.
436. See supra notes 52-54 and accompanying text (discussing the exclusive rights of copyright holders).
437. See supra notes 367-72 and accompanying text.
438. See supra notes 140-45 and accompanying text.
439. See id.
440. See id.
441. See supra notes 367-72 and accompanying text.
442. See supra notes 278-82 and accompanying text.
443. See supra notes 394-98 and accompanying text.
Although DC Comics would retain superior rights in their trademarks vis-à-vis the rest of the world, having to share those marks with the Siegels would diminish their ability to signify DC Comics. Over time, their marks would become weaker. Moreover, there would be another commercial entity in the world that could sell Superman stories, movies, or merchandise. Thus, access to the trademarks would give the Siegels tremendous bargaining power if they chose to license their recaptured rights back to DC Comics.

Superman fans, too, would suffer if the Siegels prevail. The Superman of today is far more than the Superman that Siegel and Shuster originally created. The Siegels would not be able to use the copyrighted and trademarked elements of the Superman universe that DC Comics created since *Action Comics No. 61*. All of those characters and storylines, to the extent that they merit copyright or trademark protection, would remain off-limits to the Siegels. Similarly, DC Comics would not be able to create new derivative works as the derivative works exception only allows them to exploit existing derivative works.

Nevertheless, Judge Lew should grant the Siegels the declaratory relief they seek. Copyright's inherent superiority stems from its constitutional mandate. Congress is constitutionally authorized to help artists reap the benefits of their creations, such that one day, after the artists have had an opportunity to enjoy their limited monopolies, the public will have unlimited access to those works. One of the ways that Congress accomplishes this is by allowing authors a window of opportunity from time to time during which they can terminate or renegotiate any assignments that they may have made. This is an especially meaningful right for authors who made their original assignments at a time when they had very little leverage to negotiate that exchange.

Where applying trademark law would necessarily conflict with provisions in the Copyright Act, such as the termination provisions, trademark law must yield. Though the Supreme Court addressed this issue in a different context, the principle as the Court articulated it is broad and equally applicable here. Allowing trademark rights to trump the Copyright Act would render the termination of transfer provisions effectively futile. This is our law. To the extent that some have suggested that trademarks can be wielded like a property right, this is, as yet, wishful thinking. And where courts have concurred in this view, perhaps

444. *See supra* notes 374-77 and accompanying text.
445. *See supra* note 344 and accompanying text.
446. *See supra* notes 132-33 and accompanying text.
447. *See supra* note 45 and accompanying text.
448. *See id.*
449. *See supra* notes 114-37 and accompanying text.
450. *See id.*
452. *See id.*
out of respect for the tremendous effort and expense trademark owners go in building up goodwill in their marks, they have lost sight of the bigger picture.\footnote{454}{See, e.g., Tristar Pictures, Inc. v. Del Taco, Inc., 59 U.S.P.Q.2d (BNA) 1091 (C.D. Cal. 1999); Frederick Warne & Co. v. Book Sales Inc., 481 F. Supp. 1191 (S.D.N.Y. 1979).} Trademark rights are granted not for the benefit of the commercial entities that exploit them, but for the benefit of the consumers who use trademarks to distinguish merchandise.\footnote{455}{See supra notes 164-166 and accompanying text. Moreover, to the extent that the Siegels’ exploitation of the comics would cause confusion among consumers that Ogilvie style disclaimers would not alleviate, sometimes some degree confusion is tolerable where one party is entitled to use another’s trademarks. See supra note 194.} The scope of the copyright returned to the Siegels, therefore, must be limited only by the four corners of the comics themselves, and not by DC Comics’ trademarks.

CONCLUSION

Both Jerry Siegel’s heirs and DC Comics have a justified and vested interest in access to DC Comics’ trademarks; there is no outcome that would be ideal for both the Siegels and DC Comics. Yet to the extent that the issue of the crest is debatable, Congress, the Supreme Court, and the Constitution have already resolved it. Finally, with the copyright to the entire work at their disposal, the families of the men who created Superman might finally have the ability to negotiate the financial arrangements for themselves that Siegel and Shuster always hoped for; the men who gave the world Superman might finally be able to rest in peace.