

# ADVISORY

## SULLIVAN & WORCESTER LLP INTELLECTUAL PROPERTY ADVISORY

### Copyright in Classic Films Protects Famous Characters from Reach of Merchandisers

In the recent case of *Warner Bros. Entertainment, Inc., et. al. v. X One X Productions, A.V.E.L.A., Inc., et al.*, 644 F.3d 584 (8<sup>th</sup> Cir. 2011), the plaintiff film companies declared victory over merchandisers attempting to sell products depicting images of famous characters from the films *The Wizard of Oz*, *Gone With the Wind* and *Tom & Jerry*. The defendants were movie image merchandisers who acquired restored versions of public domain posters and lobby cards from the films, extracted images of the famous characters, and then licensed the images for use on shirts, lunch boxes, playing cards, three-dimensional figurines and other items. These public domain images seemed like a golden merchandising opportunity for the defendants. However, the United States Court of Appeals for the Eighth Circuit (“Eighth Circuit”) ruled that the scope of use available for famous characters depicted in publicity materials now in the public domain is limited when the character is protected by a later film copyright which is still in effect.

It was undisputed that the plaintiff film companies own registered copyrights in the films at issue. However, the copyrights in the publicity images (still photos created and distributed prior to the film’s completion) were not properly maintained by the film companies—either the companies failed to renew the copyrights, or did not place a copyright notice on the images prior to publication (as was required under the copyright laws in effect at the time). The publicity images featured the actors in costume on the sets of the films or depicted the cartoon characters. The images were used in movie posters, lobby cards, still photos, and other promotional materials.

The plaintiffs sued the defendants claiming that use of the extracted images from the publicity materials infringed their copyrights in the films. The district court did not reach the issue of whether the materials were in the public domain. Instead, the district court found that even if the images used in the defendant’s products came from public domain sources, the modification of the images for placement on retail products constituted infringement of the copyrights in the films. The plaintiff film companies won on summary judgment, and the district court awarded a permanent injunction.

## IF YOU WOULD LIKE ADDITIONAL INFORMATION, PLEASE CONTACT:

Kimberly B. Herman  
617 338 2943  
kherman@sandw.com

Michael A. Matzka  
617 338 2874  
mmatzka@sandw.com

Laura A. Stacey  
617 338 2426  
lstacey@sandw.com

### BOSTON

Sullivan & Worcester LLP  
One Post Office Square  
Boston, MA 02109

### NEW YORK

Sullivan & Worcester LLP  
1290 Avenue of the Americas  
New York, NY 10104

### WASHINGTON, DC

Sullivan & Worcester LLP  
1666 K Street, NW  
Washington, DC 20006

### ISRAEL

Zysman, Aharoni, Gayer and Sullivan & Worcester LLP  
41-45 Rothschild Blvd., Beit Zion  
Tel Aviv, 65784 Israel

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On appeal, the Eighth Circuit confirmed that, as a general proposition, the public is not limited solely to making exact replicas of public domain materials, but may develop public domain materials in new ways. However, this freedom ends when "...the resulting work comes into conflict with a valid copyright."

The Eighth Circuit compared the scope of the studios' copyrights in the films to the scope of materials in the public domain to determine which of the defendants' derivative uses could give rise to liability for infringement. The Eighth Circuit examined three different factors to reach its decision.

### **1. DEGREE OF COPYRIGHT PROTECTION FOR THE FILM CHARACTERS**

First, in regard to *The Wizard of Oz* and *Gone With the Wind*, the Eighth Circuit determined that the plaintiff film companies were entitled to copyright protection for the films' characters to the extent that the later copyrighted work, the films, went beyond the character expression in the original books on which they were based. The Eighth Circuit reasoned that a film work goes far beyond the descriptions and dialogue of a literary work in giving a specific appearance and distinctive mannerisms to a character.

In contrast, the cartoon characters Tom and Jerry were completely original creations, not based on previous literary material, with copyrightable characters established entirely by their films. Therefore, Tom and Jerry are fully entitled to the copyright protection afforded the films.

### **2. SCOPE OF FILM CHARACTER ELEMENTS PUT INTO THE PUBLIC DOMAIN**

Second, the Eighth Circuit determined that the promotional materials depicting the famous characters were, in fact, in the public domain. However, the extent to which the promotional materials being in the public domain put the film version characters themselves into the public domain was very limited. Since the still images could not depict the full range of motion, voice, demeanor and other personality traits that combine to create a copyrightable character, all that could be put into the public domain was the

characters' visual characteristics to the extent that the promotional materials depicted distinctive characteristics of the characters consistently.

In regard to the movie characters, the Eighth Circuit determined that the materials depicting Clark Gable and Vivien Leigh contained nothing distinctive, and were merely pictures of the actors in costume that could not put any aspect of the characters they depicted in the film *Gone With the Wind* into the public domain. Additionally, the Eighth Circuit found the publicity materials depicted the Wizard of Oz characters inconsistently. For example, Dorothy was shown with different hairstyles, dress and shoe color, and the other characters' costumes were depicted in a range of colors. As a result, the Eighth Circuit found that no aspect of the film character depiction was put into the public domain—only the precise images from the publicity materials.

In regard to the cartoon characters, Tom and Jerry were not based on previous literary sources. The Eighth Circuit found that only material that entered the public domain prior to the (copyrighted) first cartoon, which established the copyrightable aspects of their character, was a single poster that was a mere depiction of a generic cat and mouse. That poster alone could not establish independently copyrightable characters. Therefore the underlying characters (and any subsequent depictions) developed solely in the copyrighted series of cartoons that followed would not be in the public domain until the copyrights in the short films themselves begin to expire. Because of this, only images from the first poster were put in the public domain.

### **3. DERIVATIVE WORKS**

Third, the Eighth Circuit analyzed the defendant's range of derivative works by placing them into three categories: (1) works that reproduced a single two-dimensional image from a single public domain source; (2) composite works made by juxtaposing images from multiple public domain sources, or an image plus a phrase from the original book; and (3) works where a three-dimensional sculpture was developed from a two-dimensional public domain image. The Eighth Circuit then determined whether each category

added any expression of the copyrightable film character, as opposed to the literary character.

The first category of work was found to be non-infringing because merely reprinting a public domain photo onto a new medium adds no aspect of the film character to the resulting work. However, the second and third categories were found to add increments of the protected film character in ways that the public domain images alone did not, and therefore they were infringing. Thus, the Eighth Circuit largely affirmed the permanent injunction, reversing and vacating only in regard to the first category of products.

## **CONCLUSION**

If a company wishes to use characters from movies still covered by valid copyrights on its products, public domain images provide a potential means of doing so. However, as this case demonstrates, the aspiring user must stay clear of evoking the protected film character, and limit use to public domain literary characters or images. Even juxtaposing two separate public domain images can be sufficient to evoke the film character in a way that a single public domain image would not. Further, it is arguable that adding any text to a single image that alludes to the film character may create a triable issue and risks a lawsuit. The Warner Bros. decision is a win for filmmakers and a cautionary tale for enterprising merchandisers seeking to develop new products based on famous characters.

For more information, please contact any of the lawyers above.

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