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# OVERLAPPING TRADEMARK AND COPYRIGHT PROTECTION: A CALL FOR CONCERN AND ACTION

Irene Calboli\*

## I. INTRODUCTION

In this Article, I tackle a controversial topic—the overlapping trademark and copyright protection that can apply to creative works such as fictional characters, pictures, video clips, and songs. In particular, I highlight the possible negative consequences that granting trademark protection to these works—concurrently or after the expiration of copyright protection—can have on the societal bargain upon which copyright protection is built and justified. To date, scholars have only limitedly addressed these consequences, and more academic attention is needed in this area.<sup>1</sup> In contrast, the advantages of trademark rights in creative works (in their entirety or in separated features of the works) are well known to practitioners who routinely advise their clients to secure both sets of protections as it is in their clients’ best interest to have access to both, since these rights “aim to protect different subject-matter and re-

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\* Professor of Law, Marquette University Law School; Visiting Professor, Faculty of Law, National University of Singapore. I thank the Law Review for the invitation to contribute to the inaugural issue of the online companion of the Law Review. In this Article, I summarize the argument that I recently developed in *Overlapping Rights: The Negative Effects of Trademarking Creative Works*, in THE EVOLUTION AND EQUILIBRIUM OF COPYRIGHT IN THE DIGITAL AGE 52 (Daniel J. Gervais & Susy Frankel eds., 2014). I am grateful to the participants of the Works-In-Progress in Intellectual Property Colloquium, Santa Clara University School of Law, Santa Clara, California, February 7–8, 2014 for their comments. I also thank Ahmed Abdel Latif, Margaret Chon, Susy Frankel, Daniel Gervais, Jane Ginsburg, Eric Goldman, Lisa Ramsey, David Tan, and Rebecca Tushnet for insightful conversation and suggestions on my ongoing research on this topic.

1. In this respect, see Graeme W. Austin, *Reproduction Rights in US Trade Mark Law*, in THE LAW OF REPUTATION AND BRANDS IN THE ASIA PACIFIC 119 (Andrew T. Kenyon, Ng-Loy Wee Loon, & Megan Richardson eds., 2012); Jane C. Ginsburg, *Of Mutant Copyrights, Mangled Trademarks, and Barbie’s Beneficence: The Influence of Copyright on Trademark Law*, in TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH 481 (Graeme B. Dinwoodie & Mark D. Janis eds., 2008); Mark P. McKenna, *(Dys)functionality*, 48 HOUS. L. REV. 823 (2011); Mark P. McKenna, *Dastar’s Next Stand*, 19 J. INTELL. PROP. L. 357 (2012); Viva R. Moffat, *Mutant Copyrights and Backdoor Patents: The Problem of Overlapping Intellectual Property Protection*, 19 BERKELEY TECH. L.J. 1473, 1527–30 (2004); A. Samuel Oddi, *The Tragicomedy of the Public Domain in Intellectual Property Law*, 25 HASTINGS COMM. & ENT. L.J. 1 (2002).

strict different activities.”<sup>2</sup> In the past decades, several judicial decisions have partially facilitated this trend by accepting that overlapping copyright and trademark protection can co-exist in the same creative works (e.g., in characters).<sup>3</sup> Hence the case law in this area is not fully settled, with several courts showing some ambivalence for rising overlapping rights,<sup>4</sup> and other (few) courts resisting granting trademark protection in creative works when this protection would prevent these works from entering the public domain after the expiration of the copyright term.<sup>5</sup>

Generally, however, the majority of courts have proved reluctant to comprehensively address the issue, and have consistently accepted that trademark protection can apply to creative works when they are used to identify products offered for sale in the market.<sup>6</sup> This perceived judicial support has contributed to further overlapping protection and, in turn, an increase in trademark claims. In the past two years alone, claims for trademark infringement and dilution were brought, *inter alia*, with respect to characters such as “The Hobbit,” “Tarzan,” and “Betty Boop.”<sup>7</sup> Hence, the growing trend of trademarking creative works is an unwelcome development for the copyright bargain and the intellectual property system as a whole.

In this Article, I call upon the courts, and possibly the legislature, to comprehensively provide an appropriate solution against this trend. More specifically, I advocate that courts should continue to carefully scrutinize the validity of trademark claims in creative works and rely on trademark defenses to prevent distortions of the copyright bargain. I additionally advocate that the courts, as well as possibly Congress and the U.S. Patent and Trademark Office (“USPTO”), consider a system in which overlapping rights are prohibited *ex ante* by declaring ineligible for trademark protection creative works that are, or were, protected under copyright law. This system may be preferable to a system based exclusively on the *ex post* application of judicial defenses because risk aversion and the unavoidable (and increasingly high) cost of litigation can easily result in chilling effects on otherwise legitimate would-be-users.

## II. THE RISE OF OVERLAPPING COPYRIGHT AND TRADEMARK PROTECTION AND THE JUDICIAL RESPONSE SO FAR

At the outset, before delving into the details of my criticism, it is important to briefly recall the different normative foundations upon which copyright and trademark protection respectively find their justifi-

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2. Craig S. Mende & Belinda Isaac, *When Copyright and Trademark Rights Overlap*, in *OVERLAPPING INTELLECTUAL PROPERTY RIGHTS* 137, 158 (Neil Wilkof & Shamnad Basheer eds., 2012).

3. *See infra* Part II.

4. *See infra* Part II.

5. *See infra* Part II.

6. *Id.*; *see* Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23 (2003).

7. *See infra* Parts II–III.

cation and objectives.<sup>8</sup> Notably, copyright protection stems from the Intellectual Property Clause of the Constitution, in which Congress is granted authority “[t]o promote the Progress of Science and the useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”<sup>9</sup> Under this framework, copyright protection is intended as a reward and an incentive to authors for creating and disseminating to the public creative works, which are available upon consent (unless an exception applies) during the term of copyright protection, and will become freely available once copyright protection expires.

By contrast, trademark law derives its authority from the Commerce Clause of the Constitution, which provides that Congress shall have power “[t]o regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.”<sup>10</sup> In contrast to copyright law, the scope of trademark protection is not built on the theory of rewards and incentives, but focuses primarily on guaranteeing consumers the ability to make informed choices when selecting products in the marketplace.<sup>11</sup> For famous marks, this protection extends beyond consumer confusion and encompasses the likelihood of harm that blurring and tarnishing could have for trademark reputation.<sup>12</sup> Because copyright and trademark law serve different purposes and are motivated by different policy objectives, the general frameworks of trademark and copyright protection follow different rules on formality requirements, duration, infringement, enhanced anti-dilution protection, limitations, and exceptions. Not surprisingly, it is precisely because of these differences that intellectual property owners find it convenient to resort to both of the two different sets of protections.

Yet, even though copyright and trademark protection are different in scope and follow different rules, their normative foundations conceptually overlap in their aspects of originality (the *sine qua non* for copyright protection) and of distinctiveness (the *sine qua non* for trademark protection, along with priority). In particular, fanciful marks, the strongest category of marks in terms of distinctiveness, are newly created original signs.<sup>13</sup> Likewise, arbitrary marks, in a category almost as strong, use existing signs in unrelated, creative, and original contexts.<sup>14</sup> Additionally, the broad language of the Lanham Act provides that essentially any element—“word, name, symbol, or device, or any combination thereof”—can be protected as a mark.<sup>15</sup> As a result, it should not come as a surprise

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8. See *Dastar*, 539 U.S. at 28–29, 33–34.

9. U.S. CONST. art. I, § 8, cl. 8.

10. *Id.* at § 8, cl. 3.

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

12. 15 U.S.C. § 1125(c)(2) (2012).

13. See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 n.12 (2d Cir. 1976) (distinguishing fanciful and arbitrary marks); Jeanne C. Fromer, *The Role of Creativity in Trademark Law*, 86 NOTRE DAME L. REV. 1885, 1897 (2011).

14. *Abercrombie & Fitch*, 537 F.2d at 11 n.12.

15. Lanham Act § 45, 15 U.S.C. § 1127 (2012).

that the boundaries between copyright and trademark protection have blurred, precisely with respect to creative elements that can be defined as both original and distinctive—such as characters, graphical elements, pictures, video clips, and songs.<sup>16</sup> In the 1962 case of *Planters Nut & Chocolate Co. v. Crown Nut Co.*,<sup>17</sup> the Court of Customs and Patent Appeals stated that copyright and trademark protection could co-exist in “a fanciful picture of a humanized peanut . . . used as a design mark to identify and distinguish the source of peanuts.”<sup>18</sup> A few decades later in *Frederick Warne & Co. v. Book Sales, Inc.*, the U.S. District Court for the Southern District of New York repeated that “[d]ual protection under copyright and trademark laws is particularly appropriate for graphic representations of characters.”<sup>19</sup> In this case, the court explicitly accepted that even though Peter Rabbit “*ha[d] fallen into the public domain[,] [this] 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.”<sup>20</sup>

In particular, even though some courts remain ambivalent, courts’ favor for overlapping rights has incrementally grown in the past century. Much has certainly changed since 1907, when, in *Ogilvie v. G. & C. Merriam Co.* (one of the very first cases about sequential trademark protection), the Massachusetts federal court flatly denied that Merriam, the publisher of the famous Webster’s Dictionary, could claim trademark rights on the Webster name after the copyright in the dictionary had expired.<sup>21</sup> In the mid 1930s, the U.S. District Court for the Southern District of New York already adopted a less rigid approach in *Patten v. Superior Talking Pictures, Inc.* and stated that the character of Frank Merriwell “[was] closely identified in the public mind with the work of a particular author,” and could be protected “even after the expiration of the copyright, unless adequate explanation is given to guard against mistake.”<sup>22</sup>

Following the decision in *Frederick Warne* in the late 1970s,<sup>23</sup> several appellate courts also seemed to accept overlapping protection. In the 1990 case of *Walt Disney Co. v. Powell*, the D.C. Circuit recognized over-

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16. See *infra* Part III.

17. 305 F.2d 916 (C.C.P.A. 1962).

18. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 6:18 (4th ed. 2014).

19. 481 F. Supp. 1191, 1196 (S.D.N.Y. 1979); see also *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751 (9th Cir. 1978) (finding both copyright and trademark permissible on Disney comic book characters); *Universal City Studios, Inc. v. J.A.R. Sales, Inc.*, 216 U.S.P.Q. 679 (C.D. Cal. 1982) (discussing the protection of the “E.T.” motion picture character); *Camp Beverly Hills, Inc. v. Camp Cent. Park, Inc.*, 217 U.S.P.Q. 783 (S.D.N.Y. 1982) (discussing the protection of logo design). But see *Conan Props., Inc. v. Mattel, Inc.*, 712 F. Supp. 353 (S.D.N.Y. 1989) (denying the dual protection of copyright and trademark for a superhero character because it was not inherently distinctive and had not yet acquired secondary meaning).

20. *Frederick Warne*, 481 F. Supp. at 1196 (emphasis added). Cf. *Tristar Pictures, Inc. v. Del Taco, Inc.*, 59 U.S.P.Q. 1091 (C.D. Cal. 1999) (deciding that the plaintiff could not turn to trademark law to secure protection for the character “Zorro,” which was in the public domain).

21. 149 F. 858 (C.C.D. Mass. 1907).

22. 8 F. Supp. 196, 197 (S.D.N.Y. 1934).

23. *Frederick Warne*, 481 F. Supp. 1191.

lapping rights—this time concurrently—in Disney characters and found that the unauthorized seller of shirts imprinted with the characters infringed both copyright and trademark rights.<sup>24</sup> Similarly, in 2001’s *Lyons Partnership, L.P. v. Morris Costumes, Inc.*, the Fourth Circuit found that the owners of Barney, the child-friendly purple dinosaur, had valid trademark and copyright claims against a costume rental company that rented “three look-alike costumes that children allegedly believe are in fact Barney.”<sup>25</sup> Similarly, the Ninth Circuit stated that the use of a clip from the Three Stooges film (in the public domain) in another movie was not trademark infringement in 2000’s *Comedy III Productions, Inc. v. New Line Cinema*.<sup>26</sup> But plaintiff could nevertheless have a valid claim if the image of the Three Stooges were to be used, for example, on t-shirts.<sup>27</sup> In 2003, the Supreme Court confirmed this position in *Dastar Corp. v. Twentieth Century Fox Film Corp.*, where the Court found that creative works can be protected as trademarks when they identify the origin of “the producer of the tangible goods that are offered for sale,” even though the Court warned that this protection cannot extend to “the author of any idea, concept, or communication embodied in those goods” or else trademark protection would morph into mutant copyright.<sup>28</sup>

In light of these decisions, it thus should not come as a surprise that turning to trademark rights as a complement to copyright protection has become routine among practitioners, particularly for characters, titles, songs, and video clips. Some famous examples of this trend are, among others, Mickey Mouse,<sup>29</sup> The Simpsons, Angry Birds, Star Wars, The Lord of the Rings, The Hobbit, and a variety of other Disney characters. Hence, as a result of this trend, the boundaries of the traditional scope of both copyright and trademark protection have been pushed even further towards absolute rights in creative works. For instance, in 2003, in *Video Pipeline, Inc. v. Buena Vista Home Entertainment, Inc.*, the New Jersey federal district court found that copying “previews” for Disney feature motion pictures, which included Disney characters, and showing these characters was trademark infringement.<sup>30</sup> Yet, the court enjoined Video Pipeline from showing not only the parts of the previews featuring the infringing characters but the entire preview—i.e., *the entire creative product*.<sup>31</sup> In 2012, a dispute on the eve of the release of the “The Hobbit” movie led to a similar result. Warner Bros. contested that use of the wording “the Hobbit” in the title of Asylum’s mock-buster *Age of the Hobbit* infringed upon its rights in the word mark “The Hobbit” and suc-

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24. 897 F.2d 565 (D.C. Cir. 1990).

25. 243 F.3d 789, 794 (4th Cir. 2001).

26. 200 F.3d 593 (9th Cir. 2000).

27. *Id.* at 596.

28. See *supra* note 23 and accompanying text.

29. For a detailed review of copyright duration in the Mickey Mouse character, see Moffat, *supra* note 1, at 1492, 1506–08; Franklin Waldheim, *Mickey Mouse—Trademark or Copyright?*, 54 TRADEMARK REP. 865, 866 (1964).

30. 275 F. Supp. 2d 543 (D.N.J. 2003).

31. *Id.* at 564.

cessfully blocked the mock-buster movie from entering the market *in its entirety*.<sup>32</sup> Warner Bros. also obtained an injunction against Asylum prohibiting the use of the phrase “the hobbit” in association with any products (including promotional products).<sup>33</sup>

Edgar Rice Burroughs, Inc., the owner of trademark rights in the character Tarzan of the Apes and John Carter of Mars, decided, in contrast, to settle a similar dispute against Dynamic Entertainment earlier in 2012, perhaps because the facts of the case seemed to have less of a likelihood of success.<sup>34</sup> Still, in all of these cases, if the plaintiffs had resorted to copyright law, they would have had to prove that the unauthorized use of their creative works was substantially similar to the original and that there was no fair use defense, both of which are consistently more difficult claims to prove than the trademark claims which were used.

### III. A CALL FOR CONCERN: IS IT TIME FOR A COMPREHENSIVE RESPONSE AGAINST MUTANT COPYRIGHTS IN THE FORM OF TRADEMARKS?

In light of the above decisions, particularly following the Supreme Court’s decision in *Dastar Corp. v. Twentieth Century Fox Film Corp.*,<sup>35</sup> overlapping rights seems a *fait accompli* in trademark practice, at least with respect to signs used to identify products offered for sale. Still, as noted by the same Court, the impact of overlapping copyright and trademark protection can easily degenerate into a “mutant” right capable of distorting the copyright equilibrium and severely impairing the public’s ability to freely copy, adapt, distribute, and show works after their copyright has expired.<sup>36</sup> This, in turn, should be prevented, as overlapping trademark rights can result in severely impacting society’s creativity. In particular, freedom to copy is crucial to incremental advances in new creative works (as many copyright intensive industries know) and trademark protection in these works can severely impact this freedom. Moreover, access to knowledge can also be put at risk by overlapping protection, in that creative works would effectively not be available as part of the public domain after the expiration of the copyright term. For example, trademark protection is shielding Peter Rabbit (a character

32. Warner Bros. Entm’t. v. Global Asylum, Inc., No. CV 12-9547PSG(CWx), 2012 WL 6951315 (C.D. Cal. Dec. 10, 2012).

33. *Id.* at \*24.

34. See Complaint, Edgar Rice Burroughs, Inc. v. Dynamic Forces Entm’t, Inc., No. 12 Civ. 1192 (ER) (S.D.N.Y. Feb. 12, 2012); Answer at 16, *Edgar Rice Burroughs*, No. 12 Civ. 1192 (ER); First Amended Complaint, *Edgar Rice Burroughs*, No. 12 Civ. 1192 (ER); Answer to First Amended Complaint, *Edgar Rice Burroughs*, No. 12 Civ. 1192 (ER); Order, *Edgar Rice Burroughs*, No. 12 Civ. 1192 (ER). For more details on the settlement and subsequent agreement between the two companies, see Graeme McMillan, *ERB, Inc. Teams with Dynamite for New ‘John Carter,’ ‘Tarzan’ Comics*, HOLLYWOOD REPORTER (May 20, 2014, 10:09 AM), <http://www.hollywoodreporter.com/heat-vision/erb-teams-dynamite-new-john-705923>.

35. 539 U.S. 23 (2003).

36. *Id.* at 34.

theoretically in the public domain) from public use,<sup>37</sup> since any unauthorized image of Peter Rabbit, whether on a shirt, on a mug, and perhaps even on a book, is likely to constitute trademark infringement. As recent decisions have indicated, courts have monitored overlapping rights and denied trademark claims for creative works on several occasions.<sup>38</sup> Yet, courts so far have failed to identify a bright line rule under which to deny trademark protection and redress the imbalances that this protection can cause (and have confirmed trademark rights in the character of Peter Rabbit).

Furthermore, the decision whether the unauthorized use of “trade-marked” creative works falls under an existing trademark defense (such as a defendant’s descriptive or nominative fair use,<sup>39</sup> parodic or artistic expression,<sup>40</sup> or the aesthetic functionality of the plaintiff’s mark<sup>41</sup>) continues to be a matter of judicial discretion. In turn, defendants cannot be certain that a court will apply a defense in their respective cases, even though (some) judicial precedents may suggest a positive outcome in their disputes.

Even more problematic, defendants may choose to settle because of this uncertainty, or enter into a licensing agreement with trademark owners, or simply stop using the creative work altogether due to their lack of resources to entertain a frequently difficult and very costly litigation against possibly aggressive and unscrupulous plaintiffs.<sup>42</sup> Moreover, current judicial precedents indicate that courts have been more sympathetic toward defendants in contexts where the trademarked creative works were used for noncommercial, artistic, or speech-related purposes.<sup>43</sup> Meanwhile, judicial precedents in traditional commercial contexts—where the works may be copied and used nontransformatively—have been generally far less defendant-friendly.<sup>44</sup> For example, in *Comedy III Productions, Inc. v. New Line Cinema*, the court specifically found that the unauthorized use of the image of the Three Stooges in a movie was not trademark infringement, whereas the use of the same image on a t-

37. *Frederick Warne & Co., Inc. v. Book Sales, Inc.*, 481 F. Supp. 1191, 1196 (S.D.N.Y. 1979).

38. *See supra* Part II.

39. *See, e.g., New Kids on the Block v. News Am. Pub., Inc.*, 971 F.2d 302, 306 (9th Cir. 1992) (“[I]t 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.”).

40. *See E.S.S. Entm’t 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095 (9th Cir. 2008); *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003) (relying on nominative fair use); *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894 (9th Cir. 2002) (relying on a First Amendment defense); *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989).

41. *See Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 636 F.3d 1115 (9th Cir. 2011), *opinion withdrawn and superseded on denial of reh’g*, 654 F.3d 958 (9th Cir. 2011).

42. *See* Kenneth L. Port, *Trademark Extortion: The End of Trademark Law*, 65 WASH. & LEE L. REV. 585, 622 (2008) (reporting on trademark cases from 1947 to 2005 and noting that “[t]rademark litigation has seen a precipitous drop since 2001”).

43. *See, e.g., Louis Vuitton Malletier S.A. v. Haute Diggity Dog*, 507 F.3d 252 (4th Cir. 2007); *Mattel*, 353 F.3d 792; *Mattel*, 296 F.3d 894; *Grimaldi*, 875 F.2d at 999.

44. *See Louis Vuitton Malletier, S.A. v. Hyundai Motor Am.*, No. 10 Civ. 1611(PKC), 2012 WL 1022247 (S.D.N.Y. Mar. 22, 2012) (ruling that the defendant diluted the plaintiff’s mark without finding infringement of or harm to the brand).

shirt could have qualified as such.<sup>45</sup> Hence, this position clearly begs the question: if the Three Stooges characters are in the public domain, why should their “free” use be limited to showing the characters in another movie and not on t-shirts (or a mug or any other tangible medium of expression)? In other words, why should the societal bargain, according to which images in the public domain should be free for any use, be curtailed to specific media or uses due to existing trademark rights in that image? This question remains the crux of the problems of overlapping copyright and trademark protection in creative works and, unfortunately, no court has provided a satisfactory answer to date. Yet, considering the growing number of famous creative works set to reach the expiration of their copyright term, it is important to find an answer to this question.

In this respect, the role of the judiciary remains, nonetheless, crucial to addressing the potential imbalances created by overlapping copyright and trademark protection. As courts have done in the past, they can deny the trademark claims by applying a judicial defence, and thus “free” the creative works at issue from trademark protection. Hence, courts could go a step further, and develop a comprehensive doctrine, which could deny *ex ante* the possibility of applying trademark protection on copyrighted, or formerly copyrighted, works as a violation of the copyright bargain in the Constitution (as suggested also by the Supreme Court in *Dastar*). In this respect, courts should perhaps note with renewed emphasis that overlapping rights, both sequential and concurrent, foreclose legitimate public access to creative works and, as a result, the public and competitors are likely deprived of their share of the copyright bargain, while the intellectual property owners receive double compensation for the same work for a virtually unlimited period of time.

In recent times, only one court has attempted to tackle this issue explicitly, but then it repented and decided to take a less bold approach. In 2011, the Ninth Circuit ruled in *Fleischer Studios v. A.V.E.L.A.*<sup>46</sup> that the character of Betty Boop was aesthetically functional and not protected by trademark law because otherwise “the Betty Boop character would essentially never enter the public domain.”<sup>47</sup> “Such a result,” the court said, “would run directly contrary to *Dastar*.”<sup>48</sup> Just a few months later, following the uproar of the entertainment industry, trademark owners, and intellectual property lawyers, the same court granted the plaintiff’s request for rehearing on the basis that the court had overly expanded *Dastar*.<sup>49</sup> Eventually, the court issued a second opinion, in which it again found that the defendant’s use of the depiction of Betty Boop was not trademark infringement, but only because the plaintiff had

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45. 200 F.3d 593, 596 (9th Cir. 2000).

46. 636 F.3d 1115 (9th Cir. 2011), *opinion withdrawn and superseded on denial of reh’g*, 654 F.3d 958 (9th Cir. 2011).

47. *Id.* at 1124.

48. *Id.*

49. *Fleischer Studios*, 654 F.3d 958.

not presented sufficient evidence establishing secondary meaning for the depiction of Betty Boop, which remained a valid mark.<sup>50</sup>

Still, it cannot be forgotten that, in recent decades, the scope of copyright protection has relentlessly increased, whereas limitations and exceptions have decreased (along with the increase of the cost of litigation, and the chilling effects of such cost).<sup>51</sup> Overlapping copyright and trademark protections further reduce the scope of the public domain, copyright fair use, and the creation of independent works. Moreover, even though creative works may meet the distinctiveness test to be protected as trademarks, the public generally continues to consider these “marks” as “content signs.” In other words, Peter Rabbit will always be the character of the Beatrix Potter’s stories, and the public will continue to buy Peter Rabbit’s products because Peter Rabbit is “the content” of these products. For all these reasons, courts should embrace a bolder approach and perhaps categorically deny trademark protection to creative works that are, or were, copyrighted, when they are presented with claims of trademark infringement or dilution involving these works. Likewise, Congress could consider enacting an *ad hoc* prohibition for the trademark registration of signs that are aesthetically functional—as creative works affixed on commercial products are—or, even further, a prohibition for the trademark registration of signs that “are or were copyrighted.” Such an amendment could be added to Section 2 of the Lanham Act, which already lists several other grounds for refusal of trademark registration, including the nonregistrability of signs that have (utilitarian) functionality.<sup>52</sup> Alternatively, the USPTO could consistently interpret the existing prohibition in Section 2 against the registration of “functional” signs as specifically encompassing both utilitarian and aesthetic functionality, following judicial precedents finding aesthetic functionality in similar marks.<sup>53</sup> Undoubtedly, these suggestions would be met with fierce resistance by those who would see their exclusive rights (and their royalty-based incomes) limited. Still, the possibility to extract value from creative works for a virtually unlimited time runs directly against the societal bargain for copyright protection laid out in the Constitution, and as such should not be permitted.

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50. *Id.*

51. Several commentators have expressed concerns in this respect throughout the decades. In this context, I would like to recall the wise words of Laddie J. in the United Kingdom noting that “every tiny exception to the grasp of the copyright monopoly has . . . to be fought hard for, prized out of the unwilling hand of the legislature and, once conceded, defined precisely and confined within high and immutable walls.” Hugh Laddie, *Copyright: Over-Strength, Over-Regulated, Over-Rated?*, 18 EUR. INTEL. PROP. REV. 253, 258 (1996).

52. See 15 U.S.C. § 1052(e) (2012).

53. *But see In re Bottega Veneta Int’l S.A.R.L.*, No. 77219184, 2013 WL 5655822, at \*9 (Trademark Tr. & App. Bd. Sept. 30, 2013) (giving the applicant the benefit of the doubt on aesthetic functionality).

## IV. CONCLUSION

In this Article, I note that granting trademark protection to creative works in addition to copyright protection inevitably results in artificially expanding the protection granted to these works beyond the societal bargain permitted by the Constitution and upon which copyright protection is built and justified. Undoubtedly, overlapping rights are a convenient choice for copyright intensive industries and intellectual property practitioners because this practice maximizes and prolongs exclusive rights by exploiting gaps and differences among copyright and trademark protection. Still, overlapping rights run directly against the purpose of the intellectual property system, which is supposed to incentivize progress, creativity, and fairness in the competitive market. As such, overlapping rights should be prohibited or carefully limited with vigorous judicial control, both *ex ante* through denying the existence of the rights and *ex post* through applying existing statutory defenses. Moreover, perhaps the time has come for Congress to step into this debate and insert an additional prohibition into Section 2 of the Lanham Act. Similarly, the USPTO could interpret the current ban on registering “functional” marks as including both utilitarian and aesthetic functionality. As the cost of litigation inevitably impacts would-be-users and creates chilling effects both for creative expression and competing products, this comprehensive *ex ante* approach is preferred to the (still uncertain) judicial control in this area arising under litigation. As growing numbers of (famous) creative works are reaching the end of their copyright term, trademark claims and litigation in this area are destined to intensify and to reach even deeper into mainstream intellectual property practice. Courts and the legislature should comprehensively address this issue, and defend the public interest against the possible distortions created by mutant copyright in the form of trademarks.

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