

Spring 2015

## The Adventure of the Shrinking Public Domain

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### Recommended Citation

Elizabeth L. Rosenblatt, *The Adventure of the Shrinking Public Domain*, 86 U. COLO. L. REV. 561 (2015).  
Available at: <https://scholar.law.colorado.edu/lawreview/vol86/iss2/5>

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# THE ADVENTURE OF THE SHRINKING PUBLIC DOMAIN

ELIZABETH L. ROSENBLATT\*

*Several scholars have explored the boundaries of intellectual property protection for literary characters. Using as a case study the history of intellectual property treatment of Arthur Conan Doyle's fictional character Sherlock Holmes, this Article builds on that scholarship, with special attention to characters that appear in multiple works over time, and to the influences of formal and informal law on the entry of literary characters into the public domain. While copyright protects works of authorship only for a limited time, copyright holders have sought to slow the entry of characters into the public domain, relying on trademark law, risk aversion, uncertainty aversion, legal ambiguity, and other formal and informal mechanisms to control the use of such characters long after copyright protection has arguably expired. This raises questions regarding the true boundaries of the public domain and the effects of non-copyright influences in restricting cultural expression. This Article addresses these questions and suggests an examination and reinterpretation of current copyright and trademark doctrine to protect the public domain from formal and informal encroachment.*

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## INTRODUCTION

Sir Arthur Conan Doyle famously relinquished narrative control of his creation, Sherlock Holmes, to stage performer and playwright William Gillette. Gillette was writing a stage dramatization based on Conan Doyle's work, and cabled Conan Doyle to ask whether the play could include a plot in which (the famously unromantic) Holmes got married. "You may marry him, murder him or do what you like with him," Conan Doyle cabled back.<sup>1</sup>

But relinquishing narrative control is a far cry from relinquishing legal control. Various parties have been fighting over the legal rights to Holmes for over a century.<sup>2</sup> In fact, the

1. Doyle Dep. 7:2-3, Apr. 12, 1923 (on file with author).

2. See generally, e.g., DONALD A. REDMOND, *SHERLOCK HOLMES AMONG THE PIRATES: COPYRIGHT AND CONAN DOYLE IN AMERICA 1890-1930* (1990); Hopkins Amusement Co. v. Frohman, 103 Ill. App. 613 (1902), *aff'd*, 67 N.E. 391 (1903) (adjudicating the first United States litigation concerning intellectual property rights in Sherlock Holmes); Gillette v. Stoll Film Co., 200 N.Y.S. 787 (1922), *aff'd*, 198 N.Y.S. 916 (N.Y. App. Div. 1923) (adjudicating suit among adapters of Holmes

story about Conan Doyle's cable comes from his own testimony in 1923 litigation.<sup>3</sup> Although copyright protection has expired for the entire Holmes canon worldwide except in the United States,<sup>4</sup> and although United States copyright protection has expired for all but ten of the Sherlock Holmes stories, the battle over Holmes rages on today.<sup>5</sup>

The most recent of these disputes centers on an entity known as the Conan Doyle Estate Ltd. (CDE), which claims a combination of copyright and trademark rights in Holmes and describes its business as "manag[ing] the fully developed [Sherlock Holmes] character's further promotion and development through licensing agreements."<sup>6</sup> The CDE gained attention in early 2013 when Sherlock Holmes scholar Leslie Klinger responded to a cease and desist letter from the CDE by challenging the CDE in court.<sup>7</sup> Klinger sought a declaration that seemed self-evident: that the contents of the Sherlock Holmes stories and novels first published in the United States before 1923, like all works first published in the United States before 1923, fall into the copyright public domain.<sup>8</sup> The case

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stories); *Musto v. Meyer*, 434 F. Supp. 32, 36 (S.D.N.Y. 1977) (same); *Granada Television Int'l, Inc. v. Lorindy Pictures Int'l, Inc.*, 606 F. Supp. 68, 73 (S.D.N.Y. 1984) (same); *Plunket v. Doyle*, No. 99 Civ. 11006 (KMW), 2001 WL 175252 (S.D.N.Y. Feb. 22, 2001) (adjudicating dispute among entities claiming to own copyright in Holmes stories); *Pannonia Farms, Inc. v. USA Cable*, 03 Civ. 7841 (NRB), 2004 U.S. Dist. LEXIS 23015 (S.D.N.Y. June 7, 2004) (adjudicating suit between claimant in Holmes copyright and adapter); *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879 (N.D. Ill. 2013) (same).

3. See *supra* note 1.

4. See Dave Itzkoff, *For the Heirs to Holmes, a Tangled Web*, N.Y. TIMES (Jan. 18, 2010), <http://www.nytimes.com/2010/01/19/books/19sherlock.html>, archived at <http://perma.cc/P5CE-2P7F>.

5. See *Klinger v. Conan Doyle Estate Ltd.*, 755 F.3d 496 (7th Cir. 2014).

6. Motion to Stay Mandate, *Klinger*, 755 F.3d 496 (No. 1:13-CV-14-1128), available at <https://freeshherlock.files.wordpress.com/2014/07/cde-motion-for-stay.pdf>, archived at <http://perma.cc/6MSU-ZFKB> (denying the stay); see also *Who Are Conan Doyle Estate Ltd.?*, CONAN DOYLE EST., <http://www.conandoyleestate.co.uk/index.php/who-are-conan-doyle-estate-ltd> (last visited Oct. 9, 2014), archived at <http://perma.cc/3EN3-R73N>.

7. See Complaint for Declaratory Judgment, *Klinger*, 755 F.3d 496 (No. 1:13-CV-01226), 2013 WL 552848.

8. See *id.*; see also PETER HIRTLE, COPYRIGHT TERM AND THE PUBLIC DOMAIN IN THE UNITED STATES, 1 JANUARY 2014, available at <http://copyright.cornell.edu/resources/docs/copyright2014.pdf>, archived at <http://perma.cc/UW5L-5UMW> (charting expiration dates of copyrighted works based on factors including publication date, registration, and renewal; concluding that copyright protection has expired for all works first published in the United States before 1923).

captured the attention of the press and public,<sup>9</sup> and for a time, the #FreeSherlock hashtag trended on Twitter.<sup>10</sup> The case took over a year and half to resolve: after Klinger prevailed in the Northern District of Illinois and the Seventh Circuit Court of Appeals,<sup>11</sup> the CDE sought review in the Supreme Court.<sup>12</sup> The Court denied certiorari in November, 2014.<sup>13</sup> Despite Klinger's victory, the CDE maintains that it owns both copyright and trademark rights in the character of Holmes. It has issued press releases claiming that it retains copyright in the "complete" character of Sherlock Holmes and making clear that "[t]he [CDE]'s trademark rights in the SHERLOCK HOLMES name and image were not at issue in Mr. Klinger's lawsuit and remain unaffected."<sup>14</sup>

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9. See, e.g., *Opinions*, FREE SHERLOCK, <http://free-sherlock.com/opinions> (last visited Sept. 6, 2014), archived at <http://perma.cc/9X4N-BVLJ>; Jennifer Schuessler, *Suit Says Sherlock Belongs to the Ages*, N.Y. TIMES (Mar. 6, 2013), <http://www.nytimes.com/2013/03/07/books/suit-says-sherlock-belongs-to-the-ages.html>, archived at <http://perma.cc/manage/vest/MM2C-267P>; Jenny Hendrix, *Free Sherlock? Holmes Scholar Challenges Conan Doyle Estate*, L.A. TIMES (Feb. 18, 2013), <http://articles.latimes.com/2013/feb/18/entertainment/la-et-jc-free-sherlock-holmes-scholar-challenges-conan-doyle-estate-20130218>, archived at <http://perma.cc/6SKM-CL2J>; Claire Suddath, *The Man Who's Trying to Free Sherlock Holmes*, BLOOMBERG BUSINESSWEEK (Mar. 8, 2013), <http://www.businessweek.com/articles/2013-03-08/the-man-whos-trying-to-free-sherlock-holmes>, archived at <http://perma.cc/ES8Z-4Y2B>; G.F., *Who Owns Sherlock Holmes?*, ECONOMIST (Feb. 20, 2013), <http://www.economist.com/blogs/prosporo/2013/02/public-domain>, archived at <http://perma.cc/J483-RAEQ>; Cory Doctorow, *Holmes Scholar Files Suit to Put Sherlock Unambiguously Into the Public Domain*, BOING BOING (Feb. 15, 2013, 5:38 PM), <http://boingboing.net/2013/02/15/holmes-scholar-files-suit-to-p.html>, archived at <http://perma.cc/3JLR-68UE>.

10. See *Results for #freesherslock*, TWITTER, <https://twitter.com/search?q=%23freesherslock&src=typd> (last visited Sept. 6, 2014), archived at <http://perma.cc/Z2CT-DGSL>. Even literary celebrities like Neil Gaiman and Stephen Fry voiced their support. See Tweet by @neilhimsel (Neil Gaiman), Mar. 15, 2013 ("@LyndsayFaye @BakerStBabes @klinger is the man."); Tweet by @stephenfry (Stephen Fry), Mar. 26, 2013 ("The characters of Sherlock Holmes & Dr. Watson should belong to the world! Support the #FreeSherlock case! Bit.ly/YcSnGR").

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

12. Petition for Writ of Certiorari, *Klinger v. Conan Doyle Estate, Ltd.*, 2014 WL 4639832 (Sept. 15, 2014) (No. 14-316).

13. *Klinger*, 755 F.3d 496, cert. denied, 2014 WL 4647139 (Nov. 3, 2014) (No. 14-316).

14. *Press Release—Klinger v. Conan Doyle Estate*, CONAN DOYLE EST. (June 16, 2014), <http://www.conandoyleestate.co.uk/index.php/press-release-klinger-v-conan-doyle-estate>, archived at <http://perma.cc/3EN3-R73N>; Benjamin Allison, *Ruling Protects Much of Sherlock Holmes's Character*, SUTIN, THAYER & BROWNE (Dec. 29, 2013), <http://sutinfirm.com/news-awards/ruling-continues-to-protect-much-of-sherlock-holmes-character>, archived at <http://perma.cc/4KKY-FZQ3> (summarizing recent case and written by lead counsel for the Conan Doyle

Moreover, the CDE is only one piece of the intellectual property puzzle surrounding Sherlock Holmes. Others claim to own both copyright and trademark rights in the character. One purported owner, a socialite named Andrea Plunket who claims rights through a complicated chain of purchases and bequests,<sup>15</sup> threatened in 2010 to “withdraw permission for more [Warner Brothers] films to be made” if those films contained gay subtext regarding Holmes.<sup>16</sup> More recently, Plunket expressed plans to assert trademark claims against both the BBC (for *Sherlock*) and CBS (for *Elementary*), explaining: “I have the rights, that is clear . . . . No one has asked permission to use my trademarks and I am confident that, if and when I go to court, I will be able to prevent the BBC making any more ‘*Sherlocks*.’”<sup>17</sup>

To some extent, these threats are grounded in law. Although copyright protection expires, it does so incrementally.<sup>18</sup> As a result, claimants can argue for continued protection of character elements even after copyright has expired for the stories that introduced and defined the characters. Trademark law, which protects source identifiers (that is, brand names, logos, and the like), is less likely than copyright law to protect literary characters, and even less likely to bar expressive uses of those characters,<sup>19</sup> but trademark law provides appealing ammunition for claimants because unlike copyright, trademark protection can last forever.<sup>20</sup>

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Estate).

15. See *infra* notes 261–64 and accompanying text.

16. Oli Simpson, ‘*Sherlock Holmes 2*’ Plans in Jeopardy?, DIGITAL SPY (Jan. 4, 2010, 3:12 PM), <http://www.digitalspy.com/movies/news/a193822/sherlock-holmes-2-plans-in-jeopardy.html>, archived at <http://perma.cc/785V-ZN6Y>.

17. *The Game is Afoot in Sherlock Trademark Dispute*, WORLD TRADEMARK R. BLOG (Jan. 16, 2014), <http://www.worldtrademarkreview.com/daily/detail.aspx?g=645b6180-c549-4a61-8945-2a4239865fb2>, archived at <http://perma.cc/8JRM-Y9EZ>.

18. See HIRTLE, *supra* note 8.

19. See *infra* Part I.B.

20. See 15 U.S.C. §§ 1059, 1064 (2012) (providing for permanently renewable registration so long as mark is not abandoned or rendered generic). A number of scholars have commented on trademark law’s ability to simulate eternal copyright protection even after actual copyright protection has expired. See generally, e.g., J.C. Sander, *The End of Arbitrary Findings of Secondary Meaning: A Call for the Expansion of Trademark Status of Literary Characters*, 17 INTELL. PROP. L. BULL. 1 (2012); Mark McKenna, *Dastar’s Next Stand*, 19 J. INTELL. PROP. L. 357 (2012) (describing impact of *Dastar* decision on overlap between trademark and copyright); Andrea Slane, *Guarding a Cultural Icon: Concurrent Intellectual Property Regimes and the Perpetual Protection of Anne of Green Gables in*

But while copyright and trademark law may provide claimants with a patina of legitimacy, their threats draw power less from formal doctrine than from informal forces such as pragmatism and fear. Formal law often permits adapters to create new works featuring preexisting literary characters, either because those characters are unprotected by law or because the adapters' activities are protected by doctrinal defenses.<sup>21</sup> But informal mechanisms can do at least as much to constrain behavior as formal law can, and the law's fuzzy boundaries invite overreaching claims that increase the risk or cost of making adaptations. While it may be difficult for a claimant to *win* litigation against an adapter, it is still easy to *threaten* litigation, and even the most meritorious litigation defense is expensive and uncertain. Adapters therefore find themselves at the mercy of publishers, distributors, and insurance carriers who are unwilling to invest in projects that may face costly litigation and possible injunction.<sup>22</sup> Threatening litigation can be an effective business model for putative rights holders, because paying for a license is more predictable, and likely cheaper, than fighting about whether a license is necessary.<sup>23</sup> And there is little incentive for adapters to challenge claimants' allegations, even those that rest on thin legal reeds. Adapters, publishers, and distributors generally have acquiesced to the CDE's licensing demands,<sup>24</sup> even for

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Canada, 56 MCGILL L.J. 1011 (2011) (describing Canadian law); Kathryn M. Foley, *Protecting Fictional Characters: Defining the Elusive Trademark-Copyright Divide*, 41 CONN. L. REV. 921 (2009); Viva Moffatt, *Mutant Copyrights and Backdoor Patents: The Problem of Overlapping Intellectual Property Protection*, 19 BERKELEY TECH. L.J. 1473 (2004); Kristen Knudsen, *Tomorrow Never Dies*, 2 VAND. J. ENT. L. & PRAC. 13 (2000); Christine Nickles, *The Conflicts Between Intellectual Property Protections When A Character Enters The Public Domain*, 7 UCLA ENT. L. REV. 133 (1999); Leslie A. Kurtz, *The Methuselah Factor: When Characters Outlive Their Copyrights*, 11 U. MIAMI ENT. & SPORTS L. REV. 437 (1994) [hereinafter Kurtz, *Methuselah*]; Michael Todd Helfand, *When Mickey Mouse Is as Strong as Superman: The Convergence Of Intellectual Property Laws To Protect Fictional Literary and Pictorial Characters*, 44 STAN. L. REV. 623 (1992); Leslie A. Kurtz, *The Independent Legal Lives of Fictional Characters*, 1986 WIS. L. REV. 429 (1986) [hereinafter Kurtz, *Independent Lives*].

21. See *infra* Parts I.A.4, I.B.2.

22. See *id.*

23. *Id.*

24. See *Klinger v. Conan Doyle Estate, Ltd.*, 761 F.3d 789, 791–92 (7th Cir. 2014) (granting attorneys' fees to Klinger, describing CDE's business model of seeking license fees from adapters, and stating "[i]t's time the estate, in its own self-interest, changed its business model"). For a partial listing of the CDE's licenses, see Affidavit of Jon Lellenberg at 2, U.S. Trademark Application Serial

projects that do not draw at all from the few remaining copyrighted stories.<sup>25</sup> The remarkable thing about the *Klinger v. CDE* case is not its outcome—it's that Mr. Klinger was willing to expend the time and energy to pursue the case rather than caving to the CDE's licensing demand as so many others have.<sup>26</sup>

Doctrinal encroachment and informal forces thus combine to shrink the public domain. The law encumbers some uses and permits rights holders to assert claims over even more, so that even legally permitted uses become functionally barred. The result stifles creative expression and facilitates rent-seeking behavior by questionable claimants over material that would otherwise reside in the public domain.

This Article uses the literary character of Sherlock Holmes as a case study to explore the true boundaries of the public domain and the effects of non-copyright influences in restricting expression. Holmes is an ideal subject because his extensive litigation history demonstrates the web of formal and informal constraints that adapters may face in deciding to base new work on an existing literary character. But while Holmes may provide an excellent example, his legal history is far from unique. The problems surrounding Holmes are endemic to popular literary characters and are particularly acute for characters that appear in, and develop through, multiple works. These are the characters most likely to be beloved by fans and commercial adapters, and about whom fans and adapters are most likely to want to create new works. At the same time, their popularity and potential profitability make them the most likely to tempt putative rights holders to overreach. The same characteristics that have made Holmes such a fertile subject of disputes have done the same for many

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No. 85,229,790 (filed Jan. 31, 2011), available at <https://tsdr.uspto.gov/documentviewer?caseId=sn85229790&docId=RSI20111217183505#docIndex=4&page=2>.

25. For example, the iPad adventure book *Steampunk Holmes: Legacy of the Nautilus* is an adaptation of the public-domain story *The Adventure of the Bruce-Partington Plans*. See P.C. MARTIN, STEAMPUNK HOLMES: LEGACY OF THE NAUTILUS (2d ed. 2012), available at <http://www.smashwords.com/extreader/read/134422/1/steampunk-holmes-legacy-of-the-nautilus>, archived at <http://perma.cc/8N3F-73LX> (containing prominent notice that the makers received a license from the CDE).

26. See *Klinger*, 761 F.3d at 792 (granting attorneys' fees to Klinger, describing differential between cost of license and cost of litigation); Affidavit of Jon Lellenberg, *supra* note 24, at 2 (identifying some who have obtained licenses from the CDE).



other characters. For example, copyright protection has expired for Tarzan,<sup>27</sup> Zorro,<sup>28</sup> John Carter of Mars,<sup>29</sup> Conan the Barbarian,<sup>30</sup> Peter Rabbit,<sup>31</sup> “Fatso” from Casper the Friendly Ghost,<sup>32</sup> and Betty Boop<sup>33</sup>—yet for each, putative rights holders have sought to rely on trademark theories to extend protection.<sup>34</sup>

Therefore, while this Article examines Holmes in depth, its implications are much broader. The Article begins by defining the public domain and exploring the doctrinal and conceptual value of having a public domain in literary characters. In Part I, the Article addresses the contours that formal law provides to the public domain, first in a copyright context and then in a trademark context. Part I concludes that although formal copyright and trademark law are designed to create a robust public domain in literary characters, both bodies of law suffer from uncertainties that blur the boundaries of the public

27. See *Edgar Rice Burroughs, Inc. v. Manns Theatres*, No. 76-3612, 1976 WL 20994, 195 U.S.P.Q. 159 at \*3 (C.D. Cal. Dec. 20, 1976); Complaint, *Edgar Rice Burroughs, Inc. v. Dynamic Forces Entm't, Inc.*, 1:12-cv-01192-ER (S.D.N.Y. Feb. 12, 2012) (alleging infringement of various Tarzan and John Carter of Mars marks without alleging infringement of United States copyright).

28. See generally *Sony Pictures Entm't v. Fireworks Entm't Grp.*, 137 F. Supp. 2d 1177 (C.D. Cal. 2001) (claiming trademark rights in Zorro character after copyright had expired); *Sony Pictures Entm't v. Fireworks Entm't Grp.*, 156 F. Supp. 2d 1148 (C.D. Cal. 2001) (same); *Queen of Swords to Zorro: Take That!*, 7 ANDREWS INTELL. PROP. LITIG. REP., no. 21, 5 (2001) (describing case).

29. See Charlie Jane Anders, *Can You Trademark a Character from a Public Domain Story?*, IO9 (Feb. 27, 2012, 5:00 PM), <http://io9.com/5888791/can-you-trademark-a-character-whos-in-the-public-domain>, archived at <http://perma.cc/KH3H-WMUT>; *John Carter of Mars Series*, EDGAR RICE BURROUGHS, [http://www.edgariceburroughs.com/?page\\_id=18](http://www.edgariceburroughs.com/?page_id=18) (last visited Oct. 13, 2014), archived at <http://perma.cc/29HF-2LXJ> (noting that John Carter books were published in 1911 but describing claim of trademark rights in, among other things, character names); Complaint, *Edgar Rice Burroughs, Inc. v. Dynamic Forces Entm't, Inc.*, 1:12-cv-01192-ER (S.D.N.Y. Feb. 12, 2012) (alleging infringement of various Tarzan and John Carter of Mars marks).

30. See generally *Conan Properties, Inc. v. Mattel, Inc.*, 712 F. Supp. 353, 355 (S.D.N.Y. 1989) (asserting both copyright and trademark claims against Mattel's He-Man although copyright had lapsed in Robert Howard's Conan character).

31. See generally *Frederick Warne & Co., Inc. v. Book Sales Inc.*, 481 F. Supp. 1191 (S.D.N.Y. 1979) (asserting trademark rights in Peter Rabbit after copyright had expired); Viva R. Moffat, *Mutant Copyrights and Backdoor Patents: The Problem of Overlapping Intellectual Property Protection*, 19 BERKELEY TECH. L.J. 1473 (2004).

32. See *Harvey Cartoons v. Columbia Pictures Indus., Inc.*, 645 F. Supp. 1564 (S.D.N.Y. 1986).

33. See generally *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958 (9th Cir. 2011).

34. See *infra* notes 35–41 and sources cited therein.

domain and permit overreaching by putative rights holders. In Part II, the Article addresses the informal forces that exploit formal doctrine to constrict the public domain in literary characters: doctrinal uncertainty, uncertainty surrounding rights ownership, and an incentive for putative rights holders to assert dubious or nonexistent rights. Finally, Part III suggests that the public interest would benefit from brighter-line copyright and trademark rules regarding when literary characters reside in the public domain, and proceeds to propose solutions based on existing copyright and trademark doctrines.

### I. FORMAL CONTOURS OF THE PUBLIC DOMAIN IN LITERARY CHARACTERS

Literary characters are part of a shared cultural vocabulary. Although their lives begin on the page, literary characters take up residence in cultural discourse, gaining symbolic and cultural significance.<sup>35</sup> This may be even truer for serialized characters like Sherlock Holmes, who must be beloved enough to support the success of multiple works. As time passes and their canons build, the characters become like old friends, living on as “fixed points in a changing age” even after their creators die.<sup>36</sup> Certainly, Sherlock Holmes has become far more than a fictional detective. He has so infused the cultural consciousness that the term “Sherlock Holmes” has become a generic term for detective or clever person—“she’s a real Sherlock Holmes”—in addition to identifying the detective himself. Naturally, new creators want to tell stories about these culturally significant characters—to re-tell or reimagine their stories, to comment on their meaning, or to create new episodes in the characters’ imagined-yet-familiar lives.<sup>37</sup> As a subject of adaptation, Sherlock Holmes is ubiquitous; in addition to the “canon” of fifty-six short stories and four novels written by Conan Doyle, Holmes has also appeared in thousands of film and television adaptations, plays, and pastiches, and tens of thousands of works of non-commercial

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35. See Kurtz, *Independent Lives*, *supra* note 20, at 432–36 (discussing and providing examples of characters’ entry into cultural vocabulary).

36. ARTHUR CONAN DOYLE, *HIS LAST BOW* 8 (1917) (“Good old Watson! You are the one fixed point in a changing age.”).

37. See Jacqueline Lai Chung, *Drawing Idea from Expression: Creating a Legal Space for Culturally Appropriated Literary Characters*, 49 WM. & MARY L. REV. 903, 913–17 (2007) (discussing cultural appropriation of characters).

fiction, art, commentaries, and other works created by fans of the detective.<sup>38</sup> Holmes and scores of other characters whose identities transcend their original stories have become symbols with meanings created not only by the characters' original creators, but also by the public at large. This shared cultural vocabulary is a rich source of communicative and expressive meaning.<sup>39</sup>

Because intellectual property law gives owners exclusive rights over protected information, it inevitably limits the pool of resources available to creators.<sup>40</sup> For example, Harry Potter and his friends are undoubtedly part of shared culture, but it would be a copyright infringement to make and sell exact copies of J.K. Rowling's Harry Potter books.<sup>41</sup> But while the law places some limits on what creators can do and use, it also constrains those limits, so as to leave room for cultural expression. The law creates a public domain of material available to creators by expressly excluding certain information from protection and permitting certain uses of protected information.

The public domain encompasses free-to-use material across doctrinal lines—i.e., material unencumbered by copyright, trademark, patent, or other intellectual property doctrine. Scholars disagree, however, on a precise definition or scope for the term “public domain.”<sup>42</sup> The narrowest definition includes only information outside the scope of formal intellectual property protection: inventions and works of authorship too old to be patented or copyrighted; information too generic, functional, or descriptive to serve as trademarks for particular

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38. Betsy Rosenblatt, *Sherlock Holmes Fan Fiction*, 62 BAKER STREET J. 33 (2012).

39. See Chung, *supra* note 37, at 931–32 (discussing sources of meaning and communicative value of culturally appropriated characters); Kurtz, *Independent Lives*, *supra* note 20, at 433–36.

40. I use the term “creators” here and throughout to refer both to so-called “original” creators and follow-on creators such as adapters, recognizing that even the most original creator must inevitably draw on material that came before.

41. See Warner Bros. Entm't Inc. v. RDR Books, 575 F. Supp. 2d 513, 546–49 (S.D.N.Y. 2008) (holding that work containing substantial portions of Harry Potter books infringed copyright).

42. See Tyler T. Ochoa, *Origins and Meanings of the Public Domain*, 28 U. DAYTON L. REV. 215, 217–222 (2002) (describing history of public domain scholarship and defining public domain by enumerating its contents); Pamela Samuelson, *Enriching Discourse on Public Domains*, 55 DUKE L.J. 783, 783 (2006) (describing disagreement regarding definitions and positing several types of public domain).

goods or services; and abstract ideas, physical phenomena, and products of nature excluded from patentability.<sup>43</sup> Other definitions include unprotectable elements of a protectable creation, such as the ideas or facts underlying a copyrighted work.<sup>44</sup> Still other definitions would add adjacent concepts, such as use-based carve-outs from protection, like the fair use exceptions to copyright and trademark infringement.<sup>45</sup> In operation, these use-based carve-outs are weaker safeguards of the public domain because they act as defenses to infringement rather than providing unbridled permission, but they are as important in defining the public domain as protectability restrictions are. Use-based carve-outs create a public domain defined not only by what information creators have the freedom to use, but also by what creators have the freedom to *do* with the information they want to use.

My own definition of the public domain goes a step further because, as a practical matter, the realm of the free-to-use is defined not only by law, but also by creator perception.<sup>46</sup> If creators believe that particular information is off-limits, then it is off-limits, whether or not the prohibition is a function of formal law. This Article therefore defines the public domain as including any information that a creator would reasonably believe to be free to use for their purposes. This definition is both broader and narrower than those discussed above. On one

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43. See 17 U.S.C. §§ 301–305 (2012) (copyright expiration); 35 U.S.C. § 154 (2012) (patent expiration); 15 U.S.C. § 1052 (2012) (identifying bars to trademark registration); 35 U.S.C. § 101 (defining patentable subject matter); 17 U.S.C. § 102 (defining copyrightable subject matter).

44. See, e.g., Edward Lee, *The Public's Domain: The Evolution of Legal Restraints on the Government's Power to Control Public Access Through Secrecy or Intellectual Property*, 55 HASTINGS L.J. 91, 102–116 (2003) (tracking history of public domain as a concept of intellectual property law; tying concept to the limits of intellectual property's subject matter and duration); Jessica Litman, *The Public Domain*, 39 EMORY L.J. 965, 1010–11 (1990) (defining public domain as “a commons that includes those aspects of copyrighted works which copyright does not protect”).

45. See, e.g., Yochai Benkler, *Free as the Air to Common Use: First Amendment Constraints on Enclosure of the Public Domain*, 74 N.Y.U. L. REV. 354, 361, 424 (1999); David Lange, *Reimagining the Public Domain*, 66 LAW & CONTEMP. PROBS. 463, 478–79 (2003) (“Consider copyright’s fair use doctrine. Under the proposal I have advanced here, that doctrine should now be seen as an affirmative aspect of the public domain at large, rather than as a mere affirmative defense to an allegation of copyright infringement.”); Samuelson, *supra* note 42, at 783–85 (suggesting multiple public domains premised on (1) the legal status of the content; (2) the freedom to use content; and (3) the accessibility of content).

46. See Samuelson, *supra* note 42, at 783–85.

hand, it includes not only information beyond the reach of intellectual property law, but also information available for a creator's particular (fair) use. On the other hand, it takes into account that although some works may be reasonably free from formal legal constraint, they are encumbered by less formal, but no less effective, constraints, such as uncertainty aversion and risk aversion.<sup>47</sup> Thus, the functional public domain is not simply the remainder that intellectual property protection leaves behind. It is an affirmative body of information upon which creators may rely.<sup>48</sup> As David Lange poetically described it, the public domain is a "refuge for creative expression, a place of individual no less than collective entitlement, dimensioned both physically and conceptually, and sanctioned by law. In short, the public domain would be a place like home, where, when you go there, they have to take you in and let you dance."<sup>49</sup>

Commentators have identified a number of concrete benefits stemming from a robust public domain, including easy dissemination of information, availability of information to poorly-funded users, a broad pool of material upon which creators may draw, and psychological benefits for creators.<sup>50</sup> The latter two benefits are particularly central to this Article's focus on creators' freedom to use and build upon characters

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47. This resembles, but is not identical to, Yochai Benkler's definition of the public domain, which includes straightforward fair uses but excludes fair uses that can only be vindicated by litigating complicated and fact-intensive litigation. See Benkler, *supra* note 45, at 361–63. It may more closely resemble the version of the public domain that Pamela Samuelson describes as "conferring a presumptive right of creative appropriation," although that version, too, is grounded in formal law. See Samuelson, *supra* note 42, at 803–04; see also Pamela Samuelson, *Mapping the Digital Public Domain: Threats and Opportunities*, 66 LAW & CONTEMP. PROBS. 147, 148–49 (2003) (acknowledging that certain intellectual creations may be in the public domain as a matter of law, but not as a practical matter).

48. See Litman, *supra* note 44, at 968 ("The public domain should be understood not as the realm of material that is undeserving of protection, but as a device that permits the rest of the system to work by leaving the raw material of authorship available for authors to use.").

49. Lange, *supra* note 45, at 470.

50. See *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 730–31 (2002) ("[T]he monopoly is a property right; and like any property right, its boundaries should be clear. This clarity is essential to promote progress, because it enables efficient investment in innovation."); Joseph P. Liu, *The New Public Domain*, 2013 U. ILL. L. REV. 1395, 1417–18 (2013) (identifying literature on benefits of public domain and discussing benefits). But see Anupam Chander & Madhavi Sunder, *The Romance of the Public Domain*, 92 CAL. L. REV. 1331, 1332, 1334–35 (2004) (identifying risks of over-romanticizing benefits of public domain).

that reside in the public domain.

A more robust public domain reduces the cost of creating additional works, which not only permits a greater number of works to flourish, but also invites creators to engage with existing works without having to consider the need to ask permission. As Edward Liu explains, “[a] robust public domain, as a permission-free zone, can play an important role in supporting and encouraging [creators’] intrinsic motivations, in freeing up the artistic imagination.”<sup>51</sup> This not only democratizes creativity and invites a broader range of perspectives as new creators engage with existing works, but also removes the constraints that originators might place on the expressions of these diverse new creators.<sup>52</sup> Thus, a robust public domain in characters not only facilitates, but also fosters, creativity by making culturally familiar source materials available to creators and adapters at no cost (either monetary or in the form of creative control).<sup>53</sup>

Yet, despite these myriad benefits, the public domain is under constant threat. Because information enters the public domain when protection expires, the public domain should grow over time. But, as scholars have noted, copyright and trademark law are gradually encroaching upon the public domain as Congress and the courts have expanded them to last longer, protect more information, and prohibit more uses.<sup>54</sup> In addition, informal pressures—such as overreaching demands from putative rights holders and concerns about the high cost

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51. Liu, *supra* note 50, at 1417 (citing David Fagundes, *Crystals in the Public Domain*, 50 B.C. L. REV. 139, 143–44 (2009)).

52. Liu, *supra* note 50, at 1418–19.

53. See Elizabeth L. Rosenblatt, *A Theory of IP's Negative Space*, 34 COLUM. J.L. & ARTS 317, 360 (2011) (discussing relationship between negative spaces and “productive infringement”). Note that this argument presumes the policy objective of production rather than complete originality. It also privileges the values of quantity, diversified speakers, and diversified perspectives, over the value of maintaining coherent and consistent originators’ visions. See Justin Hughes, *“Recoding” Intellectual Property and Overlooked Audience Interests*, 77 TEX. L. REV. 923, 924, 984–87 (1999) (noting that diversifying perspectives has the effect of diminishing the coherence of a unified originators’ vision).

54. See, e.g., Lange, *supra* note 45, at 465–66 (“Now I saw that the public domain demanded recognition as an affirmative entity, conferring its own protection (which I imagined as in the nature of rights) upon individual creators; this would be necessary if creativity itself was to survive the tendency toward expansionism that seemed to be burgeoning everywhere among the intellectual property doctrines.”); James Boyle, *The Second Enclosure Movement and the Construction of the Public Domain*, 66 LAW & CONTEMP. PROBS. 33 (2003); Benkler, *supra* note 45, at 411–12.

and uncertainty of litigation—constrict the public domain even more. Understanding the boundaries of the practical public domain is therefore important to understanding not only what creators can and cannot do, but also the relationship between overlapping formal and informal intellectual property protections.

The following sections will address the formal boundaries of the public domain for literary characters, first for copyright and then for trademark. Section III of this Article will address the influence of informal forces on the public domain for literary characters.

### A. Copyright Law's Public Domain

Four doctrinal concepts define the copyright public domain for literary characters. First, some characters are simply not susceptible to copyright protection. Second, protectable characters enter the public domain as their copyrights expire. Third, creators of derivative works featuring copyrighted characters generally receive narrow rights in their creations. Finally, even to the extent that a particular character is protected by extant copyright, the Copyright Act permits fair uses of the character. The following sections discuss each of these concepts in turn.

#### 1. Copyrightability

Literary characters are protected by copyright law as elements of the stories in which they appear, and characters that cross from “idea” to “expression” may themselves be copyrightable.<sup>55</sup> As Judge Learned Hand explained in *Nichols v. Universal Pictures*, “If *Twelfth Night* were copyrighted, it is quite possible that a second comer might so closely imitate Sir

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55. A number of scholars have explored the circumstances under which, and the degree to which, copyright law protects literary characters. See generally, e.g., Zahr K. Said, *Fixing Copyright in Characters: Literary Perspectives on a Legal Problem*, 35 CARDOZO L. REV. 769 (2013); Samuel J. Coe, *The Story of a Character: Establishing the Limits of Independent Copyright Protection for Literary Characters*, 86 CHI.-KENT L. REV. 1305 (2011); Foley, *supra* note 20; Jasmina Zecevic, *Distinctly Delineated Fictional Characters that Constitute the Story Being Told: Who Are They and Do They Deserve Independent Copyright Protection?*, 8 VAND. J. ENT. & TECH. L. 365 (2006); Nickles, *supra* note 20; Kurtz, *Independent Lives*, *supra* note 20; Francis M. Nevins, Jr., *Copyright + Character = Catastrophe*, 39 J. COPYRIGHT SOC'Y USA 303 (1992).

Toby Belch or Malvolio as to infringe,” but to do so, the second comer would have to copy Shakespeare’s expressions.<sup>56</sup> “[I]t would not be enough that for one of his characters he cast a riotous knight who kept wassail to the discomfort of the house, or a vain and foppish steward who became amorous of his mistress. These would be no more than Shakespeare’s ideas.”<sup>57</sup> Judge Hand thus established a standard: for literary characters to be protectable, they must be distinctively delineated—that is, they must be described in sufficient detail to be distinctive, and must have consistent identifiable traits.<sup>58</sup> In Judge Hand’s words, “the less developed the characters, the less they can be copyrighted; that is the penalty an author must bear for marking them too indistinctively.”<sup>59</sup> Applying this standard, courts have held that Mickey Mouse, Superman, Tarzan, Jonathan Livingston Seagull, the Batmobile, and Freddy Krueger (as well as his glove) were sufficiently delineated to merit copyright protection.<sup>60</sup>

The present Article focuses on literary, rather than visual, characters, but it is notable that much of the law regarding character protection developed through case law involving characters that are either purely visual or are a hybrid of visual and textual (such as film or comic book characters).<sup>61</sup> The paucity of authority regarding text-based characters gives adapters less guidance regarding whether those characters are likely to be protectable. Conventional wisdom holds that visually-depicted characters are more likely to be copyrightable than purely textual ones because visual characters are defined by copyrightable images, which makes them more distinctive and more easily copied than purely textual characters.<sup>62</sup> Thus,

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56. *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930).

57. *Id.*

58. *Id.*

59. *Id.*

60. *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 754 (9th Cir. 1978) (Mickey Mouse); *Detective Comics, Inc. v. Bruns Publ'ns, Inc.*, 111 F.2d 432 (2d Cir. 1940) (Superman); *Burroughs v. Metro-Goldwyn-Mayer, Inc.*, 519 F. Supp. 388, 391 (S.D.N.Y. 1981) (Tarzan); *Bach v. Forever Living Prods. U.S., Inc.*, 473 F. Supp. 2d 1127, 1136 (W.D. Wash. 2007) (Jonathan Livingston Seagull); *New Line Cinema Corp. v. Easter Unlimited, Inc.*, 1989 U.S. Dist. LEXIS 17340 (E.D.N.Y. July 19, 1989) (Freddy Krueger); *DC Comics v. Towle*, 989 F. Supp. 2d 948, 965 (C.D. Cal. 2013) (Batmobile).

61. See *supra* note 55 and sources cited therein.

62. See *Anderson v. Stallone*, No. 87-0592 WDKGX, 1989 WL 206431, at \*7 (C.D. Cal. Apr. 25, 1989) (stating that “a graphically depicted character is much more likely than a literary character to be fleshed out in sufficient detail so as to



creators may labor under inflated assumptions regarding the protectability of text-based characters, since the cases regarding visual characters could create the (possibly false) impression that characters in all media are readily copyrightable.

In fact, although copyright protection is available for literary characters, it is not guaranteed, even for iconic ones: in *Warner Brothers Pictures v. CBS*,<sup>63</sup> the Ninth Circuit Court of Appeals held that Dashiell Hammett's hard-boiled detective, Sam Spade,<sup>64</sup> was not protectable because he did not constitute "the story being told."<sup>65</sup> The court explained that "if the character is only the chessman in the game of telling the story he is not within the area of the protection afforded by the copyright."<sup>66</sup> The "story being told" standard remains good law,<sup>67</sup> but courts more commonly apply Judge Hand's less stringent "distinctive delineation" standard.<sup>68</sup>

Literary characters are therefore more likely to be protectable if their characteristics are easily summed up and their personalities remain relatively static or predictable.<sup>69</sup> Serialized characters are likely to be distinctively delineated even when they first appear, because the serial format

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warrant copyright protection," but also concluding that "this fact does not warrant the creation of separate analytical paradigms for protection of characters in the two mediums"); *Gaiman v. McFarlane*, 360 F.3d 644, 661 (7th Cir. 2004) (holding that without the description behind it, a picture of comic book character Cogliostro would have been only a drawing, not a character, but not suggesting that the drawing would be uncopyrightable). A full discussion of visual characters, and whether they are *actually* more readily copyrightable than text-based characters, is beyond the scope of this Article. For a more thorough discussion of the latter question, see Rebecca Tushnet, *Worth a Thousand Words: The Images of Copyright*, 125 HARV. L. REV. 683, 741–51 (2012) (discussing copyright law's propensity to privilege text over image and its impact on law of character copyright).

63. 216 F.2d 945 (9th Cir. 1954).

64. In the 1941 motion picture version of the *The Maltese Falcon*, Humphrey Bogart played Sam Spade. See *Warner Brothers Pictures v. Columbia Broad. Sys., Inc.* 102 F. Supp. 141, 148–49 (S.D. Cal. 1951).

65. 216 F.2d at 950.

66. *Id.*

67. See *Olson v. NBC, Inc.*, 855 F.2d 1446, 1452 (9th Cir. 1988).

68. See Said, *supra* note 55, at 784 (noting that the distinctive delineation test "has become the de facto majority approach in copyright's character jurisprudence").

69. In classic literary analysis terms, characters with these traits are known as "flat." See E.M. FORSTER, ASPECTS OF THE NOVEL 67–68 (1955) (coining the terms "flat" and "round" characters); Said, *supra* note 55, at 789 (discussing the relationship between copyright protection and flatness/roundness of characters).

demands that characters be sufficiently distinctive to attract readers or viewers across multiple stories. Although they often gain nuance over time, these characters' basic traits are set from the start. Sherlock Holmes's defining traits, for example, were established in 1887 in Conan Doyle's novel *A Study in Scarlet*.<sup>70</sup> Although Holmes and his world became more richly detailed over the course of additional novels and stories, he remained essentially the same Holmes as when he began.<sup>71</sup> For this reason, courts have presumed (albeit without analysis) that Holmes is copyrightable.<sup>72</sup>

The distinct delineation doctrine creates a meaningful public domain in characters, but one with ill-defined borders. Although one is free to copy "stock" characters and those without sufficient delineation to merit protection,<sup>73</sup> the test leaves many questions unanswered: How much detail is enough for protection? How many details can change before one character becomes another? How important is a character's name to its level of delineation?<sup>74</sup> Courts are, of course, experienced at drawing lines in ambiguous situations. For

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70. See Complaint at 5, *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879 (N.D. Ill. 2013) (No. 1:13CV01226).

71. See Memorandum of Law in Support of Plaintiff's Motion for Summary Judgment Pursuant to FRCP 56, *Klinger v. Conan Doyle Estate, Ltd.* at 9, 988 F. Supp. 2d 879 (N.D. Ill. 2013) (No. 1:13CV01226).

72. See *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879, 893 n.8 (N.D. Ill. 2013) (declining to decide "the copyright status of the Sherlock Holmes character" as a whole but strongly implying copyrightability); *Klinger v. Conan Doyle Estate, Ltd.*, 755 F.3d 496, 497 (7th Cir. 2014) (presuming copyrightability); *Pannonia Farms, Inc. v. USA Cable*, No. 03 Civ. 7841 (NRB), 2004 U.S. Dist. LEXIS 23015, at \*27 (S.D.N.Y. June 7, 2004) (same); see also *Nash v. CBS, Inc.*, 899 F.2d 1537, 1541 (7th Cir. 1990) (distinguishing copyright in fact versus fiction by explaining that "[t]he inventor of Sherlock Holmes controls that character's fate while the copyright lasts; the first person to conclude that Dillinger survived does not get dibs on history"); *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, 900 F. Supp. 1287, 1296 (C.D. Cal. 1995) ("Like Rocky, Sherlock Holmes, Tarzan, and Superman, James Bond has certain character traits that have been developed over time through the sixteen films in which he appears.") (internal footnotes and citations omitted).

73. *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930).

74. For example, television's Gregory House is a hyper-analytical investigator with uncanny attention to detail and poor personal skills, who lives in apartment 221B, plays a string instrument, and has a chemical dependency. Considering that the same are also true of Sherlock Holmes, is House the same character as Holmes, albeit under a different name? See David Mermelstein, *Germs, Jerks Infiltrate Primetime*, VARIETY (June 15, 2005), <http://www.variety.com/article/VR1117924498?refCatId=1945>, archived at <http://perma.cc/BNV4-4X9B> (pointing out that the show's creators explicitly intended House to be a modern day Sherlock Holmes).

generations, they have applied the *Nichols* test to define the idea/expression boundary.<sup>75</sup> But as discussed below, that line-drawing exercise may be more difficult for prospective adapters than for courts.

The distinctive delineation test places particular limitations on adapters not only because they may have difficulty interpreting it, but also because it places the most adaptable characters within the bounds of copyright protection. Much of the appeal of adaptation is placing a known character in a new situation.<sup>76</sup> For a literary character to be amenable to adaptation, it must be recognizable—precisely the trait that makes the character copyrightable.<sup>77</sup> Therefore, the public domain is least likely to include the characters most amenable to adaptation, and adapters may need to wait until a character's copyright has expired before it becomes safe to make an adaptation. This makes expiration of copyright a particularly important boundary on the public domain for literary characters.

## 2. Copyright Expiration

Copyright expiration also creates a public domain as formerly copyrighted works become unencumbered. Like copyrightability, however, copyright expiration for literary characters can be both complicated and uncertain. The United States Constitution requires that copyright must last only “for limited times,”<sup>78</sup> but over time, copyright terms have lengthened and different works are governed by different lengths of copyright.<sup>79</sup> Copyright expiration is particularly complicated for serialized characters because copyrights in their stories may not expire all at once.<sup>80</sup>

Sherlock Holmes demonstrates the uncertainty of incremental copyright expiration. Copyright has expired in

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75. *Nichols*, 45 F.2d at 121.

76. See *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, 900 F. Supp. 1287, 1296 (C.D. Cal. 1995) (“[A]udiences do not watch Tarzan, Superman, Sherlock Holmes, or James Bond for the story, they watch these films to see their heroes at work.”).

77. *Nichols*, 45 F.2d at 121.

78. U.S. CONST. art. I, § 8.

79. See Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, 112 Stat. 2827 (1998); *Golan v. Holder*, 132 S. Ct. 873 (2012); *Eldred v. Ashcroft*, 537 U.S. 186 (2003).

80. See HIRTLE, *supra* note 8.

most of Conan Doyle's Sherlock Holmes works, but ten post-1923 short stories remain protected in the United States until at least 2022.<sup>81</sup> Since Holmes was delineated amply in 1887's *A Study in Scarlet* (or at least certainly within the other forty-nine stories and novels on which copyright has expired),<sup>82</sup> Holmes should reside in the public domain. As Professor Nimmer has explained in his treatise, as soon as "the first work that contained the character enters the public domain, then it is not copyright infringement for others to copy the character in works that are otherwise original with the copier."<sup>83</sup> This is because, in essence, all of the stories that follow the first are "derivative works" of the first. In Nimmer's words:

Just as the copyright in a derivative work will not protect public domain portions of an underlying work as incorporated in the derivative work, so copyright in a particular work in a series will not protect the character as contained in such series if the work in the series in which the character first appeared has entered the public domain.<sup>84</sup>

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81. See *id.* (charting expiration dates of copyrighted works based on factors including publication date, registration, and renewal; concluding that copyright protection has expired for all works first published before 1923). United States copyright in the last of the Sherlock Holmes stories will expire 95 years after its date of publication, which will occur in 2022 or 2023. See *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879, 888 n.5 (N.D. Ill. 2013) (discussing difference of opinion regarding expiration of copyright in Conan Doyle's last Sherlock Holmes story); see also Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, 112 Stat. 2827 (1998). The remaining protected stories were all contained in the last Holmes short-story collection that Conan Doyle published, *The Case-Book of Sherlock Holmes*. The book, itself published in June 1927, compiled twelve works that had previously published between October 1921 and April 1927. Of these, ten stories were first published in the United States in 1923 or later: *The Adventure of the Creeping Man* (1923); *The Adventure of the Sussex Vampire* (1924); *The Adventure of the Three Garridebs* (1924); *The Adventure of the Illustrious Client* (1924); *The Adventure of the Retired Colourman* (1926); *The Adventure of the Lion's Mane* (1926); *The Adventure of the Blanched Soldier* (1926); *The Adventure of the Three Gables* (1926); and *The Adventure of Shoscombe Old Place* (1927). Assuming all of their copyright registrations were properly renewed, these ten stories retain copyright protection in the United States. See HIRTLE, *supra* note 8.

82. See Complaint at 4, *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879 (N.D. Ill. 2013) (No. 1:13CV01226) (listing character elements delineated in pre-1923 works).

83. 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 2.12 (2002).

84. *Id.*

Publishing a sequel or other derivative work cannot elongate copyright protection for elements of the original work. Otherwise, an author (or the author's heirs) could unconstitutionally maintain eternal copyright control over a character simply by producing new works featuring that character.

Courts have adopted Nimmer's view.<sup>85</sup> In *Silverman v. CBS*, the Second Circuit Court of Appeals held that the characters of Amos and Andy fell into the public domain once copyright expired on early episodes of the *Amos 'n' Andy* radio show, because "whatever rights [CBS] may have in the [later] programs . . . provide protection only for the increments of expression beyond what is contained in the pre-1948 radio scripts."<sup>86</sup> The same principle applied to Conan the Barbarian in *Conan Properties v. Mattel*, where the court allowed a toymaker to replicate Conan despite the fact that newer works featuring the character remained protected,<sup>87</sup> and in *Siegel v. Warner Brothers*, where the court explained that "the copyrightable aspects of a character . . . are protected only to the extent the work in which that particular aspect of the character was first delineated remains protected, but not in the subsequent sequels in which that attribute is later repeated or used."<sup>88</sup>

Cases addressing copyright in Sherlock Holmes have articulated this rule,<sup>89</sup> but added the complicating wrinkle of incremental copyright expiration. In *Klinger v. CDE*, for

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85. See, e.g., *Harvey Cartoons v. Columbia Pictures Indus.*, 645 F. Supp. 1564, 1570 (S.D.N.Y. 1986) (citing copyright professor Melville Nimmer and holding that later issues of *Casper* comic books afforded no copyright protection to a character first delineated in works whose copyright had expired, and who had "not changed to any appreciable degree since" those works: "Harvey's existing copyrights are valid only with respect to the storylines or other original contributions of the works to which they pertain. These copyrights cannot 'affect or enlarge the scope [or] duration' of copyright protection for the artwork which has long since entered the public domain.").

86. 870 F.2d 40, 49-50 (2d Cir. 1989).

87. See *Conan Props. v. Mattel, Inc.*, 712 F. Supp. 353, 357-61 (S.D.N.Y. 1989).

88. *Siegel v. Warner Bros. Entm't*, 690 F. Supp. 2d 1048, 1058-59 (C.D. Cal. 2009).

89. See *Pannonia Farms, Inc. v. USA Cable*, No. 03 Civ. 7841 (NRB), 2004 U.S. Dist. LEXIS 23015, at \*27 (S.D.N.Y. June 7, 2004) ("[T]he Holmes and Watson characters have been delineated in over fifty stories that no longer possess copyright protection . . . [J]ust as these many stories have passed into the public domain, so too have their delineated constituent elements, such as the Holmes and Watson characters that are the subject of this suit.").

example, the CDE argued that because Holmes and Watson continued to develop as characters throughout the post-1923 stories, they would not enter the public domain until their last story did.<sup>90</sup> The Seventh Circuit rejected this argument, explaining that “[f]rom the outset of the series . . . in 1887 Holmes and Watson were distinctive characters and therefore copyrightable,” and that to the extent Conan Doyle made alterations to the characters, “[t]he resulting somewhat altered characters were derivative works, the additional features of which that [sic] were added in the ten stories being protected by the copyrights on those stories.”<sup>91</sup> Because “[t]he alterations [did] not revive the expired copyrights on the original characters,” adapters are free to “copy the Holmes and Watson of the early stores [sic].”<sup>92</sup> Adapters are *not*, however, free to copy the Holmes whose characteristics were originally introduced in the ten still-protected stories. As the *Pannonia Farms* court explained, “[s]torylines, dialogue, characters and character traits newly introduced by the [post-1923 s]tories are examples of added contributions susceptible to copyright protection.”<sup>93</sup> The *Klinger* court elaborated that only “additional features [qualifying as] ‘original’ in the generous sense that the word bears in copyright law, are protected by the unexpired copyrights on the late stories.”<sup>94</sup>

The trouble lies in identifying protectable “storylines, dialogue, characters and character traits” introduced in later works.<sup>95</sup> How distinctive or original does a “new character

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90. See *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879, 888 (N.D. Ill. 2013) (describing this argument as “novel”); *Klinger v. Conan Doyle Estate, Ltd.*, 755 F.3d 496, 503 (7th Cir. 2014) (describing this argument as “border[ing] on the quixotic”).

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

92. *Id.* at 502–03.

93. *Pannonia Farms*, 2004 U.S. Dist. LEXIS 23015, at \*29.

94. *Klinger*, 755 F.3d at 502. See also *Warner Bros. Entm’t v. X One X Prods.*, 644 F.3d 584, 596–97 (8th Cir. 2011) (“[I]f material related to certain characters is in the public domain, but later works covered by copyright add new aspects to those characters, a work . . . infringes the copyrights in the later works to the extent that it incorporates aspects of the characters developed solely in those later works.”).

95. *Pannonia Farms*, U.S. Dist. LEXIS 23015, at \*29. Neither the *Pannonia Farms* nor the *Klinger* court had to conduct this exercise. In *Pannonia Farms*, the court held that the accused film did not contain any character elements unique to the post-1923 stories, so it did not need to render an opinion on what, if any, portion of the character remained protected. *Id.* In *Klinger*, *Klinger* sought a declaratory judgment only as to elements of the character set forth in the pre-1923 stories, so the court likewise did not need to rule regarding protection of the

trait” have to be to create a new, protectable version of a character that would otherwise reside in the public domain? The rulings in *Klinger* highlight this line-drawing problem. The district court stated that any addition to a character would be copyrightable if it constituted “original expression” sufficient to “enable the new work to be readily distinguished from its predecessors.”<sup>96</sup> This ruling suggested that once a character was delineated, any new fact or trait about that character—no matter how generic, predictable, or insignificant—could create a new, protectable version of that character.<sup>97</sup> Based on this reasoning, the district court identified three protected character traits of the post-1923 Holmes and Watson: (1) Dr. Watson’s second marriage; (2) Dr. Watson’s background as an athlete; and (3) Sherlock Holmes’s retirement from his detective agency.<sup>98</sup> The Seventh Circuit limited its ruling to the

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post-1923 version of the character. *Klinger*, 755 F.3d at 503. Nevertheless, both courts made clear that protection for the post-1923 version of the character may exist.

96. *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879, 892–93 (N.D. Ill. 2013).

97. See Betsy Rosenblatt, *Guest Post: Betsy Rosenblatt on the Case of Sherlock Holmes’ Two Lives*, REBECCA TUSHNET’S 43(B)LOG (Jan. 6, 2014, 9:11 AM), <http://tushnet.blogspot.com/2014/01/guest-post-betsy-rosenblatt-on-case-of.html>, archived at <http://perma.cc/KED-2ZVV>.

98. *Klinger*, 988 F. Supp. 2d at 890. In addition to being “ignored” by the Seventh Circuit, this holding is also factually disputable. It is likely the result of the case’s procedural idiosyncrasy: the CDE defaulted in response to Klinger’s Complaint, but the court permitted Klinger to move for summary judgment and permitted the CDE to respond. As a result, the court ruled without reviewing the actual text of Conan Doyle’s writings. If it had, it would have observed, for example, that Holmes’s retirement was actually first described in detail in a public domain story, *His Last Bow*. Likewise, Watson’s second marriage is factually far from the concrete event the court may have assumed it was—presumably, the court was referring to Holmes’s observation in *The Blanched Soldier* that Watson had in 1903 “deserted me for a wife, the only selfish action which I can recall in our association.” 2 LESLIE KLINGER, *THE NEW ANNOTATED SHERLOCK HOLMES* 1483–84 and n.5 (W.W. Norton, 2005). But whether that was the product of a second marriage, or a continued first, or a third, or even a sixth, has long been a matter of spirited Sherlockian debate. See, e.g., *id.* (describing Watson’s 1903 marriage as his second); H.W. Starr, *Some New Light on Watson*, 1 BAKER STREET J. 55 (1946) (arguing that Watson’s 1903 marriage was a continuation of his first); Belden Wigglesworth, *Many Nations and Three Separate Continents*, 2 BAKER STREET J. 273 (1947) (identifying Watson’s 1903 marriage as his third); Brad Keefauver, *Counting Watson’s Wives*, SHERLOCK PEORIA (Mar. 9, 2002), [http://www.sherlockpeoria.net/Who\\_is\\_Sherlock/WatsonsWives.html](http://www.sherlockpeoria.net/Who_is_Sherlock/WatsonsWives.html), archived at <http://perma.cc/9T6V-ZSG6> (identifying Watson’s 1903 marriage as his sixth); RONALD B. DE WAAL, *THE WORLD BIBLIOGRAPHY OF SHERLOCK HOLMES & DR. WATSON*, 213–15 (1974) (addressing the topic of Watson’s wife or wives in entries 3407–35).

question of whether any elements of the pre-1923 stories were protected by copyright (holding they were not), and explicitly ignored the district court's ruling regarding what character traits, if any, remained protected by virtue of continuing copyright in the post-1923 stories.<sup>99</sup> Nevertheless, the Seventh Circuit stated in dicta that in the post-1923 stories "we learn that Holmes's attitude toward dogs has changed—he has grown to like them—and that Watson has been married twice. These additional features, being (we may assume) 'original' . . . are protected by the unexpired copyrights on the late stories."<sup>100</sup>

Although the two rulings disagree somewhat regarding which character traits might remain protected, they highlight the same problem. Under both courts' reasoning, each new work featuring an old character had the potential to create a new version of the character with a different copyright expiration from the original—a Holmes 1.0, for whom copyright protection had expired, and a Holmes 2.0 who was still protected. Certainly, no court would protect the basic idea of a "detective who has grown to like dogs" or a "doctor with a second wife."<sup>101</sup> Yet, although Holmes and Watson themselves have fallen into the public domain, the version of Holmes who is fond of dogs and the version of Watson who has a second wife may not have. This result is consistent with the law about protecting original "increments of expression" in derivative works,<sup>102</sup> but is inconsistent with the idea/expression dichotomy articulated in *Nichols* and with the law governing protectability of literary characters,<sup>103</sup> which require a much higher level of originality—"distinctive delineation"—for copyright to attach. It would be more logical, and more consistent with the principles of copyright in characters, to require the same degree of distinctiveness to protect Holmes 2.0 as was required to protect Holmes 1.0 in the first

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99. *Klinger*, 755 F.3d at 500 (ruling on procedural grounds that "[t]he summary judgment ruling on the last ten stories was a mistake, and can be ignored").

100. *Id.* at 502.

101. *See id.* at 503 ("An author 'could not copyright a character described merely as an unexpectedly knowledgeable old wino' . . .") (quoting *Gaiman v. MacFarlane*, 360 F.3d 644, 660 (7th Cir. 2004)).

102. *See, e.g., Schrock v. Learning Curve Int'l, Inc.*, 586 F.3d 513, 516 (7th Cir. 2009) (quoting *Bucklew v. Hawkins, Ash, Baptie & Co.*, 329 F.3d 923, 929 (7th Cir. 2003)).

103. *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930).



instance.<sup>104</sup>

As a practical matter, nearly every meaningful trait about Holmes and Watson was established in the pre-1923 stories, and thus is free to use. But *Klinger* still leaves room for the CDE to threaten adapters of Holmes by arguing that the adapters' versions of Holmes veer too close to a later version—whatever that version may be. Following the district court's ruling and the Seventh Circuit's dicta, an adapter would be taking a risk by creating a work in which the public domain Watson remarries or plays rugby.<sup>105</sup> Where would TV's *House, M.D.* stand under this analysis?<sup>106</sup> Would *House, M.D.*'s version of Watson, Dr. Wilson, have been infringing if we had learned he had a background as an athlete? Would Dr. House have been infringing if he had demonstrated any fondness for dogs? And should the writers have had to consider avoiding those trivial details when writing their show? More broadly, the *Klinger* reasoning provides a podium from which rights holders can challenge adapters of public domain characters and retain control over how those characters are used. Rights holders can demand that adapters avoid character traits that might be characterized as protected, even if those traits would not be independently protectable. This undermines the public domain's purpose of providing a common pool of cultural sources by encumbering adapters' expressive freedom.

In addition, the *Klinger* ruling may provide a mechanism for original creators and their heirs to extend copyright in literary characters—not only to those who appeared in works by their original authors both before and after 1923, but also to more recent characters. Corporate copyright owners, whose copyright expiration is based on a work's publication date, may attempt to extend protection indefinitely by making incremental changes to their characters over time.<sup>107</sup> And although copyright protection for new works of individual authorship is tied to the date of the author's death rather than the date of publication,<sup>108</sup> the *Klinger* case's reasoning may

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104. For more discussion of works' iterative entry into the public domain and the wisdom of requiring a higher threshold for originality for derivative works, see Liu, *supra* note 50, at 1443–46.

105. *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879, 892 (N.D. Ill. 2013); *Klinger*, 755 F.3d at 502.

106. See Mermelstein, *supra* note 74.

107. See HIRTLE, *supra* note 8.

108. See *id.*

provide a mechanism for authors' heirs to maintain eternal ownership of copyrighted characters by continuing to publish new works featuring slight alterations to old characters.<sup>109</sup>

Protection for "original" contributions to derivative works also means that new adapters must be mindful of rights established by previous adapters. New adapters of Holmes therefore must consider not only the rights of the CDE, but also the rights of the creators of *House, M.D.*, and other adaptations such as Warner Brothers' *Sherlock Holmes*, the BBC's *Sherlock*, and CBS's *Elementary*. The following section explores the rights of derivative work creators and the formal legal limitations on those rights.

### 3. Narrow Rights for Adapters

Copyright law safeguards the public domain by giving only narrow rights to the creators of derivative works. These safeguards take the form of two limitations on adapters' rights. First, copyright law affords creators of derivative works rights *only* in their unique contributions; they gain no rights in the underlying work on which their adaptations are based.<sup>110</sup> Second, derivative work creators gain rights over their original contributions only to the extent that those contributions are themselves copyrightable.<sup>111</sup>

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109. This may be the strategy behind the publication of estate-authorized sequels to the classic *Gone with the Wind*. See ELLEN F. BROWN & JOHN WILEY, JR., MARGARET MITCHELL'S GONE WITH THE WIND: A BESTSELLER'S ODYSSEY FROM ATLANTA TO HOLLYWOOD 322 (2011) ("Regardless of whether Congress extends copyright again . . . the estate holds the copyright on the two authorized sequels, both of which will enjoy legal protection for decades beyond Mitchell's original.").

110. See *Eden Toys v. Florelee Undergarment Co.*, 697 F.2d 27, 34 (2d Cir. 1982). Courts are split on the rights of unauthorized derivative work creators. See *Sobhani v. @Radical.Media, Inc.*, 257 F. Supp. 2d 1234, 1239–40 (C.D. Cal. 2003) (holding that a derivative work maker gains no rights if the pre-existing copyrighted work "tends to pervade the entire derivative work"); *Anderson v. Stallone*, No. 87-0592, 1989 WL 206431, at \*6, 8–11 (C.D. Cal. Apr. 25, 1989) (holding that because unauthorized derivative work was "pervaded by the characters of the first three Rocky movies," the derivative work maker owned no part of it, not even his original contributions); *Dam Things from Denmark v. Russ Berrie & Co.*, 290 F.3d 548, 563 (3d Cir. 2002) (holding that maker of an unauthorized derivative work is entitled to no copyright protection in any elements of the derivative); *Pickett v. Prince*, 207 F.3d 402, 406 (7th Cir. 2000) (same); *Mulcahy v. Cheetah Learning LLC*, 386 F.3d 849, 852–53 (8th Cir. 2004) (same).

111. See *Conan Props. v. Mattel, Inc.*, 712 F. Supp. 353, 359 (S.D.N.Y. 1989)

Two cases from the 1950s demonstrate the first limitation. In *Warner Brothers v. CBS*, the United States District Court for the Central District of California considered whether a *Sam Spade* radio series, authorized by Dashiell Hammett, infringed Warner Brothers' copyright in its adaptation of *The Maltese Falcon*.<sup>112</sup> The court held that CBS was allowed to use "all that had gone before," but could not copy elements original to the Warner Brothers' film.<sup>113</sup> Around the same time, the Second Circuit Court of Appeals addressed a case regarding adaptations of the novel *Madame Butterfly* by John Luther Long.<sup>114</sup> David Belasco adapted the novel into a play, and opera composer Puccini obtained licenses from both Long and Belasco in order to write his opera of the same name.<sup>115</sup> After copyright on Belasco's play expired, Paramount obtained a license from Long and released a movie based on both the novel and the newly public-domain play.<sup>116</sup> Puccini sued for copyright infringement.<sup>117</sup> The court held that Paramount's movie could rely on public domain material from the play and licensed material from the novel, but could not incorporate any elements created or added to the story by Puccini.<sup>118</sup>

Litigation regarding Sherlock Holmes demonstrates the second limitation, that adapters' original contributions must rise to the level of protectability in order to support a suit.<sup>119</sup> Like original creators, adapters' ideas are not protectable—only their expressions of those ideas. And like original creators, it

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(regarding the rights of a comic book adapter when original literary source was in the public domain, "to warrant the protection of the Copyright Act, a derivative work must contain 'non-trivial' original aspects distinct from both the underlying work in the public domain, and from the scenes a faire that inhere in its genre").

112. 102 F. Supp. 141 (S.D. Cal. 1951).

113. *Id.* at 148 (addressing whether the radio series "consciously sought to imitate the voices of the actors who performed in the 1941 motion picture version of 'Maltese Falcon,' namely Humphrey Bogart as Sam Spade, Sydney Greenstreet as Caspar Gutman, and Peter Lorre as Cairo," and holding that any imitation did not constitute unfair competition because there was no evidence that the public was confused by the broadcasts), *rev'd on other grounds sub nom*, Warner Bros. Pictures v. Columbia Broad. Sys., 216 F.2d 945 (9th Cir. 1954).

114. *G. Ricordi & Co. v. Paramount Pictures, Inc.*, 189 F.2d 469 (2d Cir. 1951).

115. *Id.* at 470.

116. *Id.*

117. *Id.*

118. *Id.* at 472.

119. See *Durham Indus., Inc. v. Tomy Corp.*, 630 F.2d 905, 911 (2d Cir. 1980) (holding that maker of Disney-character figurines lacked "even a modest degree of originality" beyond Disney's original creations, and thus had no copyright claim against copier of figurines).

may be difficult for adapters to prove that their original contributions to a character are sufficiently original to merit copyright protection.<sup>120</sup> This “idea/expression dichotomy” was central to *Musto v. Meyer*, which dealt with the book *The Seven Per Cent Solution*.<sup>121</sup> Based on the fact that Conan Doyle’s Holmes engaged in the recreational use of cocaine,<sup>122</sup> David F. Musto published an article in the Journal of the American Medical Association entitled *A Study in Cocaine: Sherlock Holmes and Sigmund Freud*.<sup>123</sup> Musto postulated that Holmes might have received drug treatment from Sigmund Freud during Holmes’s (canonical) mysterious disappearance between 1891 and 1894.<sup>124</sup> Subsequently, fiction writer Nicolas Meyer wrote *The Seven Per Cent Solution*, whose plot also included Holmes’s cocaine dependency and treatment by Freud.<sup>125</sup> The book, which acknowledged Meyer’s conceptual debt to Musto’s article and to other writers who had analyzed the Holmes canon, became a bestseller and a motion picture.<sup>126</sup> Musto then sued for copyright infringement.<sup>127</sup> The United States District Court for the Southern District of New York rejected Musto’s claim, holding that to the extent that Meyer copied from Musto, he had copied the “idea” of Musto’s article, and not its “expression.”<sup>128</sup> The Tenth Circuit Court of Appeals reached a similar result in the unpublished case of *Fisher v. United Features Syndicate*, which concerned United Features’ use of a costumed “detective” version of Snoopy.<sup>129</sup> Fisher, an independent cartoonist, claimed that he had been the first to dress a cartoon dog “in the role of a detective clad in a Sherlock Holmes hat and cape with a large horn pipe and magnifying glass,” but the court held that doing so was “an expression of [the] idea [of a detective dog] which is . . . common in the public

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120. *Id.*

121. 434 F. Supp. 32 (S.D.N.Y. 1977).

122. See, e.g., *The Adventure of the Yellow Face*, in THE NEW ANNOTATED SHERLOCK HOLMES 450 (“Save for the occasional use of cocaine [Holmes] had no vices, and he only turned to the drug as a protest against the monotony of existence when cases were scanty and the papers uninteresting.”).

123. *Musto*, 434 F. Supp. at 33.

124. *Id.*

125. *Id.*

126. *Id.* at 34.

127. *Id.*

128. *Id.* at 35.

129. No. 99-1162, 2000 WL 135167 (10th Cir. Feb. 7, 2000).

domain.”<sup>130</sup>

These limitations promote the public domain by preventing adapters from claiming rights in characters they merely augmented or made trivial contributions to. But, while adapters’ rights are limited, they still pose challenges for later adapters. For example, new adapters are welcome to copy at will from the portions of Conan Doyle’s Holmes canon that reside in the copyright public domain, but they are not permitted to copy protectable elements that were introduced by later adapters.<sup>131</sup> One may copy Holmes, but not Fox’s Dr. House, nor the BBC’s smart-phone-wielding Holmes, nor CBS’s tattooed one. As Justice Holmes put it: “Others are free to copy the original. They are not free to copy the copy.”<sup>132</sup>

This poses a special challenge for oft-adapted characters, because adaptation can change the public’s perception of a character. James Bond was always a womanizer, but it was not until Sean Connery’s film portrayal that he was an extremely promiscuous one.<sup>133</sup> Likewise, our conception of Sherlock Holmes is deeply informed by sources other than Conan Doyle’s original works. The deerstalker hat and Inverness cloak have come to symbolize Sherlock Holmes, although the detective never wore such an outfit in Conan Doyle’s canon.<sup>134</sup> Holmes’s “signature” curved calabash pipe was an invention of later stage and screen performers.<sup>135</sup> The more a character’s stories are told, re-told, reinvented, and transformed, the more the character’s most familiar features may originate from non-original sources.<sup>136</sup> When a derivative work redefines a

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130. *Id.* at \*2, \*4.

131. See *Musto*, 434 F. Supp. at 36 (explaining that “[i]f, for instance, the underlying work is in the public domain, as is Sir Arthur Conan Doyle’s *The Final Problem*, the copyright on the derivative work will not protect the underlying work”).

132. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 249 (1903).

133. See BEN MACINTYRE, *FOR YOUR EYES ONLY* 202–04 (2008); SINCLAIR MCKAY, *THE MAN WITH THE GOLDEN TOUCH: HOW THE BOND FILMS CONQUERED THE WORLD* 268 (2008) (noting that the 1950’s Bond was shocking enough for its public acknowledgement of any sex outside of marriage and stating that Bond “could not bear commitment . . . but the relationships in the novels are none the less serious”).

134. They were the inventions of illustrator Sidney Paget, who illustrated Conan Doyle’s tales for the *Strand Magazine*. See NIGEL CAWTHORNE, *A BRIEF HISTORY OF SHERLOCK HOLMES* 19 (2011).

135. See HENRY ZECHER, WILLIAM GILLETTE, *AMERICA’S SHERLOCK HOLMES* 343–44 (2011).

136. See, e.g., Roland Barthes, *The Death of the Author*, in *IMAGE MUSIC &*

character, the older version may become obsolete. If someone wants to tell a story about Cinderella, they are welcome to draw on the public-domain, fairy-tale version, but must steer clear of Disney's copyrighted version—which is the version many people know best.<sup>137</sup>

Thus, even after the originator's version of a character enters the copyright public domain, the public's best-known version of a character—the womanizing version of James Bond, for example—may be owned by an adapter. *Metro-Goldwyn-Mayer v. American Honda Motor Co.* demonstrates this rule.<sup>138</sup> Honda created an advertisement featuring a James-Bond-like character, and MGM sued.<sup>139</sup> Honda argued that MGM did not own a copyright in Bond, who was created by author Ian Fleming and licensed, rather than assigned, to MGM for film adaptation.<sup>140</sup> The United States District Court for the Central District of California rejected this argument and enjoined the advertisement, holding that the ad embodied the “spy thriller with the genres of adventure, comedy (particularly, social satire and slapstick), and fantasy” that originated in MGM's movies, rather than Fleming's original character.<sup>141</sup>

This principle may have more subtle influences on creativity as well, influencing the content of adapters' expressions. For example, the creators of a 1950s comic strip featuring Sherlock Holmes made a conscious decision to make their Holmes look different from Basil Rathbone.<sup>142</sup> At the time, Rathbone's face was the cultural embodiment of Holmes and by far the most well-known visual reference for the character, but the comic creators avoided using it because they feared that Rathbone's production studio would sue for

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TEXT 142, 146 (1977) (“We know now that a text is not a line of words releasing a single ‘theological’ meaning . . . but a multi-dimensional space in which a variety of writings, none of them original, blend and clash.”); Chung, *supra* note 37, at 915–17 (discussing the effect of postmodernism and semiotic democracy on intellectual property arguments and arguing in favor of broader rights to use culturally significant literary characters).

137. See Jane Yolen, *America's Cinderella*, in CINDERELLA: A CASEBOOK 294, 302 (Alan Dundes ed., 1988).

138. See 900 F. Supp. 1287, 1293 (C.D. Cal. 1995).

139. *Id.*

140. *Id.*

141. *Id.*

142. The comics' creators could as easily have been concerned about violating the right of publicity of Rathbone, who had by that point made a career out of “being” Holmes. See Tom Alvarez, *Elementary, My Dear Glaciola*, 76 BAKER STREET MISCELLANEA 22 (1994).

copyright infringement.<sup>143</sup>

The previous three sections demonstrate that the copyright public domain in literary characters is defined by law, but can still create risks for adapters. It is not always clear which characters are protected by copyright law, when that protection attaches, when that protection expires, and who owns the most familiar version of a given character. These uncertainties make the doctrine of fair use particularly important in creating and defining the public domain in literary characters. Unfortunately, the fair-use boundary is even blurrier than the previous three.

#### 4. Copyright Fair Use

The doctrine of copyright fair use permits certain uses of copyrighted characters before their copyrights expire, including uses that copyright holders might not be prone to license or approve.<sup>144</sup> The Copyright Act sets forth four factors for courts to use in determining whether a particular use is fair: (1) the “purpose and character of the use,” including whether the use is commercial and/or transforms the original’s meaning or purpose;<sup>145</sup> (2) the “nature of the copyrighted work”; (3) the “amount and substantiality of the portion” copied from the original; and (4) the “effect of the use upon the potential market for or value of the copyrighted work.”<sup>146</sup>

Because the fair use analysis requires balancing multiple factors and examining potentially subjective facts, its results may be difficult to predict. Moreover, because fair use requires copying copyrighted material, it carries the inherent risks that even a fair use will generate litigation. Even when fair use outcomes are relatively predictable,<sup>147</sup> the analysis still

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143. *See id.*

144. Wendy Gordon, *Fair Use as Market Failure: A Structural and Economic Analysis of the Betamax Case and Its Predecessors*, 82 COLUM. L. REV. 1600, 1613–14 (1982).

145. 17 U.S.C. § 107 (2012); *see also* Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579–80 (1994) (discussing the meaning and importance of transformativeness to the fair use analysis).

146. 17 U.S.C. § 107.

147. *Cf.* Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions, 1978–2005*, 156 U. PA. L. REV. 549 (2008) (identifying predictable patterns in fair use jurisprudence); Matthew Sag, *Predicting Fair Use*, 73 OHIO ST. L.J. 47 (2012) (assessing the predictability of fair use outcomes in litigation); Pamela Samuelson, *Unbundling Fair Uses*, 77 FORDHAM L. REV. 2537 (2009)

provides no guarantees, and litigation defense is daunting and expensive. It is virtually impossible for adapters to reduce litigation risk and uncertainty through anything but settlement or ex ante licensing.<sup>148</sup> Thus, while copyright fair use marks a boundary of the public domain as a matter of law, it may not do so for the purpose of adapters' practical decision-making.

Three fair use cases demonstrate the difficulty that adapters face when attempting to predict whether a certain adaptation will be a fair use. The first concerned *The Wind Done Gone*, a retelling of *Gone with the Wind* that "exploit[ed *Gone With The Wind's*] copyrighted characters, story lines, and settings as the palette for [a] new story" told from the perspective of that book's slave characters.<sup>149</sup> The second concerned *60 Years Later: Coming Through the Rye*, a book that tells the story of a seventy-six-year-old Holden Caulfield confronting a fictionalized version of J.D. Salinger.<sup>150</sup> The third concerned *Lo's Diary*, a retelling of Vladimir Nabokov's *Lolita* from the perspective of its teenage namesake.<sup>151</sup> In each of these adaptations, authors retold or augmented existing works of fiction by transposing the narrative point of view and adding meaning to the original work. Yet, the three cases came out differently. In the first, the court analyzed the Copyright Act's four-factor test and held that *The Wind Done Gone* was likely fair use, noting the importance of encouraging creation and maintaining a robust public domain.<sup>152</sup> Using the same four-factor test, the court in the second example held that *60 Years Later: Coming Through the Rye* infringed the copyright in Salinger's original work and enjoined distribution of the book.<sup>153</sup> The case concerning *Lo's Diary* settled prior to any judicial resolution.<sup>154</sup>

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(identifying policy-based clusters in fair use jurisprudence).

148. See *infra* Part II.A.

149. *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1267 (11th Cir. 2001) (quoting *Suntrust Bank v. Houghton Mifflin Co.*, 136 F. Supp. 2d 1357, 1367 (N.D. Ga. 2001)).

150. *Salinger v. Colting*, 607 F.3d 68, 71–72 (2d Cir. 2010).

151. Ralph Blumenthal, *Nabokov Son Files Suit to Block a Retold 'Lolita'*, N.Y. TIMES (Oct. 10, 1998), <http://www.nytimes.com/1998/10/10/books/nabokov-son-files-suit-to-block-a-retold-lolita.html>, archived at <http://perma.cc/NAG7-AAMC>.

152. *Suntrust*, 268 F.3d at 1262, 1277.

153. *Salinger*, 607 F.3d at 84.

154. Martin Garbus, *Lolita and the Lawyers*, N.Y. TIMES (Sept. 26, 1999), <http://www.nytimes.com/books/99/09/26/bookend/bookend.html>, archived at <http://>



These cases demonstrate that fair use is far from a panacea for adapters. Because it creates a public domain based on characteristics of the adapter's use, rather than characteristics of the protected work, the doctrine denies adapters the full range of expression by funneling them into particular kinds of uses (for example, transformative or noncommercial uses, or both), while keeping copyrighted characters "off-limits" for other sorts of uses. In addition, as discussed below,<sup>155</sup> adapters' own risk aversion and uncertainty aversion may also constrict their expression beyond what fair use principles would require. As many scholars have observed, the fact-intensive nature of the fair use test means that litigating fair use is uncertain and likely to be expensive.<sup>156</sup> Many adapters will therefore accede to cease and desist letters or licensing demands, even when licensing would be unnecessary as a matter of law.<sup>157</sup>

Moreover, even when particular material or a particular use falls squarely within copyright's public domain, adapters may face trademark challenges—allegations that using a particular literary character in a new work is likely to confuse consumers into believing that the character's original creator, or some other rights holder, is actually the source or sponsor of the new work. Trademark law, like copyright law, carves out a public domain of material and uses from which adapters are free to draw. The following section discusses the formal contours of this trademark public domain.

### *B. Trademark Law's Public Domain*

Trademark law is designed principally to prevent confusion over brands and other source identifiers, rather than to provide exclusivity for works of authorship.<sup>158</sup> Protecting works of authorship is copyright law's job.<sup>159</sup> Conceptually,

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[perma.cc/FX5A-BK8Z](http://perma.cc/FX5A-BK8Z).

155. See *infra* Part II.

156. Elizabeth L. Rosenblatt, *Rethinking the Parameters of Trademark Use in Entertainment*, 61 FLA. L. REV. 1011, 1064–65 (2009); William McGeeveran, *Rethinking Trademark Fair Use*, 94 IOWA L. REV. 49, 113 (2008).

157. Leah Chan Grinvald, *Shaming Trademark Bullies*, 2011 WIS. L. REV. 625, 628–29 (2011); John Tehranian, *Curbing Copyblight*, 14 VAND. J. ENT. & TECH. L. 993, 1003–05 (2012).

158. Rosenblatt, *supra* note 155, at 1018–19.

159. 17 U.S.C. § 102 (2012).

therefore, the role of trademark law in governing literary characters is dubious. Trademark protection is also, in theory, narrower than copyright because it does not prevent all uses of a mark, only those that are likely to dilute the value of the mark or confuse consumers into believing that goods or services originate with, or are sponsored or approved by, the markholder.<sup>160</sup> But because of the potentially infinite duration of trademark protection and the ease of obtaining and asserting trademark rights, rights holders have turned to trademark law to keep literary characters out of the public domain.<sup>161</sup> In fact, adapters may be as likely to face trademark-based challenges as copyright-based ones, a situation dire enough that some have called trademark law “a blunt instrument of cultural intimidation and censorship.”<sup>162</sup>

Trademark claims about literary characters and their names are nothing new. In fact, the first two reported cases over rights in Sherlock Holmes concerned uses of the detective’s name as a trademark.<sup>163</sup> The first case concerned the stage play *Sherlock Holmes*, an original story that William Gillette wrote after obtaining a license from Conan Doyle.<sup>164</sup> In 1903, Hopkins Theatre advertised and “threaten[ed] to produce” a different play entitled *Sherlock Holmes, Detective*.<sup>165</sup> Gillette and his co-producer Charles Frohman sued, relying on a quasi-trademark theory to argue that Hopkins’s choice of

160. 15 U.S.C. § 1125(a) (2012).

161. See *supra* notes 27–33 and sources cited therein (identifying cases in which former copyright holders have relied on trademark theories to extend protection for works and characters).

162. DAVID BOLLIER, BRAND NAME BULLIES: THE QUEST TO OWN AND CONTROL CULTURE 84 (2005).

163. *Hopkins Amusement Co. v. Frohman*, 103 Ill. App. 613 (1902), *aff’d*, 67 N.E. 391 (Ill. 1903); see also *Recent Cases*, 13 YALE L.J. 48, 52 (1903) (summarizing case).

164. *Hopkins Amusement*, 103 Ill. App. at 613. The opinion describes the Gillette play as the product of collaboration between Gillette and Conan Doyle, but as a matter of historical fact it appears to be almost entirely the work of Gillette. In a deposition relating to different litigation in 1923, Conan Doyle was asked whether he participated or collaborated with Mr. Gillette in creating the work, and Conan Doyle responded that he made no contribution “beyond the fact that [Gillette] drew some of his material from the stories. Apart from that, not.” Doyle Dep. 6:15–16, Apr. 12, 1923 (on file with author).

165. *Hopkins Amusement*, 103 Ill. App. at 614; see also *Hopkins Amusement Co. v. Frohman*, 67 N.E. 391, 392 (1903) (clarifying on appeal that regardless of whether or not Frohman had an “exclusive property right in the name ‘Sherlock Holmes’ as a trade-mark,” the title of Hopkins’s play was likely to result in consumer deception and confusion and harm to Frohman).

titles would deceive the public into believing that the Hopkins production was associated with the Gillette/Frohman play.<sup>166</sup> The Illinois appellate court enjoined Hopkins, reasoning that a consumer seeing the title of the Hopkins play "would naturally suppose, unless particularly advised to the contrary, that it is the same play" as Gillette and Frohman's.<sup>167</sup> The second case, *Gillette v. Stoll*, continued along the same lines.<sup>168</sup> By 1922, Gillette and Frohman were preparing to release a feature-film version of their play, but they faced competition: Conan Doyle had granted a license to the Stoll Film Company to adapt the Sherlock Holmes short stories into cinematic short subjects.<sup>169</sup> Some theaters advertised the Stoll films collectively as *The Adventures of Sherlock Holmes*.<sup>170</sup> Gillette and Frohman sued Stoll, again relying on a quasi-trademark theory.<sup>171</sup> And although the case settled in 1923 before a final resolution, the court was at least willing to entertain the proposition that Gillette owned sufficient quasi-trademark rights in the name "Sherlock Holmes" to maintain a suit.<sup>172</sup>

These two cases demonstrate the potential power of trademark law to constrict the public domain in literary characters. Because the Gillette/Frohman play was entitled "Sherlock Holmes," it effectively provided a quasi-trademark argument against *any* United States production, in any medium, that included the name Sherlock Holmes in its title. Moreover, the unfair competition and quasi-trademark claims would not expire with the time-limited license that Conan

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166. *Hopkins Amusement*, 103 Ill. App. at 613; see also *Recent Cases*, *supra* note 163 (summarizing case).

167. *Hopkins Amusement*, 103 Ill. App. at 617.

168. 200 N.Y.S. 787 (N.Y. Sup. Ct. 1922), *aff'd*, 198 N.Y.S. 916 (N.Y. App. Div. 1923).

169. *Id.* at 788.

170. *Id.*

171. *Id.* at 789.

172. *Id.* at 790. In the intervening century, the law has changed somewhat. First, the federal enactment of trademark law into the Lanham Act would likely preempt a state-law unfair competition claim like Frohman's based on a quasi-trademark theory. Thus, a court would be forced to consider whether Frohman did, in fact, have a trademark right to the name "Sherlock Holmes" for performance entertainment, and would adjudicate any resulting claim based on likelihood of confusion or dilution. But this may be a semantic difference rather than a substantive one: The Gillette/Frohman production was the only one of its kind in 1903 (having been granted an exclusive license by Conan Doyle) and it is reasonable to assume that Frohman might have been able to prove that American consumers associated the title "Sherlock Holmes" with that particular play.

Doyle granted Frohman and Gillette. Thus, these two suits effectively introduced two possibilities: first, that trademark law could threaten adapters as much as, or more than, copyright law; and second, that exclusive and eternal control over adaptations featuring the Sherlock Holmes character could belong to someone other than Arthur Conan Doyle.

Like copyright law, however, trademark law provides certain doctrinal safeguards that should provide robust boundaries to the public domain. First, trademark protection only applies to “source identifiers”—that is, words and symbols that designate a *single source* for particular goods or services (for example, an author or publisher), rather than simply describing a type of good or service. Second, like copyright law, trademark law provides a number of use-based defensive doctrines that may protect adapters. Both types of boundaries, however, may be difficult to pin down. Each is discussed below in turn.

### 1. Trademark Protectability

Can trademark law even apply to a literary character such as Sherlock Holmes? The answer, as it often is in trademark law, is “maybe.” Trademark protection can extend to “any word, name, symbol, or device, or any combination thereof . . . [used] to indicate the source” of goods or services.<sup>173</sup> This statutory language means that trademark law unquestionably encompasses certain characters, which I call “spokescharacters”: those designed for advertisement and marketing, who represent and are associated with specific products or services, such as Ronald McDonald (McDonald’s), Trix the Rabbit (Trix Cereal), and Mr. Whipple (Charmin). These characters act as marks when they appear in advertisements. But while spokescharacters are designed as source identifiers in the first instance, literary characters originate as tools for narrative storytelling.<sup>174</sup> So can literary

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173. 15 U.S.C. § 1127 (2012); *see also* 15 U.S.C. § 1125(a)(1) (defining false designation of origin).

174. Some characters blur those boundaries. The Transformers, for example, began as spokescharacters (for Mattel’s line of Transformer toys), narrative characters (as cartoon characters), and industrial designs (as toys) likely amenable to design patent or even utility patent protection. *See* BaCon, *Hasbro Publishes Transformers Timeline to Movie*, TFORMERS (Feb. 9, 2007), <http://tformers.com/Hasbro-Publishes-Transformers-Timeline-to-Movie/7132/>

characters serve the same source-identifying function as their spokescharacter cousins?<sup>175</sup>

For a character or its name to be protected as a trademark, the consuming public must recognize it as indicating not only a type of thing (such as the character itself, or a work featuring the character) but also the source of the thing (such as the author or publisher of the work).<sup>176</sup> In trademark parlance, this means it must be a “distinctive” source identifier for particular goods or services, either inherently or through the acquisition of “secondary meaning.”<sup>177</sup> It is possible for literary characters’ names, like any names, to acquire secondary meaning, and perhaps it is even possible for them to acquire secondary meaning as sources of expressive goods (such as fiction).<sup>178</sup> Therefore, whether the name “Sherlock Holmes” could be asserted as a trademark against an expressive adapter turns predominantly on whether consumers recognize it as a source identifier for expressive goods or services. Put differently, when people encounter a work featuring a character called “Sherlock Holmes,” do they believe that it necessarily comes from a

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news.html, *archived at* <http://perma.cc/L9YS-CM3N>. The same is true of many other toy/cartoon crossover characters. But such characters are beyond the scope of this Article as their origins are visual rather than purely literary in nature.

175. Here, as throughout the Article, I am focused on characters that are defined by text rather than images or the combination of text and images. Thus, I am not focused on cartoons or comic book characters, although many of the same arguments apply with equal force to them as to textual characters. An image of a visual character may or may not act as a logo, just as the name of a literary character may or may not act as a word mark. To the extent I draw a distinction between visual and literary characters, it is based on my presumption that visual characters are more readily usable as source identifiers in the merchandising context and thus are arguably more amenable to trademark treatment than textual characters. Whether that distinction is sound is a subject for further scholarly exploration.

176. See *Frederick Warne & Co. v. Book Sales, Inc.*, 481 F. Supp. 1191, 1195 (S.D.N.Y. 1979) (holding that “it would not be enough that [illustrations of Peter Rabbit] have come to signify Beatrix Potter as author of the books; plaintiff must show that they have come to represent its goodwill and reputation as Publisher of those books”).

177. *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9–11 (2d Cir. 1976) (articulating rule that trademark protection requires that a mark not be generic and must be a distinctive source identifier, either inherently or through the acquisition of secondary meaning; defining taxonomy of marks requiring secondary meaning).

178. In fact, although every court to consider the question of distinctiveness for a literary character has required a showing of secondary meaning, no court has expressly denied the possibility that a literary character may be inherently distinctive. See *Foley*, *supra* note 20, at 941.

specific source? Or do they simply think it is a work that features the familiar character of Sherlock Holmes?<sup>179</sup>

The requirement that a mark must designate a single source for particular goods or services has thwarted a number of trademark claims regarding characters.<sup>180</sup> For example, in *Universal City Studios v. Nintendo*, Universal sued the creators of the game "Donkey Kong."<sup>181</sup> Universal claimed that because it had produced "King Kong" films, it had trademark rights to the name and character of "King Kong" and the image of an enormous ape holding a woman aloft atop a building.<sup>182</sup> The United States District Court for the Southern District of New York rejected this argument, finding that the asserted marks had been used by too many other entities to be associated with Universal.<sup>183</sup> Two other film companies had also made King Kong movies, and they, as well as the estate of character creator Merian C. Cooper, each had continuing rights in some shred of the King Kong media empire.<sup>184</sup> The existence of those rights holders, and a large number of third-party uses of King Kong marks, tended to undermine the idea that consumers would understand the name, character, or image as designating a single product source.<sup>185</sup> Similarly, in *Frederick Warne & Co. v. Book Sales Inc.*, the publisher of the Peter Rabbit books asserted trademark infringement when the

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179. Cf. Kurtz, *Methuselah*, *supra* note 20, at 444 (noting "single source" problem, but also noting courts' lack of rigor on the matter: "There is a tendency to focus on the character itself, rather than on any information it provides about source or identification. When an easily identifiable character, or its elements, appears in unauthorized form, courts readily find infringement, with little inquiry, and assume the existence of likely confusion whenever a defendant exploits a market demand created by the plaintiff.").

180. See, e.g., *Sony Pictures Entm't v. Fireworks Entm't Grp.*, 137 F. Supp. 2d 1177 (C.D. Cal. 2001) (denying preliminary injunction on ground that claimant had inadequately defined a protectable mark in the name or character of Zorro), *vacated*, No. 01-00723 (ABC) (JWJx), 2002 U.S. Dist. LEXIS 28457 (Nov. 5, 2002); *Sony Pictures Entm't v. Fireworks Entm't Grp.*, 156 F. Supp. 2d 1148 (C.D. Cal. 2001) (same), *vacated*, No. 01-00723 (ABC) (JWJx), 2002 U.S. Dist. LEXIS 28457 (Nov. 5, 2002); *Conan Props., Inc. v. Mattel, Inc.*, 712 F. Supp. 353 (S.D.N.Y. 1989) (noting that plaintiff had failed to establish secondary meaning in character of Conan the Barbarian); *Frederick Warne & Co. v. Book Sales, Inc.*, 481 F. Supp. 1191 (S.D.N.Y. 1979) (holding that genuine issue of material fact existed regarding whether character of Peter Rabbit had acquired secondary meaning as source identifier).

181. 578 F. Supp. 911, 913-14 (S.D.N.Y. 1983).

182. See *id.* at 923-26.

183. *Id.*

184. See *id.*

185. See *id.*

defendant copied several illustrations to create his own book about Peter Rabbit.<sup>186</sup> The court found no trademark infringement because the illustrations—while undoubtedly associated with the Peter Rabbit books—could equally indicate either the book's author or its publisher as a source.<sup>187</sup>

For Sherlock Holmes and other oft-adapted characters, the situation is similar. Courts have not addressed the secondary meaning question directly with regard to Sherlock Holmes, but the very existence of the *Pannonia Farms* and *Klinger* cases demonstrates that many different entities have used, and will continue to use, the names and characters of Holmes and Watson without permission from anyone.<sup>188</sup> Holmes has appeared in scores of adaptations, including several different wide-release versions of Holmes in the last few years alone. And over time, there have been far more unauthorized uses of Sherlock Holmes than there have been authorized ones. Readers started creating fan fiction and mock-scholarly commentary on the Holmes canon even before Arthur Conan Doyle finished writing Holmes stories, and Internet fan fiction archives alone contain over 100,000 fanworks relating to Sherlock Holmes.<sup>189</sup> How would consumers know whether a new Holmes was associated with any of those sources as opposed to the CDE, Ms. Plunket, a publisher, a film producer, or some other entity? The term "Sherlock Holmes" surely describes a product—a work featuring the fictional detective—but it does not indicate any particular source for that product. Holmes is therefore more like King Kong and Peter Rabbit

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186. 481 F. Supp. 1191, 1193 (S.D.N.Y. 1979).

187. *Id.* at 1195.

188. See *supra* text accompanying notes 89–92. But see *Fleischer Studios Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958, 967 (9th Cir. 2011) ("[T]he mere fact of fractured ownership is not, by itself, conclusive evidence of a lack of secondary meaning.").

189. This number may represent some duplicates, but the number is growing steadily. See listings in *Fandoms>Books & Literature*, ARCHIVE OUR OWN, [http://archiveofourown.org/media/Books%20\\*a\\*%20Literature/fandoms](http://archiveofourown.org/media/Books%20*a*%20Literature/fandoms) (last visited Nov. 11, 2014), archived at <http://perma.cc/C56W-VUQ2> (listing 2,453 works in the fandom "Sherlock Holmes – Arthur Conan Doyle" and 69,557 in the fandom "Sherlock Holmes & Related Fandoms"); listings under *Fanfiction*, FAN FICTION, <https://www.fanfiction.net> (last visited Nov. 11, 2014), archived at <http://perma.cc/385P-RAAD> (listing 3,700 works in the fandom "Books>Sherlock Holmes," 2,000 works in the fandom "Movies>Sherlock Holmes," and 50,100 works in the fandom "TV Shows>Sherlock"); Rosenblatt, *supra* note 38, at 36 (identifying only 40,000 works roughly a year earlier); Mollie E. Nolan, *Search for Original Expression: Fan Fiction and the Fair Use Defense*, 30 S. ILL. U. L.J. 533, 549 (2006) (noting that Holmes fans were early writers of fanworks).

than like spokescharacters.

The single-source requirement thus protects the public domain by limiting rights holders' ability to claim that frequently-adapted characters act as marks. Nevertheless, some litigants have successfully argued that literary characters—or at least their names—are capable of acting as brands that identify the literary author (or its estate) as the source of a particular work. For example, when filmmakers used an abbreviated version of the name "Tarzan" in the title of the (X-rated) movie *Tarz & Jane & Boy & Cheeta*, a court held it was both likely to confuse viewers into believing that the film was provided or authorized by Edgar Rice Burroughs's estate, and likely to dilute the estate's TARZAN mark.<sup>190</sup> The court held that even a disclaimer would not sufficiently diminish the likelihood of confusion regarding whether the defendants' film was authored or sponsored by Burroughs.<sup>191</sup> Similarly, in *Danjaq LLC v. Sony Corp.*, a district court granted an injunction to halt Sony's plan to make a series of James Bond films, finding that Sony's use of the name "James Bond," in any capacity, would likely result in trademark dilution.<sup>192</sup>

Rights holders (or rights seekers) may also seek to circumvent the single-source requirement by demanding licenses and actively promoting themselves as the sole "authorizers" of works. The CDE has taken this approach, demanding licenses from adapters and compiling a list of

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190. *Edgar Rice Burroughs, Inc. v. Manns Theatres*, No. 76-3612-RMT, 1976 WL 20994, at \*3 (C.D. Cal. Dec. 20, 1976) (order granting preliminary injunction).

191. *Id.* at \*4.

192. 49 U.S.P.Q.2d 1341, 1343–44, 1348 (C.D. Cal. 1998) (granting injunction to halt Sony's plan to make a series of James Bond movies brought on behalf of assignee of all United States film and television rights in the James Bond character, finding a likelihood that Sony's use of the mark in any capacity would result in dilution by blurring); *see also* *Prouty v. Nat'l Broad. Co.*, 26 F. Supp. 265, 265–66 (D. Mass. 1939) (enjoining the use of the character Stella Dallas in skits created by NBC on a theory of unfair competition); *Chaplin v. Amador*, 269 P. 544, 546 (Cal. Ct. App. 1928) (enjoining actor from imitating Charlie Chaplin's famous eponymous character in deceptive manner). Although the Lanham Act's anti-dilution provision, 28 U.S.C. § 43(c) (2012), expressly excludes claims of dilution based on parodic references to famous marks, the *Burroughs* and *Danjaq* cases demonstrate that dilution remains a risk for adapters wishing to use character names in promoting their adaptations. Based on these cases, although dilution law purports to create a safe harbor for expressive uses, adapters may fairly fear that any use of a famous character's name in an expressive work could be held to constitute trademark dilution—assuming, as adapters inevitably will, that they plan to make public (i.e., promote) the presence of the character in their expressive works.



licensees in an effort to establish that it possesses secondary meaning in the "Sherlock Holmes" mark.<sup>193</sup> That strategy exploits a possible synergy between copyright and trademark law, whereby copyright holders' *de jure* temporary exclusivity over commercial adaptations of a character could perpetuate secondary meaning, and with it *de facto* permanent trademark rights in the character.<sup>194</sup> Because consumers may mistakenly believe that the CDE owns broad copyrights in the character of Sherlock Holmes, they may also believe that any adaptation *must* be authorized by the CDE.<sup>195</sup> Since every non-fair use of a copyrightable character would have to be approved during the copyright period, this would mean that every legally authorized appearance of the character was approved by a single source and that the character could therefore be understood as a source identifier. Taken to its logical extreme, this would mean that every copyrighted character would *automatically* be subject to potentially eternal trademark protection even after the expiration of copyright.

Courts have addressed this synergistic problem in the industrial design context, holding that as a general matter, rights holders should not be able to use one branch of intellectual property law to extend exclusivity when another branch has expired. For example, Nabisco could not rely on trademark law to maintain the exclusive rights over pillow-shaped shredded wheat when its patent expired, even though the patent had made Nabisco the only source of pillow-shaped shredded wheat, thus generating a certain sort of secondary meaning in the shape.<sup>196</sup>

The same principle should apply to secondary meaning borne of copyright exclusivity. Scholars have suggested that this is the inevitable conclusion of the Supreme Court's ruling in *Dastar Corp. v. Twentieth Century Fox Film Corp.* and the Ninth Circuit Court of Appeals' ruling in *Comedy III Productions, Inc. v. New Line Cinema*.<sup>197</sup> Both cases imply that

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193. See Affidavit of Jon Lellenberg, *supra* note 24, at 2.

194. See *infra* Part III.C.

195. See Kurtz, *Methuselah*, *supra* note 20, at 443, 450–51 (noting possibility).

196. *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111, 119–120 (1938).

197. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 38 (2003); *Comedy III Prods., Inc. v. New Line Cinema*, 200 F.3d 593 (9th Cir. 2000); see McKenna, *supra* note 20. *Dastar* and *Comedy III* hearken back to much earlier articulations of the principle that trademark should not tread in copyright's footsteps. See also *Atlas Mfg. Co. v. Street & Smith*, 204 F. 398, 402–03 (8th Cir.

copyright holders cannot rely on trademark law to perpetuate protection after the expiration of copyright, and *Comedy III* articulates the principle quite clearly, explaining that trademark law “cannot be used to circumvent copyright law. If material covered by copyright law has passed into the public domain, it cannot then be protected by [trademark law] without rendering the Copyright Act a nullity.”<sup>198</sup>

But although the cases clearly articulate a policy reason why a formerly copyrighted literary character or its name should not act as a mark,<sup>199</sup> neither case rules directly on the question. *Dastar* held that one company could re-package formerly copyrighted content and sell it without crediting the original copyright owner, but the court did not directly address whether the formerly copyrighted videos could themselves act as marks.<sup>200</sup> Thus, while the case proceeded under a passing-off theory, it was really concerned with the distributor’s representation of itself as the “producer” of its videos.<sup>201</sup> In other words, the *Dastar* holding provides no direct answer to whether “Sherlock Holmes” could function as a mark; only whether someone could pass themselves off as the creator of the first fifty Sherlock Holmes stories. *Comedy III* also sidesteps the question of whether formerly copyrighted material can act as a mark.<sup>202</sup> In that case, the court *presumed* that the motion picture clip in the case could not act as a mark because Comedy III could not prove that the clip had secondary meaning as a source identifier.<sup>203</sup> Thus, the court reasoned, trademark law did not bar the incorporation of the clip into a larger narrative.<sup>204</sup> The case therefore does not answer whether the formerly copyrighted character or name of Sherlock Holmes could act as a mark, only whether incorporating a phrase or storyline from the first fifty Sherlock Holmes stories into a narrative work would pose a trademark

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1913) (holding that publisher could not rely on trademark theory to enjoin distribution of a film featuring formerly-copyrighted detective “Nick Carter”; explaining that “[l]iterary property in a book cannot be protected by trade-mark, nor otherwise than by copyright.”) (citations omitted).

198. *Comedy III*, 200 F.3d at 595.

199. See McKenna, *supra* note 20.

200. See *Dastar*, 539 U.S. at 38.

201. See *id.*

202. See *Comedy III*, 200 F.3d at 595–96. Of course, *Comedy III* is only binding in the Ninth Circuit.

203. *Id.* at 595.

204. See *id.* at 595–96.

problem. The *Comedy III* court could logically have held that a formerly copyrighted character or its name cannot act as a mark in an expressive context—but it did not. In fact, the court distinguished *Burroughs*, in which the film *Tarz & Jane & Boy & Cheeta* infringed Burroughs's TARZAN mark, rather than overturning it.<sup>205</sup>

Therefore, while *Dastar* and *Comedy III* provide a convincing rationale for denying trademark protection to formerly copyrighted characters, neither case renders that result a foregone conclusion. Indeed, even in a post-*Dastar/Comedy III* world, a leading trademark treatise calls it “erroneous and a nonsequitur to state that merely because a picture is out of copyright, it is therefore ‘in the public domain’ and may be freely copied by anyone for any purpose. Such a picture may have achieved trademark significance by use as a symbol of origin by another.”<sup>206</sup> Trademark law therefore remains a powerful tool for claimants who wish to compel adapters to pay for the use of formerly copyrighted characters—even if those claimants have to interpret *Dastar* narrowly in order to make their threats. Entities like Ms. Plunket and the CDE insist that they own trademark rights in the Sherlock Holmes character and name,<sup>207</sup> and the law leaves just enough breathing room for them to make their claims,

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205. *Id.* at 596.

206. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 6:5 (4th ed. 2011).

207. See, e.g., U.S. Trademark Application Serial No. 86,126,503 (filed Nov. 22, 2013) (pending use-based application by CDE for mark SHERLOCK HOLMES for class of goods: “Organisation of exhibitions for cultural, educational, and entertainment purposes”); U.S. Trademark Application Serial No. 77,937,845 (filed Feb. 17, 2010) (pending/suspended ITU application by CDE for mark SHERLOCK HOLMES for class of goods: “Motion picture and television films featuring musical, dramatic, comedic and theatrical performance; prerecorded goods, namely prerecorded audio and video cassettes, compact discs, and digital versatile discs all featuring audio books and stories in the field of detective fiction, motion picture and television films, animated cartoons, radio programs, music, and games; downloadable electronic publications in the nature of e-zines and electronic books in the field of detective fiction”); U.S. Trademark Application Serial No. 77,937,813 (filed Feb. 17, 2010) (pending/suspended ITU application by CDE for mark SHERLOCK HOLMES for class of goods: “Printed matter, namely books, short stories, magazines, and newsletters in the field of detective fiction; photographs; story books”); John van der Luit-Drummond, *United Kingdom—The Game is Afoot in Sherlock Trademark Dispute*, WORLD TRADEMARK REV. (Jan. 16, 2014), <http://www.worldtrademarkreview.com/Blog/detail.aspx?g=645b6180-c549-4a61-8945-2a4239865fb2>, archived at <http://perma.cc/6ACU-CNPB> (regarding Plunket claims).

forcing adapters to consider the risks of resisting licensing.

Even if characters or their names may be protected by trademark law, however, the use-based dimension of the public domain may permit adapters to use those characters or names in certain ways. The following section explores this use-based aspect of the trademark public domain.

## 2. Trademark Fair Use and Related Defenses

The remaining boundaries of the trademark public domain relate not to whether a mark is protected, but to whether the use of a protected (or protectable) mark constitutes trademark infringement. Trademark fair use analyses are quite different from the copyright fair use analysis, but they all act to preserve public domain space for certain uses of protected information. Like copyright fair use, trademark fair use doctrines make room for uses that might be impractical or impossible to license, either because the transaction costs of licensing would be too high or because the trademark owner would be unlikely to approve of the use.<sup>208</sup>

As a general rule, trademark infringement occurs when someone uses a mark in a way that is likely to (1) confuse consumers into believing that the trademark holder is the source of the product or service or that the trademark holder sponsored or approved the use; or (2) dilute a famous mark by creating an association that harms the distinctiveness or reputation of the mark.<sup>209</sup> Trademark fair use doctrines create exceptions to these “likelihood of confusion” and “likelihood of dilution” principles: use of a trademark does not infringe if the use constitutes “classic” (descriptive) fair use, nominative fair use, or an artistically relevant and non-misleading exercise of the user’s First Amendment right to free speech.<sup>210</sup> Each of these defenses contains significant gaps and uncertainties, however, creating risk and uncertainty for adapters even if they eliminate liability.

First, the statutory doctrine of “classic” fair use permits the use of descriptive marks in a descriptive manner.<sup>211</sup> One might argue that the name “Sherlock Holmes” describes the

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208. See Gordon, *supra* note 144, at 1613–14.

209. See 15 U.S.C. § 1125(a), (c) (2012).

210. *Id.* § 1115(b)(4).

211. *Id.*

character Sherlock Holmes just as shoes might be described as feeling “like a sneaker” despite Easy Spirit’s “feels like a sneaker” motto.<sup>212</sup> But for the same reason, the descriptive fair use defense would apply more readily to a story’s description of a particularly clever character as being “a real Sherlock Holmes” than it would to a story *about* Sherlock Holmes that identified the character by name. More problematically, the defense only applies to uses “otherwise than as a mark,” which means that identifying the character in the title of the work—that is, branding the work according to the character it contains—could render this defense unavailable.<sup>213</sup>

The common-law doctrine of “nominative fair use” is more applicable to adaptations. It permits the commercial use of a mark to describe a markholder’s good or service when three conditions are met: (1) the use refers to a product or service that is not readily identifiable without use of the trademark; (2) the user employs no more of the mark than is reasonably necessary to identify the product or service; and (3) the user does nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.<sup>214</sup> This doctrine permits, for example, stores to advertise what products they sell, and magazines to write news stories about branded products.<sup>215</sup> Thus, the doctrine of nominative fair use should immunize many expressive uses of marks. To the extent that the term “Sherlock Holmes” refers to a particular detective

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212. *United States Shoe Corp. v. Brown Grp., Inc.*, 740 F. Supp. 196, 197, 199–200 (S.D.N.Y. 1990), *aff’d*, 923 F.2d 844 (2d Cir. 1990); *see also* *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 114–16, 124 (2004) (holding that “classic” fair use permits a permanent makeup company to describe its service as using “microcolor” despite a competitor’s “Micro Colors” brand regardless of the potential that consumer confusion may result from the use).

213. 15 U.S.C. § 1115(b)(4) (2012). The issues of descriptiveness and use “as a mark” could also be blended to eliminate this defense. To the extent that the name “Sherlock Holmes” acts as a character’s brand rather than as a descriptor, use of the name anywhere in an adaptation (not just in the title) could be problematic. In *Films of Distinction, Inc. v. Allegro Film Prods., Inc.*, the court held that, by naming a fictional crime-focused television channel “the Crime Channel,” the makers of the film *Relative Fear* infringed the plaintiff’s “Crime Channel” mark. 12 F. Supp. 2d 1068 (C.D. Cal. 1998). The court rejected the defense of classic fair use on the ground that, by creating a fictitious brand, the creators of *Relative Fear* were not using the mark “otherwise than as a mark.” *Id.* at 1076. The court rejected the nominative fair use defense for the same reason. *Id.* at 1076–77.

214. *New Kids on the Block v. News Am. Publ’g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

215. *Id.* at 307–08.

and an adapter wishes to refer to that particular detective, the adapter's use of the detective's name would qualify for nominative fair use analysis.

Thus, on its surface, the nominative fair use doctrine provides "heads I win, tails you lose" protection for adapters: if the term "Sherlock Holmes" is not a trademark representing the source of the fictional detective, then use of the name cannot constitute trademark infringement; but if it is, then referring to the detective by name constitutes nominative fair use. However, in practice, the nominative fair use doctrine may do little to mollify adapters' risk or uncertainty. One reason for this is ambiguity in the law. The third prong (i.e., that the user may do nothing beyond use of the mark to imply sponsorship or endorsement by the markholder) may force courts to analyze the context in which the mark is placed.<sup>216</sup> Paradoxically, uses that portray the mark in a favorable light are less likely to qualify as fair uses than those that portray the mark in a negative light. This is because a positive use is one that the markholder would be more likely to endorse, while the markholder would be less likely to endorse a negative use.<sup>217</sup> While this interpretation distorts the purpose of the nominative fair use doctrine (i.e., to give people the freedom to discuss branded products) it is relatively untested,<sup>218</sup> and thus may chill expression. This uncertainty is particularly problematic since the nominative fair use analysis shifts the burden of proof from the markholder, who ordinarily must prove that a likelihood of confusion exists, to the content creator, who must prove that his or her use does not likely violate the third prong of the test.<sup>219</sup> This makes it more

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216. See *id.* at 308–09 (examining context of use in analyzing third factor and determining that uses that cast mark in negative light did not imply sponsorship or endorsement).

217. See *id.*

218. Cases that have applied the nominative fair use doctrine to expressive uses of marks have generally addressed situations in which the markholder's brand was depicted in an unfavorable light. In *Wham-O, Inc. v. Paramount Pictures, Corp.*, 286 F. Supp. 2d 1254, 1255–57, 1263–64 (N.D. Cal. 2003), the film *Dickie Roberts: Former Child Star* depicted the main character misusing the Slip-n-Slide and injuring himself; in *Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 796, 810–12 (9th Cir. 2003), the work at issue was critical of the ideal of vapid beauty the artist saw embodied by the Barbie doll; in *Mattel, Inc. v. MCA Records*, 296 F.3d 894, 901 (9th Cir. 2002), the song "Barbie Girl" depicted Barbie as flighty and promiscuous.

219. See *E.S.S. Entm't 2000, Inc. v. Rock Star Videos, Inc.*, 444 F. Supp. 2d 1012, 1029 (C.D. Cal. 2006) (noting that nominative fair use concept of suggesting

difficult for adapters to escape litigation at an early stage and therefore presumably discourages adapters' and their publishers', distributors', and insurance carriers' willingness to bank on the doctrine when assessing the risk associated with investing in a new adaptation.

Finally, in the case of *Rogers v. Grimaldi*, the Second Circuit Court of Appeals considered the interplay between trademarks and the First Amendment, and held that the use of a mark in an expressive work, particularly in the title, triggers a First Amendment analysis if the use is (1) artistically relevant to the expression of the work and (2) not explicitly misleading as to the source of the work.<sup>220</sup> In such cases, courts balance the value of free expression against the likelihood of confusion.<sup>221</sup> If the likelihood of confusion is not "particularly compelling," such uses will not infringe.<sup>222</sup> Surely, there can be no question that the use of the character or words "Sherlock Holmes" to tell a story about the cultural icon Sherlock Holmes is artistically relevant. And barring a statement that the work originated with, or is sponsored or approved by, a particular markholder (such as the CDE), it is hard to imagine how such a use could be explicitly misleading. *Rogers* could therefore provide a sort of qualified immunity for adapters of characters in the copyright public domain, *regardless* of whether those characters or their names could be protected by trademark law. Thus, under current law, the *Hopkins* and *Gillette* cases discussed above, in which courts entertained quasi-trademark claims among producers of works titled "Sherlock Holmes," would likely come out differently.<sup>223</sup>

But even this relatively liberal rule carries risk for adapters. First, *Rogers* is binding precedent only in the Second Circuit. Although most other circuits have adopted its balancing test, or one similar to it,<sup>224</sup> some circuit courts have

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sponsorship can merge into likelihood of confusion, which shifts the burden to defendants) (citation omitted); *see also* McGeveran, *supra* note 155, at 90–92 (discussing burden-shifting effect and other flaws in nominative fair use test).

220. 875 F.2d 994, 999, 1004–05 (2d Cir. 1989).

221. *See id.* at 999.

222. *Twin Peaks Prods. v. Publ'ns Int'l, Ltd.*, 996 F.2d 1366, 1379 (2d Cir. 1993).

223. *See supra* notes 164–72 and accompanying text.

224. The Second, Fifth, Sixth, and Ninth Circuits have adopted the *Rogers* test. *See, e.g.*, *Parks v. LaFace Records*, 329 F.3d 437, 451–52 (6th Cir. 2003); *Mattel, Inc. v. MCA Records*, 296 F.3d 894, 902 (9th Cir. 2002); *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 664–65 (5th Cir. 2000) (adopting *Rogers*

refused to apply the test and others have interpreted it narrowly, holding that it may not apply to uses other than those in the *titles* of expressive works.<sup>225</sup> More problematically, the *Rogers* test does not create an automatic First Amendment defense to trademark infringement. Rather, *Rogers* provides only a balancing test that weighs likelihood of confusion against the First Amendment interest in free expression and provides that a “particularly compelling” likelihood of confusion may trump First Amendment interests even for uses that are artistically relevant and not explicitly misleading.<sup>226</sup> Thus, *Rogers* does not provide adapters with certainty or affordability, leading a number of scholars to criticize the test as unduly speech-chilling.<sup>227</sup> In fact, the test virtually

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standard with proviso that infringement will still be found if likelihood of confusion is “particularly compelling”); *Rogers*, 875 F.2d at 999.

225. The Third Circuit has expressly declined to decide whether to adopt the *Rogers* test. See *Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007, 1018 (3d Cir. 2008). The question remains unsettled in other circuits. See, e.g., *American Dairy Queen Corp. v. New Line Prods.*, 35 F. Supp. 2d 727, 733–35 (D. Minn. 1998) (relying on “alternative avenues” test but referring to *Rogers* in discussion). Circuits that have adopted the test in some contexts have not uniformly applied the rule to all First Amendment claims. Compare *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1403–06 (9th Cir. 1997) (relying on pre-*Rogers* cases to reject a First Amendment defense to trademark infringement regarding a book about O.J. Simpson styled after *The Cat in the Hat*), and *Tri-Star Pictures, Inc. v. Leisure Time Prods., B.V.*, 749 F. Supp. 1243, 1252–53 (S.D.N.Y. 1990) (noting that *Rogers* does not apply to “confusingly similar titles” and holding that *Rogers* does not protect film *Return from the River Kwai* from claim by producers of *Bridge on the River Kwai*), with *Anheuser-Busch, Inc. v. Balducci Publ’ns*, 28 F.3d 769, 776 (8th Cir. 1994) (holding that First Amendment does not protect use of mark in parodic context when use was likely to confuse and the “confusion [as opposed to the *use of the mark*] is wholly unnecessary to [the alleged infringer’s] stated purpose”) (emphasis added), and *Cardtoons, L.C. v. Major League Baseball Players Ass’n*, 95 F.3d 959, 970, 976 (10th Cir. 1996) (suggesting the “likelihood of confusion” test “serve[s] to avoid First Amendment concerns” for trademark parodies by holding that the First Amendment trumps likelihood of confusion regarding parody baseball cards without applying the *Rogers* standard).

226. *Rogers*, 875 F.2d at 999 (“We believe that in general the Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.”). The Second Circuit adopted the “particularly compelling” formulation in *Twin Peaks*, 996 F.2d at 1379. The Fifth Circuit, and district courts in the Ninth, have followed suit. See, e.g., *Westchester Media*, 214 F.3d at 664–65 (5th Cir. 2000); *Toho Co. v. William Morrow & Co.*, 33 F. Supp. 2d 1206, 1212–13 (C.D. Cal. 1998) (rejecting First Amendment defense based in part on holding that likelihood of confusion regarding “Godzilla” title was particularly compelling); *No Fear, Inc. v. Imagine Films, Inc.*, 930 F. Supp. 1381, 1383–84 (C.D. Cal. 1995) (adopting *Rogers* test, including “particularly compelling” approach).

227. See, e.g., Rosenblatt, *supra* note 155, at 1041–42; Mark A. Lemley & Mark McKenna, *Irrelevant Confusion*, 62 STAN. L. REV. 413, 441–43 (2010).



guarantees that, if an adapter refuses to capitulate to a trademark demand, the adapter can expect fact-intensive, costly litigation.

As a matter of law, trademark defenses afford significant freedoms to adapters. As a practical matter, however, trademark defenses may do little to allay the chilling effect of risk aversion and uncertainty aversion on adapters and their publishers and distributors, and may even exacerbate it.<sup>228</sup> The following Part discusses these informal, yet powerful, influences on the public domain.

## II. UNCERTAINTY, RISK, AND THE SHRINKING OF THE PUBLIC DOMAIN

While the law explicitly carves out a public domain in literary characters through protectability limitations and infringement defenses, it remains fraught with risk and uncertainty for adapters. Adapters cannot easily know in advance whether a particular character is protected by copyright or trademark law, when any copyright protection expires, or whether a particular adaptive use of the character would constitute fair use or a noninfringing exercise of the adapter's First Amendment right of free expression. But they *can* know that they may face expensive litigation with potentially severe consequences. In addition, I contend, the law creates incentives for both rights holders and those without rights to assert claims, which further constricts the public domain. The risk aversion and uncertainty aversion of adapters' representatives, coupled with the consumer-driven nature of trademark protection, creates a "feedback loop" of rights assertion, capitulation, and rights accretion that promotes the gradual privatization of the public domain and threatens the scope of the cultural commons. I contend that this feedback loop is influenced by three forces working in tandem: doctrinal uncertainty, uncertain intellectual property ownership, and risk imbalances that create an incentive for rights holders to over assert their rights. The following sections discuss each in turn.

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228. See McGeveran, *supra* note 155, at 110–11 (arguing that overlapping and ill-defined trademark fair-use exceptions have made it difficult for attorneys to provide confident trademark fair-use advice, and have tended to exacerbate risk aversion).

### A. Doctrinal Uncertainty and Risk Imbalance

Both risk and uncertainty influence decisions, and often people tend to try to avoid both.<sup>229</sup> Risk-averse people avoid behaviors that present known odds of a terrible loss, and uncertainty-averse people avoid behaviors for which the likelihoods of success or failure are unknown.<sup>230</sup> These operate independently of each other, although they may work synergistically: risk aversion may become more severe when odds are unknown, and uncertainty aversion may become more severe as possible consequences become more severe.<sup>231</sup>

There is a well-documented relationship between legal uncertainty, risk imbalance, and the privatization of the public domain.<sup>232</sup> The blurry edges of copyright and trademark protectability doctrines and the flexibility of use-based exceptions not only open the door to fact-intensive and uncertain protection and infringement analyses, but also leave room for both rights holders and adapters to overestimate the scope of protection and underestimate the reach of fair use

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229. S.L. HURLEY, *NATURAL REASONS: PERSONALITY AND POLITY* 374 (1989) (a “general preference to act on more information rather than less, on known risks rather than under uncertainty, is widespread and dependable”).

230. See Mark Moller, *Procedure’s Ambiguity*, 86 IND. L.J. 645, 708 (2011) (defining risk aversion and uncertainty aversion); Colin Camerer & Martin Weber, *Recent Developments in Modelling Preferences: Uncertainty and Ambiguity*, 5 J. RISK & UNCERTAINTY 325, 333–34 & tbl.3 (1992) (summarizing a number of studies); see also Ming Hsu et al., *Neural Systems Responding to Degrees of Uncertainty in Human Decision-Making*, 310 SCI. 1680, 1680 (2005) (finding neurological evidence of ambiguity aversion).

231. See, e.g., Daniel A. Farber, *Uncertainty*, 99 GEO. L.J. 901, 901 (2011) (“Uncertainty is particularly pernicious in situations in which catastrophic outcomes are possible, but conventional decision tools are not equipped to cope with these potentially disastrous results.”).

232. See, e.g., Ben Depoorter & Robert Kirk Walker, *Copyright False Positives*, 89 NOTRE DAME L. REV. 319, 341 (2013) (explaining that legal uncertainty promotes overzealous claims by putative rights holders, which “take on the appearance of legitimacy in a way roughly analogous to an unauthorized tenant accruing rights through adverse possession . . . [and] reduce the amount of material that is *per se* available for use by others for expressive purposes. This chilling effect is especially strong for forms of creative expression, such as parody, which rely on imitation and copying for their efficacy.”); David Fagundes, *Crystals in the Public Domain*, 50 B.C. L. REV. 139, 195 (2009) (noting that a “property-like approach to constructing boundaries around information . . . may provide the best bulwark against excessive privatization of ideas and inventions,” and asserting that clearer boundaries would discourage line-testing threats and overreaching); Rosenblatt, *supra* note 155, at 1041–42; James Gibson, *Risk Aversion and Rights Accretion in Intellectual Property Law*, 116 YALE L.J. 882, 907 (2007).

doctrines. Risk-averse and uncertainty-averse adapters, fearful of challenges from overreaching claimants, may seek permission to use “grey area” materials and uses for which the law would not require permission, or may simply refrain from such uses, believing permission to be too costly. These adapters’ uncertainty and risk aversion thus effectively moves materials from the “legally safe to use” public domain into the “practically off-limits” zone.<sup>233</sup>

Legal uncertainty need not automatically impinge upon the public domain.<sup>234</sup> It could, in theory, expand it: adapters might be tempted to push the boundaries of the public domain, electing to ask for forgiveness rather than permission. But when paired with aggressive enforcement, uncertainty permits risk aversion to creep in, and provides incentives for rights holders to overclaim.<sup>235</sup> Compounding the problem is the fact that people have varying responses to risk and uncertainty: brazen and/or privileged adapters may push the boundaries of what is permitted, while meek and/or poorly-funded adapters are more likely to refrain from creating as a result of fear, shame, or the belief that they are priced out of creating.<sup>236</sup> This means that uncertainty and risk aversion not only shrink the public domain, but also have a disproportionately harsh impact on those with the least power and fewest resources. This is inconsistent with the public domain’s objective of permitting diversity in expression.<sup>237</sup>

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233. This, in turn, may move the boundaries of formal law. As Depoorter & Walker explain, the existence of unnecessary licensing markets not only burdens adapters who pay, but also shortens the reach of copyright fair use based on the fair use doctrine’s “market harm” factor. Depoorter & Walker, *supra* note 231, at 341.

234. See David Welkowitz, *The Virtues and Vices of Clarity in Trademark Law*, 81 TENN. L. REV. 145, 146–48, 178–80 (noting that trademark clarity is not always preferable to flexibility, but identifying expressive uses as an instance calling for greater legal predictability).

235. For a more extensive discussion of the relationship between uncertainty and over enforcement of copyright, see generally Depoorter & Walker, *supra* note 231; Chris Guthrie, *Framing Frivolous Litigation: A Psychological Theory*, 67 U. CHI. L. REV. 163 (2000) (developing a theory of frivolous litigation based on prospect theory’s prediction that defendants will be risk averse with respect to low probability losses, while plaintiffs will be risk preferring in the same context).

236. See Depoorter & Walker, *supra* note 231, at 340–44 (discussing the tendency of copyright “false positives” to obstruct creative expression and legitimate noninfringing uses); Elizabeth L. Rosenblatt, *Fear and Loathing: Shame, Shaming, and Intellectual Property*, 63 DEPAUL L. REV. 1 (2014) (discussing relationship between shame and intellectual property compliance).

237. See *supra* Part I.

Constriction of the public domain is the nearly inevitable result of risk imbalance.<sup>238</sup> It is cheap and easy for putative rights holders to assert claims, but expensive and risky for adapters and their representatives to resist them. For an adapter-defendant, mounting even the most meritorious defense is costly,<sup>239</sup> there are no guarantees of success, and there is no way to end an ongoing lawsuit other than giving the putative rights holder what it wants. In addition, a finding of copyright infringement compels either statutory or compensatory damages, and may even result in an injunction.<sup>240</sup> In trademark law, where preliminary and permanent injunctions are common remedies for infringement,<sup>241</sup> solid defenses that render a finding of infringement unlikely may not outweigh the existential threat to the adapter's work. The Digital Millennium Copyright Act (DMCA) can pose similarly existential risks for adaptations distributed online because putative rights holders can use its procedures to remove works from online distributors even without having to establish the strength of their legal claims.<sup>242</sup> In contrast, a claimant bears only the amount of risk it is willing to undertake: once it issues a nearly zero-cost threat or take-down notice, it can elect to walk away at any time, and if it pursues a claim further and loses, it has lost only its litigation expenses. Thus, rights holders have every incentive to overreach, and adapters and their representatives have every incentive to acquiesce.

This problem is compounded by the fact that adapters themselves are seldom the sole decision-makers regarding the

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238. See Depoorter & Walker, *supra* note 231, at 338 (discussing relationship between litigation cost and rent-seeking behavior by rights holders).

239. See William McGeeveran, *Four Free Speech Goals for Trademark Law*, 18 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1205, 1220–22 (2008) (discussing expense of defending litigation).

240. See 17 U.S.C. § 504 (2012); *Salinger v. Colting*, 607 F.3d 68, 71–72 (2d Cir. 2010) (remanding case and noting that plaintiff would likely be eligible for an injunction upon remand). *Salinger v. Colting* ultimately resulted in a permanent injunction by consent. See Docket, *Salinger v. John Doe et al.*, 1:09-CV-05095 (S.D.N.Y. Dec. 14, 2010).

241. See *Century 21 Real Estate Corp. v. Sandlin*, 846 F.2d 1175, 1180 (9th Cir. 1988) (noting injunction is “the remedy of choice for trademark” cases).

242. See 17 U.S.C. § 512 (providing a safe harbor for online service providers that remove allegedly infringing material upon notice of alleged infringement); see also Complaint for Declaratory Judgment at 12–13, *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879 (N.D. Ill. 2013) (No. 1:13-cv-01226) (describing CDE's threat to have works removed from online retailers under DMCA).

feasibility and content of a commercial adaptation. Publishers, distributors, and insurance carriers often require adapters to warrant that they have all necessary rights and are unwilling to back works that lack such guarantees.<sup>243</sup> The *Klinger v. CDE* case demonstrates how both acquiescence and refusal to publish by these representatives can constrict the public domain.<sup>244</sup> Klinger and King edited a volume of original short stories by contemporary authors, inspired by the Holmes canon, entitled *A Study in Sherlock*.<sup>245</sup> As Random House prepared to publish the volume, the CDE demanded a license for it, even though its contents were based exclusively on the fifty public-domain Holmes stories.<sup>246</sup> Although Klinger and King believed the law did not require them to obtain a license, Random House obtained one—presumably, preferring to pay a fee rather than litigate or lose whatever costs it had already sunk into the volume.<sup>247</sup> Random House's decision to obtain a license for material that was legally unencumbered not only represented a straightforward constriction on the public domain, but also, as discussed below, has been used by the CDE as evidence of trademark secondary meaning.<sup>248</sup> When Klinger and King edited a second volume, their new publisher, Pegasus Books, received a similar threat from the CDE, but instead of acquiescing, Pegasus simply refused to publish the book.<sup>249</sup> Such refusals to publish represent a different, but equally expression-chilling, constriction of the public domain.

Thus, doctrinal uncertainty and risk imbalance conspire to constrict the public domain. But doctrinal uncertainty is not the only form of uncertainty adapters face: they also must consider the possibility of claims from multiple, sometimes

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243. See Marjorie Heins & Tricia Beckles, *Will Fair Use Survive? Free Expression in the Age of Copyright Control*, BRENNAN CTR. FOR JUST. 5 (2005), <http://www.fepproject.org/policyreports/WillFairUseSurvive.pdf>, archived at <http://perma.cc/PS3B-CLN3> (stating errors and omissions insurance carriers demand "permission for every snippet of film, photographs, music, or text that is used, in addition to shots of distinctive buildings or products," even when no cause of action would exist).

244. See *Klinger v. Conan Doyle Estate, Ltd.*, 755 F.3d 496, 497–98 (7th Cir. 2014).

245. *Id.*

246. See *id.*

247. See *Klinger v. Conan Doyle Estate, Ltd.*, 988 F. Supp. 2d 879, 883 (N.D. Ill. 2013).

248. See *infra* Part II.C.

249. *Klinger*, 755 F.3d at 498.

conflicting, rights holders.

### *B. Uncertain Ownership*

Even an adapter who believes he or she has obtained copyright and trademark permissions may be blind-sided by an unanticipated claimant. This compounds the challenge, discussed above, that adapters face in representing and warranting to publishers, distributors, and insurance carriers that they have obtained all necessary rights. Because of the irreducible risk that unidentifiable claimants may emerge from the woodwork, the risk of uncertain intellectual property ownership may be enough to scuttle adaptation projects.

Alternatively, adapters (or their representatives) may feel pressure to obtain licenses from multiple sources, even those with questionable ownership rights. As discussed above, paying for a license is surely less expensive, and likely less risky, than litigating a dispute. But the “just pay everyone” approach is no solution. First, it may not be possible to pay everyone since potential claimants may not be readily identifiable. And second, even if claimants are identifiable, paying everyone is only possible for adapters who have ample funds. Less well-funded adapters are left with a difficult choice: pay multiple entities what may be a prohibitively high price or face the risk and uncertainty of litigation.

Furthermore, obtaining a license also requires sacrificing a certain degree of creative control. Putative rights holders may want to influence the way “their” character is portrayed. Putative trademark holders may even feel they *need* to incorporate creative control into trademark licenses because permitting someone to use your trademark without exerting any quality control over that use—a practice known as “naked licensing”—undermines trademark validity.<sup>250</sup> Even the entertainment powerhouse Warner Brothers purportedly relinquished some creative control of their Sherlock Holmes

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250. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 18:48, at 18–79 (4th ed. 2001) (“Uncontrolled or ‘naked’ licensing may result in the trademark ceasing to function as a symbol of quality and controlled source.”); *Moore Bus. Forms, Inc. v. Ryu*, 960 F.2d 486, 489 (5th Cir. 1992) (stating that where a licensor fails to exercise adequate quality control over the licensee, “a court may find that the trademark owner has abandoned the trademark, in which case the owner would be estopped from asserting rights to the trademark.”).

character to Ms. Plunket,<sup>251</sup> who in 2010 conspicuously threatened to “withdraw permission for more [Warner Brothers] films to be made” if those films contained gay subtext regarding Holmes.<sup>252</sup> “Paying everyone,” then, is only an option for those who are willing and able to bear whatever licensing conditions the rights holders may demand.

Finally, even if it were feasible and agreeable for all, the “pay everyone” approach would still constrict the public domain by increasing transaction costs and encouraging rent-seeking behavior. The following sections discuss the causes and effects of uncertain rights ownership, first in the copyright context, and then for trademarks.

### 1. Copyright

Under the Copyright Act, only a “legal or beneficial owner of an exclusive right under a copyright is entitled . . . to institute an action for any infringement of that particular right committed while he or she is the owner of it.”<sup>253</sup> Courts have interpreted this to mean that standing to sue for copyright infringement is limited to two types of claimants: (1) copyright owners, and (2) exclusive copyright licensees.<sup>254</sup> It should be straightforward, therefore, to know whether or not a copyright demand is coming from a bona fide copyright claimant. Yet tracing the title of copyright ownership can be extremely difficult.

Indeed, the disputed history of copyright ownership in Sherlock Holmes demonstrates the extent of this difficulty.<sup>255</sup> This much is known: after Sir Arthur Conan Doyle’s death, copyright in the Holmes canon transferred to Baskervilles Investments Ltd., an entity formed by the widow of Conan Doyle’s son, Denis.<sup>256</sup> When Baskervilles Investments Ltd. fell

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251. See Itzkoff, *supra* note 4.

252. Simpson, *supra* note 16.

253. 17 U.S.C. § 501(b) (2012).

254. See, e.g., *Eden Toys, Inc. v. Florelee Undergarment Co.*, 697 F.2d 27, 32 (2d Cir. 1982).

255. Compare THE OFFICIAL WEBSITE OF THE SIR ARTHUR CONAN DOYLE LITERARY ESTATE, <http://www.sherlockholmesonline.org/TheEstate/index.htm> (last visited Sept. 6, 2014), archived at <http://perma.cc/A26S-CNZL> (Ms. Plunket’s site) with CONAN DOYLE ESTATE LTD., <http://www.conandoyleestate.co.uk/index.php/copyright> (last visited Sept. 6, 2014), archived at <http://perma.cc/3EN3-R73N> (the CDE’s site).

256. See *Pannonia Farms, Inc. v. USA Cable*, No. 03 Civ. 7841(NRB), 2004 WL

into bankruptcy, Sheldon Reynolds purchased the rights from the receivership of the Royal Bank of Scotland.<sup>257</sup> From there, it gets complicated. The CDE traces its rights to a notice of termination of copyright transfer issued by Dame Jean Conan Doyle (the author's daughter) in 1981.<sup>258</sup> This termination (allegedly) reclaimed Dame Jean's interests in the copyright to the Holmes canon, and Dame Jean bequeathed these rights to the Royal National Institute of Blind People upon her death in 1997.<sup>259</sup> The Royal Institute then sold the rights to the CDE.<sup>260</sup>

But the story told by Andrea Plunket is quite different: she claims that Dame Jean Conan Doyle issued her termination notice in 1979, and that the notice was ineffective because it was not served on Andre Milos (who, she argues, owned some portion of the rights as of 1979).<sup>261</sup> Ms. Plunket alleges that she acquired the rights either by unrecorded assignment from an entity called Star Container Establishment, Ltd., or upon the intestate death of Sheldon Reynolds (after she and Mr. Reynolds were divorced).<sup>262</sup> Neither of these scenarios seems legally plausible. Indeed, in 2004, a court held that if Ms. Plunket's rights had ever existed, she relinquished them as part of her divorce from Mr. Reynolds and that it was therefore "objectively unreasonable" for her to assert her alleged rights.<sup>263</sup> So who owns the remaining sliver of copyright in the

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1276842, at \*2 (S.D.N.Y. June 8, 2004); *see also* Itzkoff, *supra* note 4.

257. *See* Plunket v. Doyle, No. 99 Civ. 11006(KMW), 2001 WL 175252, at \*1 (S.D.N.Y. Feb. 22, 2001); *see also* Itzkoff, *supra* note 4.

258. *See* Itzkoff, *supra* note 4.

259. *See id.*

260. *See* Affidavit of Jon Lellenberg, *supra* note 24, at 2; Plunket, 2001 WL 175252, at \*3 (describing a contract by Dame Jean's representative granting worldwide licensing rights for use of certain Sherlock Holmes characters in a Star Trek movie).

261. *See* Plunket, 2001 WL 175252, at \*2; *see also* THE OFFICIAL WEBSITE OF THE SIR ARTHUR CONAN DOYLE LITERARY ESTATE, *supra* note 255.

262. *See* Pannonia Farms, Inc. v. USA Cable, No. 03 Civ. 7841(NRB), 2004 WL 1276842, at \*3 (S.D.N.Y. June 8, 2004).

263. *Id.* at \*7; *see also* Pannonia Farms, Inc. v. USA Cable, No. 03 Civ. 7841(NRB), 2004 WL 1794504, at \*1, \*4 (S.D.N.Y. Aug. 10, 2004); Pannonia Farms, Inc. v. USA Cable, 426 F.3d 650 (2d Cir. 2005) (affirming); Pannonia Farms, Inc. v. Re/Max Int'l, 407 F. Supp. 2d 41, 46 (D.D.C. 2005) (again sanctioning Plunket for making "objectively unreasonable" claims based on the S.D.N.Y. case). That Ms. Plunket lost any rights as part of the 1990 settlement is consistent with a separate ruling by the Southern District of New York, which dismissed a 2001 suit directly between Ms. Plunket and the CDE for a variety of pleading deficiencies, including the fact that Ms. Plunket, as an administrator rather than owner of any rights, lacked standing to sue. *See* Plunket, 2001 WL 175252, at \*5, \*7.



Holmes canon? Andrea Plunket almost certainly does not. But it is not entirely clear that the CDE does either. A 1984 dispute that could have decided whether Dame Jean Conan Doyle's termination notice was effective ended instead in a finding that the court lacked personal jurisdiction over Dame Jean.<sup>264</sup> Considering Ms. Plunket's allegations that Dame Jean's termination was deficiently served, it is possible that the CDE owns no copyrights at all in the Holmes canon.

Notwithstanding this jumbled ownership situation, both the CDE and Ms. Plunket are vigorous in asserting their purported rights in Holmes. In fact, although the recent Warner Brothers Sherlock Holmes films have drawn almost entirely (if not entirely) on the fifty public domain stories, Warner Brothers reportedly paid *both* Ms. Plunket and the CDE to secure the "rights" for its films. Ms. Plunket reported that she was involved in making the film,<sup>265</sup> and Warner Brothers paid the CDE "the most lucrative single fee we've had to date on a project, with provisions for the same in the event of a sequel."<sup>266</sup>

In addition to the difficulty of determining who owns the copyright in a character's original iteration, adapters also must consider the possibility of copyright claims from earlier adapters, as discussed above.<sup>267</sup> This risk is both irreducible and unpredictable unless one knows *every* adaptation that exists, which is almost certainly impossible for a frequently-adapted character like Holmes. Moreover, the array of possible claimants may also include entities that claim rights in characters and their names under trademark law. The following section discusses the uncertainty and plurality of

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264. *Granada Television Int'l, Ltd. v. Lorindy Pictures Int'l, Inc.*, 606 F. Supp. 68, 73 (S.D.N.Y. 1984) (holding that New York court had no personal jurisdiction over Dame Jean Conan Doyle).

265. See Itzkoff, *supra* note 4 (describing Ms. Plunket's claimed involvement in the movie).

266. Applicant/Registrant's Sur-Reply in Response to Opposer/Petitioner's Motion for Oral Deposition of Justin Shulman, Conan Doyle Estate, Ltd. v. The Sherlock Holmes Memorabilia Co., U.S. Trademark Application Serial No. 77,237,410, exhibit 1 (T.T.A.B. 2009), available at <http://ttabvue.uspto.gov/ttabvue/v?qt=adv&procstatus=All&pno=91192738&propno=&qs=&propnameop=&propname=&pop=&pn=&pop2=&pn2=&cop=&cn=>, archived at <http://perma.cc/9VUL-HA8Y> (showing a May 3, 2009 e-mail from Jon Lellenberg, agent for the CDE, describing Warner Brothers' payment for a film starring Robert Downey, Jr., and adding that Warner Brothers "just paid us some more for a Sherlock Holmes 'Tom & Jerry' cartoon they're also making").

267. See *supra* Part I.A.3.

possible trademark ownership.

## 2. Trademark

Unlike copyrights, there may be many legitimate “owners” of any given trademark. Because a trademark exists only in connection with particular goods or services, multiple users may exercise concurrent rights over the same mark, but for different purposes.<sup>268</sup> In addition, as with copyrights, competing entities may vie for rights in the same mark for the same types of goods or services.

At least three entities claim to own, manage, and license trademark rights in Sherlock Holmes, and many more claim “Sherlock”-related marks. The CDE claims common law rights to the word mark “Sherlock Holmes” for books and short stories in the field of detective fiction.<sup>269</sup> Andrea Plunket claims competing trademark rights in “the characters created by Sir Arthur Conan Doyle” including Holmes and Watson.<sup>270</sup> Another entity called The Sherlock Holmes Memorabilia Company owns the domain name [www.sherlockholmes.com](http://www.sherlockholmes.com) and describes itself as “manag[ing] the primary Sherlock Holmes brand.”<sup>271</sup> Adding to the complexity, the Memorabilia

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268. Consider, for example, Delta for air transportation (DELTA, Registration No. 654,915) and Delta for faucets (DELTA, Registration No. 2583761) or Apple for computers (APPLE, Registration No. 1,078,312) and Apple for educational books (APPLE, Registration No. 1,221,667).

269. See Affidavit of Jon Lellenberg, *supra* note 24, at 2. The CDE has also filed applications indicating its intent to use the word mark “Sherlock Holmes” for many classes of goods, including various types of detective fiction. See U.S. Trademark Application Serial No. 77,937,863 (filed Feb. 17, 2010) (entertainment services, including motion pictures; television dramas; stage plays; radio plays; and electronic, computer, and video games); U.S. Trademark Application Serial No. 77,937,852 (filed Feb. 17, 2010) (games, puzzles, and action figures); Application No. 77,937,845 (filed Feb. 17, 2010) (motion pictures, television films, prerecorded goods, e-books, etc. in the field of detective fiction); U.S. Trademark Application Serial No. 77,937,813 (filed Feb. 17, 2010) (printed matter in the field of detective fiction).

270. See *The Sir Arthur Conan Doyle Literary Estate—Licensing*, SHERLOCK HOLMES ONLINE, <http://www.sherlockholmesonline.org/LicensingInfo/index.htm> (last visited Sept. 6, 2014), archived at <http://perma.cc/UA3T-KMK5> (describing Ms. Plunket as the administrator of the “Sir Arthur Conan Doyle Literary Estate,” which claims trademark rights).

271. The Memorabilia Company has filed intent-to-use applications for the word mark “Sherlock Holmes” for a number of classes of goods, including books about the character Sherlock Holmes, recordings and videos of Sherlock Holmes stories, streaming video, and entertainment services. U.S. Trademark Application Serial No. 78,461,204 (filed Aug. 3, 2004). The CDE has opposed this application

Company canceled a portion of its trademark registration after it was accused of being confusingly similar to marks owned by Hospitality USA, which owns Sherlock's Pub & Grill.<sup>272</sup> Many more trademark registrations and applications include the word Sherlock or obvious homonyms.<sup>273</sup> And since registration is not required for trademark ownership,<sup>274</sup> there are likely scores of other harder-to-find entities using "Sherlock Holmes" and its variants as marks. In addition, just as adapters may gain copyright protection for their original contributions to derivative works, they also may claim trademark rights in any distinctive, source-identifying features of their new works, as happened in the *Hopkins* and *Gillette* cases.<sup>275</sup> This compounds the difficulty faced by potential adapters in predicting the sources of trademark risk.

Trademark law presumes—and I will not challenge here—that it is reasonable to require anyone who wishes to select a brand for use in commerce to conduct a thorough search to ensure that its chosen mark is not confusingly similar to someone else's existing mark.<sup>276</sup> But is it reasonable to demand the same search from someone who wishes to make a new expressive work adapting a public domain character? For the adapter, the question is not *whether* someone else has used the name "Sherlock Holmes" in a comparable way (e.g., as a character in an expressive work). It is a foregone conclusion

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in the Trademark Trial and Appeal Board. Response to Suspension Inquiry or Letter of Suspension, U.S. Trademark Application Serial No. 78,461,204.

272. Response to Suspension Inquiry or Letter of Suspension, U.S. Trademark Application Serial No. 78,461,204. In addition, a company called Frogwares Ireland, Ltd. has successfully registered the word mark "Sherlock Holmes" for video games, although the registration has been suspended. See U.S. Trademark Application Serial No. 77,802,236 (filed Aug. 11, 2009).

273. These include "Sherloq" (SHERLOQ, Registration No. 4,471,710; intent-to-use registration for background checks and debt recovery); "EnergySherlock" (ENERGYSHERLOCK, Registration No. 4,163,915; use-based registration for energy audits); "Sherlock's" (SHERLOCK'S, Registration No. 4,201,713; use-based registration for live music performance); "Verras Sherlock" (VERRAS SHERLOCK, Registration No. 4,376,940; intent-to-use registration for hospital management consulting); and "Sherlock Gnomes" (SHERLOCK GNOMES, Registration No. 4,545,955; 44E registration for various types of games and toys).

274. Compare 15 U.S.C. § 1125(a) (2012) (articulating infringement standard for trademarks, whether registered or not), with 15 U.S.C. § 1114(1) (articulating infringement standard for registered trademarks).

275. See *supra* notes 163–72 and accompanying text.

276. See 15 U.S.C. §§ 1114(1), 1125(a) (providing for infringement liability regardless of intent or knowledge of mark).

that many have.<sup>277</sup> The question instead is *who* claims rights—and, more troublingly, what sorts of creative control those potential claimants might demand over an adaptation if they decided to assert their rights against the adapter.

In ordinary commerce, a competing markholder might demand that a competitor issue a disclaimer of non-association, or even change its mark. But in the expressive context, disclaimers are impractical,<sup>278</sup> and changing the mark would mean far more than changing the name or shape of a product—it would require not making an adaptation of Sherlock Holmes. Likewise, taking an “adapt first and ask questions later” approach requires sinking costs into a product that may later be enjoined—which, as discussed above, is unlikely to appeal to publishers, producers, distributors, and insurance companies.

One may argue that the sheer number of entities claiming rights in the character and his name, not to mention the name’s use in common parlance to mean “detective” or “clever person,” may make the term too widely used to act as a distinctive mark for anything. At the very least, the proliferation of claimants would narrow the potential scope of each markholder’s rights—a video game maker would have rights only as against competing video games, and a pub would have rights only as against competing pubs. But, although that is likely true as a legal matter, as a practical matter, more potential claimants also mean more potential threats, however weak or narrow they may be. These potential threats, and the irreducible risk of challenges by multiple claimants, add an additional layer of risk and uncertainty for adapters and compound the public-domain shrinking impact of risk imbalance.

Moreover, the structure of the law encourages trademark assertions—even doubtful ones—not only as a mechanism for extracting payment, but also for attempting to strengthen or create a mark. The following section discusses how overreaching by putative trademark holders harms the public domain.

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277. See notes 188–189 and accompanying text.

278. See Rosenblatt, *supra* note 155, at 1042; see also *Gilliam v. Am. Broad. Co.*, 538 F.2d 14, 25 (2d Cir. 1976) (“We are doubtful that a few words could erase the indelible impression that is made by a television broadcast . . . [and] a disclaimer . . . would go unnoticed by viewers who tuned into the broadcast a few minutes after it began.”).

*C. Incentive to Assert and the Feedback Loop*

Trademark over-assertion shrinks the public domain by triggering adapters' risk aversion, and putative trademark holders need not look far for excuses to over-assert their real or imagined rights. Because a mark's strength (and sometimes its very existence) depends partly on evidence of secondary meaning,<sup>279</sup> and because third-party acknowledgements of a putative markholder's rights can provide evidence of secondary meaning,<sup>280</sup> putative rights holders may seek to build their brands by granting third parties documented permission to use the claimant's "marks," whether or not such permission is actually required.

From a formal law standpoint, this is a dubious approach, at best. Courts recognize that third-party licenses do not necessarily constitute evidence of secondary meaning, particularly when the parties have entered into the license in order to resolve a dispute.<sup>281</sup> Nevertheless, some courts have held that licenses to third parties tend to represent acknowledgement of an association between the mark and the licensor.<sup>282</sup> This creates an incentive for putative markholders

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279. See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9–11 (2d Cir. 1976).

280. See, e.g., *GamerModz, LLC v. Golubev*, No. 8:10-cv-1466-T-27TGW, 2011 WL 4753535, at \*4 (M.D. Fla. Oct. 7, 2011) ("Although each separate piece of evidence offered by GamerModz may, standing alone, be insufficient to establish secondary meaning, when the *totality* of the evidence [is examined] . . . a genuine issue of material fact [existed as to secondary meaning].").

281. See *Sony Pictures Entm't. v. Fireworks Entm't. Grp.*, 137 F. Supp. 2d 1177, 1196 (C.D.Cal. 2001) ("Plaintiffs' argument that they have a trademark in Zorro because they licensed others to use Zorro, however, is specious. It assumes that ZPI had the right to demand licenses to use Zorro at all."); *Conan Props., Inc. v. Mattel, Inc.*, 712 F. Supp. 353, 362 (S.D.N.Y. 1989) (holding that licensing that "explicitly 'recognize[d] the great value of the goodwill associated with CONAN, and acknowledge[d] that . . . the name and trademark CONAN has a substantial secondary meaning in the mind of the public'" was insufficient to establish secondary meaning); *Mktg. Displays, Inc. v. Traffix Devices, Inc.*, 971 F. Supp. 262, 280 n.4 (E.D. Mich. 1997) ("This court, however, does not consider a license agreement with a third party, entered into in settlement of litigation, to be persuasive evidence of secondary meaning."); *In re Ennco Display Sys., Inc.*, 56 U.S.P.Q.2d (BNA) 1279 (T.T.A.B. 2000) (finding that the license was not evidence of secondary meaning because it was unclear "whether the parties entered into the license agreements in recognition of the acquired distinctiveness of applicant's product configurations, in view of applicant's patents on the configurations, or in order to settle litigation.").

282. See *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 78 (2d Cir. 1985) (establishing rule that "requests from third parties to license" mark may be

to assert claims against adapters in an attempt to settle them and possibly create a mark where none existed before.

The CDE has taken precisely this approach with a licensing business that it claims constitutes evidence of secondary meaning in the word mark “Sherlock Holmes.”<sup>283</sup> The CDE has submitted a declaration to the Trademark Trial and Appeal Board listing a series of licenses that, the CDE asserts, included a license for the use of the word mark “Sherlock Holmes.”<sup>284</sup> The same declaration also describes the CDE’s campaign to police the “Sherlock Holmes” mark.<sup>285</sup> The CDE no doubt hopes to create a “feedback loop” of rights accretion: by asserting and settling claims, the CDE obtains licenses that they hope will either strengthen their rights or create a public perception that such licenses are necessary, or both. Even if this strategy is ultimately ineffective in

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evidence of secondary meaning); *Bd. of Supervisors for La. State Univ. Agric. & Mech. Coll. v. Smack Apparel Co.*, 550 F.3d 465, 476–77 (5th Cir. 2008) (including licenses to third parties among considerations establishing secondary meaning for school colors); *Ricks v. BMEzine.com, LLC*, 727 F. Supp. 2d 936, 955 (D. Nev. 2010) (holding that the license to a third party constituted evidence of secondary meaning); *Maher & Maher, Inc. v. Unisonic Prods. Corp.*, 719 F. Supp. 161, 164 (S.D.N.Y. 1989) (“[A]greements permitting other producers to market” products embodying claimed trade dress constituted evidence of secondary meaning in trade dress).

283. Affidavit of Jon Lellenberg, *supra* note 24, at 2.

284. *Id.* at 2–6 (including one that even purports to license Holmes’s signature garb of deerstalker and Inverness overcoat, neither of which was created by Conan Doyle). Since some of the licenses incorporate rights to use copyrighted material, it is not clear how heavily these licenses actually rely on or reflect trademark acknowledgements of any sort, and it is equally unclear whether or not the licensees believed they needed to obtain trademark licenses. But considering the lack of copyright protection for much of the Holmes canon, one must assume that at least some of the recited licenses proceeded at least partly on a trademark theory.

285. *See id.* According to the affidavit, one such letter went to Red Bull, which invoked Sherlock Holmes in an advertising campaign. In response to the letter Red Bull apparently suspended its campaign. *Id.* The Memorabilia Company has also recognized that it may be easier (or less expensive) to back down than to fight. It offered give the CDE a 2 percent share of its company if the CDE would permit the Memorabilia Company to operate as “the official ‘Sherlock Holmes’ Licensor,” and give up its objections to the Memorabilia Company’s efforts to create and exploit “any work, film, character or merchandise” using the Sherlock Holmes characters “on the grounds of copyright, design right, trade marks, passing off, unfair competition, moral rights, rights of privacy or any similar or overlapping ground or right under the law of any other country, or on any other ground whatsoever.” Reply in Further Support of Motion for Oral Deposition of Justin Shulman, Exhibit 1 at 2–3, U.S. Serial Application No. 77,237,410 (filed May 10, 2010), available at <http://ttabvue.uspto.gov/ttabvue/v?pno=91192738&pty=OPP&eno=13>, archived at <http://perma.cc/H9LB-XLBM>.

establishing secondary meaning in a court of law,<sup>286</sup> it nevertheless shrinks the public domain by creating a *perception* of rights. The law lends just enough credibility to the putative rightsholders' claims to get the licensing ball rolling downhill, and once it starts rolling, it gains speed. Whether licensees acquiesce as a matter of legal requirement or risk aversion does not matter: either way, they pay. Thus, a character becomes trapped in a web of trademark law and risk aversion even though it could—and as a matter of copyright law, should—be in the public domain.

What is required to resolve this problem, therefore, is a doctrine that unequivocally forecloses claimants' ability to assert claims in the first place. The following section proposes such a doctrine.

### III. ADDRESSING THE PROBLEM

As the discussion above demonstrates, formal legal doctrine, at least in theory, provides a significant public domain in literary characters. Copyright protection reaches only some literary characters, and expiration and fair use doctrines create space for adapters to use even the protected characters. Trademark protection reaches only literary characters that serve as identifiers of a single source, and fair use doctrines similarly permit many uses of otherwise protected characters. But because these doctrines are riddled with ambiguities, uncertainty, and risk aversion, they create opportunities for claimants to overreach and shrink the public domain. I propose that the answer to this encroachment is brighter-line rules that are amenable to early adjudication.

Brighter-line rules would help alleviate uncertainty and risk aversion. Current standards demand subjective judgments regarding whether a literary character is protected by copyright or trademark law and regarding when adapters are free to use the character in their works.<sup>287</sup> Although legal flexibility has virtue in some circumstances, the particular brand of flexibility here harms the public domain by fostering uncertainty about what creators are allowed to use as basic building blocks of expression.<sup>288</sup>

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286. See *supra* note 281.

287. See *supra* Part II.

288. See, e.g., Welkowitz, *supra* note 234 (identifying certain advantages to

A rule permitting early adjudication of adaptation rights would help alleviate risk aversion by softening the risk imbalance between claimants and adapters.<sup>289</sup> Early adjudication would reduce the financial risks for accused infringers, for whom the cost of fact-intensive litigation is often far greater than the cost of a (possibly unnecessary) licensing fee.<sup>290</sup> If a case cannot be adjudicated early, adapters accused of infringement must either settle the case or face potentially catastrophic loss in the form of high litigation costs, expensive or existential infringement remedies, and inevitable delay in releasing their works. My proposals therefore address protectability rather than infringement. Protectability is subject to ex ante assessment and, when litigation is necessary, can be decided as a threshold issue after minimum discovery. In contrast, while use-based defenses remain important to protecting expression, they do not necessarily clarify liability ex ante because they rest on multifactor tests (for copyright) and likely consumer perception (for trademark).<sup>291</sup> Similarly, my proposals do not focus on procedural approaches that other scholars have suggested, such as judicial sanctions against claimants with weak or frivolous claims,<sup>292</sup> more aggressive

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legal uncertainty, particularly in trademark context, but identifying expressive uses as an area in which greater certainty is a benefit).

289. See McGeveran, *supra* note 239, at 1220–22 (espousing early adjudication rules to alleviate risk imbalance).

290. See *id.*; see also *supra* Part II.

291. For example, some scholars have asserted that trademark law does, or at least should, impose a requirement that only uses of a mark “as a trademark” may infringe. See Robert C. Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, 1982 WIS. L. REV. 158, 178, 193–207 (2005). But see Graeme B. Dinwoodie & Mark D. Janis, *Confusion Over Use: Contextualism in Trademark Law*, 92 IOWA L. REV. 1597, 1600 (2007). They suggest that expressive uses are not “trademark uses” because the mark is not being used to brand (i.e., sell) the expressive work. For several reasons, this approach is not ideal for characters in the copyright public domain. First, adapters likely *do* want to trade on (or at least benefit from) consumers’ familiarity with the character. This sort of “free-riding” on a character’s popularity may not be confusing or dilutive in a trademark sense, but it would likely lead courts toward, rather than away from, fact-intensive confusion and dilution analyses. Second, adapters likely do want to associate their work with the character as “product.” That is, an adapter of Sherlock Holmes may not want readers to believe that the adaptation was created, sponsored, or approved by Sir Arthur Conan Doyle but would want readers to presume that the Holmes in the adaptation is, indeed, the same Holmes that Conan Doyle created. In that context, it is difficult to separate “use as a mark” from “use as an expressive tool.”

292. See, e.g., Irina D. Manta, *Bearing Down on Trademark Bullies*, 22 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 853, 858–62 (2012); Grinvald, *supra*



“loser pays” fee-shifting mechanisms,<sup>293</sup> and expanded availability of burden-shifting mechanisms such as anti-Strategic Lawsuit Against Public Participation (anti-SLAPP) remedies.<sup>294</sup> Each of these suggestions has advantages and disadvantages,<sup>295</sup> and each could help alleviate the public-domain shrinking impact of risk aversion, but even if implemented, these litigation-based mechanisms do little unless cases make it to court.<sup>296</sup> Thus, they still increase transaction costs for adapters, and they do little to address the legal uncertainties that make claimants’ threats plausible.

By contrast, my proposals thus rely on existing copyright and trademark doctrines to create more predictable, protectability-based answers to the question of when a character enters the public domain. Since both proposals rely on existing law, both can be accomplished through judicial interpretation without legislative participation. I recognize that neither proposal is a panacea, and that adjusting protectability will not solve the problem that those who most need the public domain will have the least ability to defend it.<sup>297</sup> But these doctrinal adjustments provide legal tools that adapters can use to push back against overreaching claimants, and eliminate the uncertainties that make overreaching all too easy. I will address copyright and trademark in turn.

On the copyright side, adapters should be able to predict when a character will enter the copyright public domain, and rights holders should not be able to delay that entry. To accomplish this, I suggest that copyright in literary characters should expire simultaneously with the copyright in the first work in which the character was distinctively delineated. This will not eliminate uncertainty entirely—as discussed above, determining whether a character is copyrightable is not always

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note 157, at 628–29.

293. See, e.g., McGeveran, *supra* note 155, at 123 (discussing option of fee-shifting presumption).

294. See Manta, *supra* note 291, at 862–65; Eric Goldman, *Why I Support HR 4364, the Proposed Federal Anti-SLAPP Bill*, TECH. & MARKETING L. BLOG (Mar. 3, 2010, 9:43 AM), [http://blog.ericgoldman.org/archives/2010/03/hr\\_4364.htm](http://blog.ericgoldman.org/archives/2010/03/hr_4364.htm), archived at <http://perma.cc/PE8P-VJDM>.

295. See generally Manta, *supra* note 291, at 858–65 (discussing existing options against trademark bullying).

296. See Grinvald, *supra* note 157, at 656–57 (discussing lack of monetary resources preventing cases from making it to court).

297. See *supra* Part II.A.

easy<sup>298</sup>—but it will eliminate nearly all uncertainty about copyright expiration. Once a character is known or presumed to be copyrightable, it should be a matter of simple arithmetic to determine when that copyright expires, but in the current incremental-expiration climate, it is not. Protecting “incremental expression,” as the court did in *Klinger*, can have the same practical impact as extending copyright in characters, both by leaving room for claimants to overreach and by protecting versions of the character that are trivially different from, or predictable elaborations on, characters that have already entered the public domain.<sup>299</sup> I do not mean to suggest that derivative characters should never be protectable; rather, the threshold for protecting new “versions” of characters should be as demanding as the threshold for protecting original characters—echoing the rule that new material in derivative works must reach a threshold of originality and expression to be copyrightable.<sup>300</sup>

On the trademark side, the existing doctrine of genericity should eliminate the ability to claim trademark rights in literary characters and character names that have entered the copyright public domain.<sup>301</sup> Genericity embodies the basic principle that trademark law does not protect generic terms, which are defined as the “common descriptive name” for a type of product or service.<sup>302</sup> As one court explained, “no matter how much money and effort the user of a generic term has poured into promoting the sale of its merchandise and what success it

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298. See *supra* Part I.A.1.

299. See *supra* Part I.A.2.

300. See *supra* Part I.A.2.

301. See Chung, *supra* note 37, at 933–34 (noting analogy to genericity). This proposal is specifically directed at literary characters rather than visual or hybrid characters. I steer clear of visual or hybrid characters here, and in this Article more generally, not because I believe the proposal might not apply to them, but because questions of genericism and secondary meaning may be slightly more complicated for them. Unlike a text-based character, an image of a visual character might be used as a narratively-hollow logo in addition to being used as a narrative tool, so reproducing an image of that visual character, even in the expressive context, may be slightly more likely to raise questions of source identification and consumer confusion. Thus, visual characters and hybrid characters are topics for further scholarly exploration. Also in need of further exploration are characters that begin as marks and are subsequently used in expressive ways, and characters initially introduced as marks and narrative tools simultaneously (like the Transformers or other toy/cartoon hybrids).

302. See 15 U.S.C. § 1064(3) (2012); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9–10 (2d Cir. 1976).

has achieved in securing public identification, it cannot deprive competing manufacturers . . . of the right to call an article by its name.”<sup>303</sup> Just as the term “apple juice” is the generic term for the juice of apples, the term “Sherlock Holmes” is the generic term for the detective Sherlock Holmes. Just as a bottle of apple juice can be marked with the term “apple juice” without fear of infringement, an adapter should be able to use the term “Sherlock Holmes” to identify the contents of expressive work featuring the character Sherlock Holmes without trademark repercussions.

I am not suggesting that literary characters or their names are or should be generic for all products or services. A sportswear company could adopt the trade name “apple juice” as a valid mark (although it might face allegations of confusing similarity from competitors Apple Bottoms and Juicy Couture). Along the same lines, characters’ names would still be amenable to protection as marks for other goods and services—Sherlock Holmes pipe tobacco, Beowulf Pet Day Care, Samson & Delilah Hairdressers, and the like.<sup>304</sup> But for *expressive* goods and services, when characters enter the copyright public domain, they and their names should be treated as generic for the fiction they represent. Indeed, they should be treated as generic *during* the period of copyright as well as after it. Regardless of whether copyright protection persists, characters and their names signal a *type* of goods (that is, expressive goods concerning that character) rather than a *source* of goods (such as a particular author, producer, or distributor of those expressive goods).

This proposal does not change the law, but it makes explicit the rules signaled by *Dastar* and *Comedy III* that trademark law should not perpetuate exclusive ownership of works of authorship after their copyright protection expires.<sup>305</sup> Moreover, it strengthens those cases by grounding their outcomes in the core trademark doctrine of genericity, rather

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303. *Abercrombie & Fitch*, 537 F.2d at 9 (citing *J. Kohnstam, Ltd. v. Louis Marx & Co.*, 280 F.2d 437, 440 (C.C.P.A. 1960)).

304. For the same reason, this proposal has no impact on the ability of literary characters to become spokescharacters for particular brands, as the Peanuts characters have done for MetLife Insurance. See *Snoopy Usage*, METLIFE, <https://www.metlife.com/brandcenter/visual/snoopy/usage.html#overview> (last visited Oct. 15, 2014) (articulating rules for using the Snoopy and PEANUTS characters in connection with MetLife products and services).

305. See *supra* notes 201–06 and accompanying text.

than a vague “non-extension” principle.<sup>306</sup>

Genericity also makes it immaterial whether or not consumers associate the name or character of Sherlock Holmes with a particular source such as the CDE, Ms. Plunket, the Sherlock Holmes Memorabilia Company, or anyone else, since a generic term is incapable of acquiring secondary meaning.<sup>307</sup> This principle is well-established at the intersection of trademark and patent law, where the generic names and shapes of patented objects cannot gain secondary meaning by virtue of their patent exclusivity even if consumers associate those names or shapes with the patentee or its product.<sup>308</sup> In 1896, the Supreme Court explained that when a patent expires the public gains an affirmative right to make the formerly patented product, and “it equally follows . . . that along with the public ownership of the device there must also necessarily pass to the public the generic designation of the thing which has arisen during the monopoly” even if the public connects the name of the product with the patentee.<sup>309</sup> Thus, for example, the Supreme Court held that the formerly-patented pillow shape of shredded wheat cereal and the name “shredded wheat” to describe cereal made of shredded wheat were generic and could never serve as trademarks regardless of whether consumers ever associated them with Nabisco as a source.<sup>310</sup> This was true even if consumers had come to associate the name with the source *after* the patent had expired.<sup>311</sup> The court explained that although Nabisco’s predecessor “expended more than \$17,000,000 in making the name a household word and identifying the product with its manufacture” after the patent expired, that effort could not create a protectable mark, because “[l]ike every other member of the public, [Kellogg Company] was, and remained, free to make shredded wheat when it chose to do so; and to call the product by its generic name.”<sup>312</sup> This holding reflects the principle that there is no amount of secondary meaning that can render a generic term protectable. No amount of licensing, nor public

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306. See *supra* notes 194–99 and accompanying text.

307. See *Abercrombie & Fitch*, 537 F.2d at 9–10.

308. See *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 185 (1896); *Kellogg Co. v. Nat’l Biscuit Co.*, 305 U.S. 111, 119–20 (1938).

309. *Singer*, 163 U.S. at 185.

310. *Kellogg*, 305 U.S. at 119–20.

311. *Id.*

312. *Id.* at 119.

acknowledgement of rights, should be able to establish secondary meaning in formerly copyrighted characters like Sherlock Holmes for expressive goods or services.<sup>313</sup>

I recognize that applying the genericity doctrine to characters will create a certain degree of consumer confusion, because some consumers may mistakenly believe that a literary character's name is a source identifier. But courts have long recognized and deemed acceptable some degree of confusion.<sup>314</sup> Indeed, even "total confusion" is irrelevant to protectability if an alleged mark is generic.<sup>315</sup> In order to "permit the natural enrichment of the language and to prevent [putative markholders] from maintaining a monopoly" over the building blocks of expression,<sup>316</sup> the genericity doctrine encompasses not only terms that began their lives as generic descriptors, but also former marks, such as "thermos," "aspirin," and "cellophane" that have lost their source-identifying function as consumers have come to understand them as identifying a type of good or service rather than a

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313. The parallel doctrine of trademark functionality would accomplish the same objective of rendering secondary meaning irrelevant to protectability, and may in fact be a good match for the situation. I rely on genericity, however, not only because I believe it is a better fit, but also because it requires less doctrinal adjustment. Although courts have applied the functionality doctrine in analogous circumstances—by, for example, denying protection to packet colors as functional identifiers of sweeteners' chemical composition rather than their sources (*see, e.g.,* Cumberland Packing Corp. v. Monsanto Co., 32 F. Supp. 2d 561, 568 (E.D.N.Y. 1999))—functionality is more commonly associated with the functional features of product configurations and industrial designs than with character or word marks. In fact, "signaling" is an odd type of "function" to characterize as functional, since all valid trademarks function as signals of something (i.e., source). For that reason, courts might have done better to characterize sweetener packet colors as generic rather than functional. But that is a discussion for another article.

314. *See, e.g., Kellogg*, 305 U.S. at 121 ("It is urged that all possibility of deception or confusion would be removed if Kellogg Company should refrain from using the name 'Shredded Wheat' and adopt some form other than the pillow-shape. But the name and form are integral parts of the goodwill of the article" which all are entitled to share).

315. *Soc'y of Fin. Exam'rs v. Nat'l Ass'n of Certified Fraud Exam'rs*, 41 F.3d 223, 225 (5th Cir. 1995); *see also, e.g., Boston Duck Tours, LP v. Super Duck Tours, LLC*, 531 F.3d 1, 21 (1st Cir. 2008) (holding that trademark law is "not intended to prevent" confusion regarding competitors' use of generic terms); *Miller Brewing Co. v. Joseph Schlitz Brewing Co.*, 605 F.2d 990, 997 (7th Cir. 1979) (holding that use of a generic term cannot give rise to an unfair competition claim, even if some confusion had resulted and/or people had come to associate the term with the plaintiff).

316. *King-Seeley Thermos Co. v. Aladdin Indus., Inc.*, 418 F.2d 31, 36 (2d Cir. 1969) (citing *Am. Thermos Prods. Co. v. Aladdin Indus., Inc.*, 207 F. Supp. 9, 27 (D. Conn. 1962)).

source.<sup>317</sup> In this context, courts recognize that consumer understandings may shift at uneven rates, and some consumers will still carry a branded connotation in their minds even after a critical mass of consumers have adopted the generic understanding of a term.<sup>318</sup> The same is surely true for literary characters: just as some consumers may believe that the terms “shredded wheat,” “thermos,” “aspirin,” and “escalator” denote product sources, some people may believe that a formerly copyrighted literary character’s name denotes a particular source. But to the extent confusion will occur, it is the sort of confusion that trademark law routinely tolerates in order to facilitate communication and expression.<sup>319</sup> As the *Rogers* court explained, “in general the [Trademark] Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.”<sup>320</sup> The mere fact that some consumers may perceive characters or their names as source identifiers for literary goods does not outweigh their nature as generic identifiers of goods-types rather than goods-sources.

## CONCLUSION

Literary characters are far from “generic” in the colloquial sense of the word. They are cherished by those who get to know them and may feel like “real,” distinct people with real social impact. But it is precisely that cultural significance that makes the public domain in literary characters so important. Intellectual property incentives may encourage their creation, and moral intuition may demand that originators be rewarded for their efforts and recognized for their contributions. But

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317. See *id.* (holding that the lower-case term “thermos” had become generic); *Bayer Co. v. United Drug Co.*, 272 F. 505, 515–16 (S.D.N.Y. 1921) (holding that the term “aspirin” had become generic); *DuPont Cellophane Co. v. Waxed Prods. Co.*, 85 F.2d 75, 82 (2d Cir. 1936) (holding that the term “cellophane” had become generic); 15 U.S.C. § 1064(3) (2012).

318. See, e.g., *King-Seeley*, 418 F.2d at 36 (recognizing possibility of confusion among “minority of consumers who know, recognize and use ‘thermos’ as a trademark”).

319. See, e.g., *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 121–22 (2004) (explaining that “some possibility of consumer confusion is compatible with fair use” to avoid “the undesirability of allowing anyone to obtain a complete monopoly on use of a descriptive term simply by grabbing it first”); *Rogers v. Grimaldi*, 875 F.2d 994, 999 (2d Cir. 1989).

320. *Rogers*, 875 F.2d at 999.

those incentives and intuitions do not justify eternal or unlimited exclusivity at the expense of creation and expression. Like chicks leaving the nest, at some point, characters must be permitted to take on expressive lives of their own, to become part of a cultural vocabulary that is free to use for all purposes, without cost or content control.

In theory, copyright and trademark doctrines recognize that need, restricting which literary characters can be protected and providing wide fair-use latitude for adapters to incorporate those characters in new works even during the term of copyright exclusivity. But in practice, many forces conspire to shrink this public domain: ambiguity in the law regarding copyright and trademark protectability, irreducible uncertainty regarding who owns rights, and a potentially chilling synergy between copyright and trademark protection. Together, these provide an incentive for putative rights-holders to over-assert their rights and discourage adapters from fighting back. This risk imbalance makes literary characters "off-limits" to creators even when the law would almost certainly permit their use, moving the practical boundaries of the public domain and disproportionately harming the disempowered and poorly funded—those for whom the public domain is most crucial.

The answer, I suggest, is no mystery. Existing copyright expiration and trademark genericity doctrines provide tools for maintaining a robust public domain. But for these doctrines to work, courts must apply them to compel literary characters' public availability. This requires permitting characters' copyright to expire along with their underlying works and not allowing putative rights holders to perpetuate those copyrights by publishing derivative works. It requires treating literary characters and their names as they are: generic signals of a type of work—a work featuring those characters—rather than a particular source of the work, such as an author or publisher. And it requires applying these rules in a way that is reliable and predictable, and in such a way that overreaching is as risky for putative rights holders as it is for adapters. Creators should be able to draw on public domain characters with confidence—to marry them, murder them, or do what they like with them.