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# The sailor, the turtle and the jungle man - striking the balance between protection and public domain in fictional character merchandising

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## Introduction

What is it that 'Popeye the Sailor', the 'Teenage Mutant Hero Turtles' and 'Tarzan' have in common? Besides being well-known fictitious characters, each of them is overwhelmingly successful in terms of entertainment (for the public) and revenue (for the industry behind it). They exemplify the possibility of the fictional characters' owners not only using them for their basic purpose, i.e. in books, comics, movies, broadcasts, etc., but also of secondary exploitation of the characters' gained reputation, by granting licenses for manufacturing and distribution of mass market merchandising like posters, tee shirts, toys, badges, etc. This business is also known as 'Character Merchandising', involving the use of the essential personality features (name, image, etc.) of fictional characters<sup>1</sup> in the marketing and/or advertising of goods or services (WIPO, 1994, p. 8).

From a legal point of view, the three mentioned characters bear another significance: that of shaping the law of fictional character merchandising. For the character's owner, the key to a successful merchandising operation is the possession of property rights, enabling him to control the exploitation of the character and preventing piracy (Adams, 1996, para. 1.1). However, by 'exposing' the character, the idea of, and the concept behind, the character simultaneously becomes known to and absorbed by the public, allowing development of, and innovation in, the fictional character and the related merchandising. Balancing these interests of the fictional characters' owners and the public was often put to the test before court and the authorities of *Popeye*, *Turtles* and *TARZAN* should be regarded as the landmark decisions in copyright, passing off and trade mark law, the most relevant areas of law related to fictional character merchandising due to the non-existence of a specific 'merchandising law'. This article therefore analyses the guidelines for both the owners and the public set by these (and other related) decisions in protecting each prevailing interest. The outcome shows that UK law is quite reluctant in providing fictional characters' owners with extensive exclusivity rights, but has improved in this respect over the last two decades, whilst still striking an adequate balance between business protection and public domain.

## Copyright

Copyright law may well be regarded as the starting point of protecting fictional characters and their exploitation through merchandising. Fictional characters principally are artificially created, affording investment, skill, labour and judgment, whether they are deliberately created for merchandising purposes or the merchandising follows on the success of an artistic creation (Colston and Galloway, 2010, p. 738). It is first and foremost the proprietary copyright law that safeguards this effort and the respective creator's and/or owner's rights in, and earnings from, the creation. The possible application of copyright law is also the key distinction to character merchandising of real persons (Torremans, 2010, p. 590) because

their personality or appearance generally is not capable of copyright protection under the Copyright, Designs and Patents Act 1988 (as amended, hereinafter: CDPA 1988). But copyright law probably may not provide the full protection sought by exploiters of fictional characters, serving as the 'ultimate weapon' against unauthorised merchandising, counterfeits and the like: copying an idea, rather than the form it has taken, will generally not amount to a breach of copyright (Carty, 1993, p. 292). This chapter therefore will discuss to what extent copyright in fictional characters may preserve their owner's interests as well as its limits with regard to the public domain and eventually outline which ramifications Design law will have in this respect.

### **Copyright in the image**

In most of the cases it will not be a matter of the fictional character actually being capable of copyright protection in its image or depiction. Little doubt is left that copyright is available to characters such as Mickey Mouse or Winnie the Pooh as an artistic work or even a film or broadcast acc. to CDPA 1988, s. 1 (1) (a) and (b) (Torremans, 2010, p. 597).<sup>2</sup> 4

If the images –drawings, photographs, film clips –of the fictional characters are being copied to a substantial extent without licence of the owner, then copyright infringement occurs. However, copyright in a fictional character outside the confines of the particular texts or scenarios in which the character is developed is arguable (Cornish, Llewelyn and Aplin, 2010, para. 17–44). The crucial question, therefore, is if there was either an infringement by copying of a substantial part of the particular image of the character, or if a similar figure had independently been produced without copying the image directly or indirectly. 5

The principal authority in this respect – still – is the decision of the House of Lords in *King Features Syndicate Inc. v Kleeman* [1941] A.C. 417, in which unauthorised merchandising was involved exploiting the popular newspaper cartoon figure of 'Popeye the Sailor'. The defendants imported into the UK, and sold representations in various forms, of a figure which bore more than a passing similarity to the portrayals of the Popeye cartoon character. The material forms in which the figure was embodied were brooches, charms, plaster dolls and mechanical toys. Although it had not been proved that these articles had been copied from the drawings actually presented by the claimants before court, as opposed to any of the other thousands drawings already in existence in the public, the court accepted the evidence as sufficient that the defendants had *derived* the images they used from the plaintiff's original work, amounting to infringement of copyright in the two-dimensional drawings even through the three-dimensional figures (and *vice versa*, now explicitly laid down in CDPA 1988, s. 17 (3); Garnett, Davies and Harbottle, 2010, para. 7–66). The outcome of this decision suggests a strong position for the copyright owner: infringement of copyright in the physical features and attributes of a fictitious character can take place where the unauthorised reproduction, constituting an exact copy or a substantial reproduction of any physical characteristics portrayed in the original work, gives rise to any person recognising these features and attributes of the original character in the reproduction (McGee and Scanlan, 2003, p. 475/6), no matter whether two-or three-dimensional. 6

However, the concept of infringement by copying is restricted to reproductions embodying *exact* or substantial takings of the distinctive features of the particular character. The problem for copyright owners of using copyright in cases of imprecise copying were referred to in *Mirage Studios v Counter-Feat Clothing Co. Ltd.* [1991] F.S.R. 145, in which the drawings of humanoid turtles were, again, not directly copied by the defendant. The fact that the reproduction was of the *concept* of a humanoid turtle, rather than of any of the claimant's particular drawings, raised the judge's concerns over the decision on copyright infringement in full litigation, although it did not prevent him to grant an interlocutory injunction –but mainly based on the law of passing off. This is a classic example of the problems posed by the way in which copyright law will only protect the expression of ideas, but not the ideas themselves (Torremans, 2010, p. 598). It illustrates, it is submitted, that the recognition of copyright in a pictorial representation of the physical features and attributes of a fictional character would not constitute an absolute monopoly for the creator in respect of any reproduction of this fictional character. Third parties would not be prevented from producing *similar* pictorial reproductions of essentially *similar* fictional characters, even if the latter is inspired by an already existing fictional character (McGee and Scanlan, 2003, p. 480). 7

Hence, although the copyright protection of the image and appearance of fictitious characters 8  
in terms of merchandising might seem wide-ranging after *King Features Syndicate Inc.*, the  
devil is in the detail: the copyright owner has to show that the unauthorised merchandising  
products are actually *copies* of the character, not mere resemblances. According to Lord  
Shand in *Hanfstaengl v Baines & Co.* [1895] A.C. 20 there has to be 'such a degree of  
similarity as would lead one to say that the alleged infringement is a copy or reproduction of  
the original or the design – having adopted its essential features and substance'. The general  
idea or concept, however, of e.g. a pipe-smoking sailor gaining incredible strength from  
eating canned vegetables or ninja-fighting humanoid turtles will still be available for the  
public domain, allowing – in terms of copyright law – to create similar characters and produce  
merchandising thereof without the exact (or substantially exact) graphical features of the  
original.

### **Copyright in the name**

It seems that after *Exxon Corporation v. Exxon Insurance Consultants International Ltd.* 9  
[1982] 1 Ch. 119 (Ch D) it is 'written in stone' that there is no copyright in names (Carty,  
1993, p. 292). It was held that the invented name 'Exxon' was not capable of copyright  
protection, since a name or title is usually insufficiently substantial to attract the description 'literary work' (Hull, 1991). Copyright in the names of fictitious characters also previously was denied for e.g. 'The Wombles' and 'Kojak'. It is therefore suggested that trade mark protection is more apposite for words, names or phrases (Colston and Galloway, 2010, p. 749).

However, the outcome of *Exxon* was not that unambiguous: it was admitted that the invented 10  
word 'Exxon' was an original creation by an author (as in copyright law) and regarding the  
substantiality, quality is normally far more significant than quantity under Anglo-Australian  
copyright law (Richardson, 2000, p. 74). Graham J in *Exxon* even accepted that it was just  
conceivable that the single word 'Jabberwocky' could be a substantial part of the Lewis Carroll  
poem. Hence, Holyoak(1993) argues that the combination of the name with the literary work  
in which it appears and the images which it evokes would be enough to justify the grant of  
copyright protection, explicitly mentioning a fictitious character's name.

In *Mirage Studios* however, the name 'Ninja Turtles' alone was held not being capable of 11  
copyright protection, so doubt remains as to the precise boundary of copyright protection of  
names (Torremans, 2010, p. 598). It seems that English courts are quite reluctant to afford  
copyright protection to a single word or name, fearing of conferring a monopoly on part of the  
English language (Garnett, Davies and Harbottle, 2010, para. 3–16). Although the courts  
have not yet ruled out the possibility of such protection in appropriate circumstances,  
exploiters of fictional characters are well advised focusing on trade mark registration of the  
characters' names, rather than litigating copyright protection.

### **Copyright in the character's literary features**

Sherlock Holmes is perhaps the most famous fictional character in modern English literature, 12  
reproduced and represented in short stories, novels, plays and legions of merchandising  
products. The character Sherlock Holmes is imbued with idiosyncratic features and attributes,  
well-known to his fans. One might therefore contend that these, Sherlock Holmes' own  
literary features and attributes contained in the literary works or any other fictional  
character's literary features, could also form a potential autonomous copyright, restricting the  
exploitation of the fictional character to an even broader degree (despite the fact that  
copyright protection in the Sherlock Holmes stories has now expired; McGee and Scanlan,  
2003, p. 483). How to outline a general test for protection and infringement of fictional  
characters in this regard would be a matter of debate but authority in *Tyburn Productions Ltd.  
v Conan Doyle* [1991] Ch. 75 eventually affirmed the traditional view that English law does  
not recognise any such subsisting copyright in the literary features in fictional characters: the  
court rejected Dame Jean Conan Doyle's claim that she as the last surviving child of the  
author would be entitled to decide where and when and under what circumstances the  
characters of 'Sherlock Holmes' and 'Dr. Watson' could feature in other works. Vinelott J  
regarded the validity of this claim to copyright in the fictional characters to be 'unjustifiable'  
in English law, noting the lack of recognition of such a concept as in opposite to the US.

Thus, as long as no copying of substantial parts of the literary work embodying the fictional character(s) occurs and no supplementary passing-off or trade mark law applies, it is submitted that third parties lawfully may use the idea and concept of even particular literary features and attributes of an already existing fictional character to produce their own works and exploit them via merchandising. Puppets of Sherlock Holmes with the imbued distinctive attributes (pipe, deerstalker, etc.) therefore would have been likely not amounted to an infringement of Sir Conan Doyle's copyright at the time of duration – by contrast to *King Features Syndicate Inc.* with copying the (drawn) image of Popeye, not just his literary features. One might nonetheless argue that puppets copying drawings of Sherlock Holmes could infringe the image creator's copyright. 13

### **Copyright and Design law**

The CDPA 1988 finally provides another sting in the merchandisers' tail: CDPA 1988, ss. 51 and 52 define the relation between copyright and Design law, excluding functional design from copyright protection and limiting the duration of protection available to industrially exploited artistic works (Porter, 2000, p. 543). Regarding the latter, exclusive merchandising is confined to 25 years from the end of the calendar year after such articles were first marketed, allowing third parties then to copy the artistic work without infringing copyright by making articles of any description. Merchandisers have to be aware of this limitation and ensure that this diminution of copyright protection is counter-balanced by trade mark protection or registered Design law if possible in the relevant classes (Porter, 2000, p. 546). Otherwise merchandising by actual copying of the artistic work would fall into public domain shortly after 25 years. 14

Whereas CDPA 1988, s. 52 seems straightforward in its application to fictional character merchandise, CDPA 1988, s. 51 and its understanding caused some uncertainty. In *BBC Worldwide Ltd. v Pally Screen Printing Ltd.* [1998] F.S.R. 665 the famous Teletubby figures were reproduced by the defendant on articles including tee shirts without licence. Because Laddie J did not regard the Teletubby puppets as unarguably artistic works (they must have had met the requirements of a sculpture made by a sculptor), he accepted the defence of the defendants that copying from the Teletubbies themselves indirectly through the medium of television or from photographs was excluded from being a copyright infringement under CDPA 1988, s. 51 as it was only copying articles made to the Teletubby designs. But Scanlan (2005) disagrees and argues that where the infringing act is the copying of a design document or any model incorporating or embodying a design by way of two-dimensional reproduction, CDPA 1988, s. 51 is inapplicable, whereas articles in three dimensions might afford this defence; the reproduction of the Teletubbies by way of a two-dimensional print upon the tee shirt would therefore amount to copyright infringement. Whether this distinction in two- and three-dimensional reproduction or Laddie J's practical approach (approved by Pumfrey J in *Mackie Designs Inc v Behringer Specialised studio equipment (UK) Ltd* [1999] EWHC Ch 252) will prevail – the discussion illustrates that the scope of CDPA 1988, s. 51 with regard to fictional character merchandising has not been finally confined yet. Whereas copyright in the fictional character itself will not be affected by this provision, this currently provides a loophole for third parties in litigation if no design right had been applied for by the merchandiser – as recently shown in *Lucasfilm Ltd v Ainsworth* [2011] UKSC 39 where the Star Wars 'Stormtrooper' helmet was not provided with copyright protection as a sculpture and the unauthorised seller of replicas therefore could have relied on CDPA 1988, s. 51 (however the injunction was finally granted on grounds of enforcing a breach of US copyright law in the UK). 15

### **Passing off**

Having outlined the detriments and limits of copyright protection for fictional characters, it comes as no surprise that the owners of the characters seek support for protecting their business also in other areas of the law. The tort of passing off with its classic trinity of goodwill, misrepresentation and damage appeared to be a consistent supplement to safeguard the goodwill (and its value) gained with the success of the character. But merchandising faced a major problem enforcing passing off in the UK: the key element of the tort was that it must have been shown that the plaintiff (the character's owner) and the defendant (the alleged copycat) are engaged in a 'common field of activity' (Holyoak, 1993, p. 449). The plaintiff had to argue that there is an implied representation that the parties are connected in some way, e.g. by permission or approval. The courts had to be persuaded that 16

there was such an implied representation and to do so, public awareness of the business of character merchandising had to be proven (Carty, 1993, p. 294).

In quite a number of cases this 'common field of activity' test has continued to bedevil 17  
plaintiffs in the UK (Hull, 1991, p. 128). In particular *Tavener Rutledge v Trexapalm Ltd.*  
[1975] F.S.R. 479 involving 'Kojakpops' (merchandising of lollipops associated with the  
famous TV detective Kojak) illustrated that English courts had been reluctant to accept that  
character merchandising and any consequent quality control were well-known phenomena to  
members of the public. But Walton J in *Tavener Rutledge* concurrently acknowledged that  
'there may come a time when the system of character merchandising will have become so  
well known to the man in the street that [...] he will say to himself: they must have a licence  
from the person who owns the right in the television series'. The now leading authority of  
*Mirage Studios* suggests that this time actually has come, offering much greater hope of  
protection for those owning rights in fictional characters (Hull, 1991, p. 128).

In this case, the characters of humanoid, ninja-fighting turtles with a rat as their mentor were 18  
in issue. These so-called 'Teenage Mutant Hero Turtles' had become extremely popular in  
comics and on television and were exhaustively merchandised with over 150 licences granted  
by the plaintiff in the UK in respect of various goods. The defendant did not attempt to  
replicate or counterfeit genuine goods bearing the Turtles characters, but produced own  
artwork depicting humanoid turtles with an uncanny likeness to the genuine Turtles and  
licensed garment manufacturers to use them to decorate clothing. The court finally granted  
the interlocutory injunction mainly based on passing off and was prepared to accept that the  
public now *did* make a connection between the character and its 'owner', so that the use of  
such a character on goods would lead the public to believe it was licensed and therefore  
genuine. To sell unlicensed goods then involved the necessary misrepresentation since the  
defendant's turtles were confusingly similar to those of the plaintiff (Wadlow, 2004, para. 7-  
115). The resulting damage was held not only being the loss of royalties, but the diminution  
of the character's image as a whole, if it became associated with inferior goods which,  
through being unlicensed, had no quality control exercised over them (Hull, 1991, p. 129).  
The case of *Lego System Aktieselskab v Lego M. Lemelstrick Ltd.* [1983] F.S.R. 62 involving  
the famous 'Lego'-plastic toy brick even lowered the requirements for evidence of damage by  
deciding that the public would assume that any product embodying a well-known brand was  
made or licensed by the brand owner and that the plaintiff might wish to exploit its renown in  
areas yet outside its present activities which was harmed by the defendant's current use of  
the brand in these areas. This, it is submitted, would be equally applicable to a fictional  
character merchandising situation with the successful character being the well-known brand  
(Holyoak, 1993, p. 452).

So is finally all sorted out for the owners as licensor of fictional characters? It appears 19  
according to the findings in *Mirage Studios* that by just providing evidence of the goodwill in  
the character (which comes with the success) and examples of the counterfeits or other  
unauthorised merchandising incorporating the character or look-a-likes, the  
misrepresentation and damage will consequently appreciated as well, subtly bypassing the  
burden of showing *actual* copying on grounds of copyright law. However, it is submitted that  
even after *Mirage Studios*, the law of passing off in the UK still is bound to certain limits  
leaving space for competition by third parties: there must not only be a misrepresentation,  
but it must be a *material* one. The perceived existence of quality control, which was one of  
the crucial factors in *Mirage Studios*, is only relevant if the public *actually* relies on the control  
supposedly exercised by the licensor, although Wadlow (2004) argues that that this is not  
always the case. Once again, Laddie J points out the critical subject matter: 'It seems to me  
that it is quite possible that members of the public will look at T-shirts bearing this artwork  
and think no more that it is artwork bearing illustrations of well-known television characters  
without having any regard whatsoever to the source of supply and without having any regard  
as to whether or not these T-shirts were put out with the sanction of or under the aegis of the  
plaintiffs' (*BBC Worldwide Ltd. v Pally Screen Printing Ltd.* [1998] F.S.R. 665). Thus, when  
people buy an article because it depicts the admired character they might only want to buy a  
likeness, not a product from a particular source, being therefore indifferent as to the source  
or any licensing relationship (Porter, 1999, p. 181). This problem of proving actual  
'misrepresentation' becomes even more vital if the article in question contains a prominent  
disclaimer of authenticity such as, for example, the phrase 'Unofficial Merchandising Product'  
or the circumstances of the purchase (e.g. street trading, low product price, etc) clearly

reveal to the customer the non-existence of a licence or quality control. The situation may be compared with buying a 'Gucci' bag from a street trader for a tenth of the price one would have to pay on high-street; it is unlikely that a reasonable person would assume it is genuine. A parallel issue was raised in a trade mark law related case, also decided by Laddie J. In his infamous decision in *Arsenal Football Club Plc v Reed (No 1)* [2001] R.P.C. 46, he termed the trade by an unofficial merchandiser outside the football ground as mere 'badges of support, loyalty or affiliation', not infringing the trade mark rights of the respective football club. One is therefore tempted to ask whether any rational and objective consumer would regard using the club's marks on a street trader's product indicative of official merchandise (Colston and Galloway, 2010, p. 748).

In *Mirage Studios*, the court was prepared to assume such an *implied* licence and quality control connection to the plaintiff, indicating the misrepresentation. It is, however, suggested that this reasoning was based on the particular facts of the case: the plaintiffs were able to provide sufficient evidence to persuade the court that consumers were misled by the defendant's articles being officially licensed. It is therefore a matter of fact and evidence that misrepresentation and damage to the goodwill occurred, which the plaintiff has to establish. 'Misappropriation' *per se* is not the rationale, it is deception that justifies the court interfering (Carty, 1993, p. 306). One has to disagree with Maniatis and Chong(1991) that the court will infer that if a customer was aware that he was not buying the genuine product, he would refrain from doing so but seek the real object. The consumer might also either buy the article either without regard to whether it was sanctioned by the character's owner or not (as with the Teletubby tee shirts), or purchase it in the knowledge that the merchandise is not 'officially' licensed (as with a disclaimer or in the particular context of the purchase). Competition should only be prevented where there is a valid interest to be protected, otherwise competition will be stifled. The decision *Mirage Studios* has to be appreciated being the authority for acknowledgement of public awareness of the merchandising business and of the *possible* link between character owner and the genuineness of the article only. If the burden of proof of actual goodwill, misrepresentation and damage is upheld, necessary competition will still be possible, however not a deceptive one. This understanding of the case (and of all other related authorities), it is submitted, sufficiently serves the needs of both the fictional character owners and the competitor. 20

## Trade mark law

Hollie Hobby is dead – long live Tarzan. With the abandonment in the new Trade Marks Act 1994 of the 'trafficking' prohibition, denying protection of trade mark registration for licensing the trade mark to other traders, which was confirmed by the House of Lords in *Re Hollie Hobby Trade Mark* [1984] R.P.C. 329 (featuring the image of a fictitious child, originally used on greeting cards and designated to be exploited by licensing agreements with other traders), the present and future of the trade mark approach to fictional character merchandising seems promising (Torremans, 2010, p. 591). Fictitious characters, represented by their names and drawings primarily, can now principally be registered as trade marks, overcoming the hurdles of copyright protection especially for names. It seems that the Trade Marks Act 1994 thus provided the missing last piece for the merchandising industry, together with *King Features Syndicate Inc.* and *Mirage Studios*, to herald a new dawn for the protection of character merchandising (Davis, 2000, p. 34). However, it is the almost forgotten 'Tarzan' character and the related case *TARZAN Trade Mark* [1970] F.S.R. 245 of 1970 that illustrates the obstacles which owners of fictional characters still have to deal with when registering a respective trade mark. 21

Literary phrases, like names, have to be capable of distinguishing goods or services of one undertaking from those of other undertakings in order to be registered as a trade mark. Titles, and other literary phrases, do not generally indicate this distinctiveness. Instead, Stone (1997) argues they serve only to designate the particular work to which they are attached. It was therefore held in *TARZAN* that a trade mark application for 'TARZAN' in relation to toys and games was just for a *descriptive* mark – and therefore rejected. The mark was not adapted to distinguish the applicants' goods because the word TARZAN was well-known and had passed into the language, thus 'the mark had a direct reference to the character and quality of the goods, because a film dealing with the exploits of Tarzan would be described as a 'Tarzan' film, and the applicants' other goods were to be merchandise associated with Tarzan'. This reasoning was approved in *Re Elvis Presley Trade Mark* [1997] 22

R.P.C. 543 where the name 'Elvis', or 'Elvis Presley', did not provide the consumer with an indication concerning the origin of the product, enabling him to distinguish the goods of one trader from the similar goods of another. The name was rather the subject matter of the goods, just describing the nature of the merchandise (Torremans, 2010, p. 591).

*TARZAN* and *Elvis Presley* suggested that the more well-known the character is, the less protection there is, in the sense that once a fictional character has achieved fame, the creator probably can no longer apply to protect its name by means of a trade mark (Nyman, 1997, p. E95). This was also the issue in *Linkin Park LLC's Trade Mark Application* [2006] E.T.M.R. 74, whereby the Appointed Person held that at the application date, the mark 'Linkin Park' had already acquired a well established meaning of denoting the respective music group (similar to the situation in the *TARZAN* case) and accepted that this led to the paradox that the group were worse off than they would have been had they applied before they became well known (Wood, 2005, p. 135). Owners of fictional characters shall draw a lesson from the explicit reference to *TARZAN* in this case to apply for trade mark registration (at least for the name) as early as possible, before the character finds significant fame, otherwise running the risk of the application being rejected because of the mark serving as 'mere image carrier'. Nevertheless, distinctiveness of a trade mark bearing a fictional character's name and/or depiction, even after *TARZAN* and *Elvis Presley*, is a hurdle that can be overcome (Torremans, 2010, p. 592). This is shown, for example, by the acceptance of the lion device used in relation to the World Cup Football 1966 as being capable of registration in combination with the words 'World Cup Willie' (*Jules Rimet Cup Ltd. v The Football Association Ltd.* [2008] F.R. 10).

Registering the trade mark provides only a halfway point of protection to the character owners' merchandising and licensing business. They could only prohibit copycats from using their registered trade mark if it actually was *infringed*. Therefore, the function of the trade mark must have been impaired, i.e. the 'origin function' of trade marks which means the commercial origin, in the sense of the person who is responsible for the production of the product carrying the mark (Jaffey, 1998, p. 242). Again, the reasoning of Laddie J in *BBC Worldwide* and *Arsenal Football Club Plc* applies in this respect and might provide some objections to fictional character exploiters in executing their trade mark rights. If the merchandising article or the venue where it is sold is marked or explained as being 'unofficial', the consumer might not be mistaken that the source of the article would be the character's owner or authorised manufacturer. Also mere descriptive use – which is likely for merchandise articles such as tee shirts – could still be possible because the question of whether the articles are official or not might not be a factor of any relevance to the purchaser in this respect. Finally, the more well-known the character's name or image is, the narrower the scope of the trade mark protection will be as against similar marks because the public would immediately notice the difference with a slightly different sign, as held in *Picasso/Picaro* [2006] E.T.M.R. 349.

Thus, although trade marks may now be registered for licensing purposes, trade mark law appears not to be as effective a weapon as desired by fictional character owners to vanquish unauthorised merchandising. The abovementioned case law offers rather better news to the public and independent producers of merchandise: the public should have access to a wider range of products, and the independent producers will continue to be able to provide products quickly to meet the demand for the current fad (Nyman, 1997, p. E95). It will, however, still be up to each applicant to persuade the Registry, or, indeed, the courts, that there is evidence of a sufficient connection in the public mind between the character and the source of the goods to which its name or likeness is applied for the mark to be distinctive. Such a connection may be easy to establish and maintain where the character is new or not particularly well-known, although it may be virtually impossible where the character is already a household name at the time of the application (Davis, 2000, p. 35/6).

## Conclusion

The creation of a fictional character undoubtedly is a process requiring specific skills and resources, and its value seems worth being protected from third parties cashing in on the achieved goodwill without paying a respective reward. The article illustrates that statutory law (the CDPA 1988 and the Trade Marks Act 1994 in particular), as well as common law (passing off), still provide some open space for copycats and the like to jump on the character's

success. The decisive authorities of *King Features Syndicate Inc.*, *Mirage Studios* and *TARZAN* (with their respective interpretations as submitted above) limit the character owner's protection to some extent, driving scholars to call for a 'merchandising right' as a property right, allowing the financial benefits of the goodwill of a merchandisable character to accrue exclusively to the person responsible for creating it or making it famous (Jaffey, 1998, p. 263).

At the same time, *overprotecting* intellectual property has to be regarded as harmful as 27 underprotecting it because creativity is impossible without a rich public domain to draw upon (McGee, Gale and Scanlan, 2001, p. 242). It should also be left to the consumer to decide whether he wants to buy authorised merchandising or to be indifferent as to the source of the product – or even deliberately purchase merchandising articles marked as 'unofficial'. As long as no deception occurs, the goodwill of the fictional character will suffer no harm and the fictional character's owner could still reasonably exploit his endeavours. With the law of trade marks being amended to remove the 'trafficking' provision, passing off having learnt to recognise the existence and importance of character merchandising activities and copyright law protecting the reproduction of the graphical features of a character both in two and three dimensions (with the Design right as supplement or, as shown in *BBC Worldwide*, even detriment), the law has already moved to protect fictional character merchandising in an entirely adequate manner (Torremans, 2010, p. 599). The courts thus are enabled to flexibly regard current developments in law and society towards this business, but still allowing ideas and concepts to be adopted by the public.

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1 Character Merchandising generally also comprises of the use of the essential attributes (name, image, voice and other personality features) of *real* persons (in other words, the true identity of an individual), also known as 'Personality Merchandising'; e.g. celebrities and sports persons using their fame to endorse or advertise goods and services for money. This intervention will cover Character Merchandising of fictional characters only.

2 nevertheless in *BBC Worldwide Ltd. v Pally Screen Printing Ltd.* [1998] F.S.R. 665, it was arguable whether the puppets of the 'Teletubby' characters were artistic works; no final decision had been reached on this point.