

COMMENT

THE AMAZING SPIDER-MAN: TRAPPED IN THE TANGLED WEB OF THE TERMINATION PROVISIONS

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With great power there must also come—copyright reclamation!? A New York federal judge recently ruled that the heirs of legendary comic book artist Jack Kirby have asserted potentially valid copyright-termination claims against Marvel Comics. If successful in their claims, the heirs will recapture their father’s rights to many of Marvel’s most popular characters, including “The Amazing Spider-Man,” “The Fantastic Four,” “The X-Men,” “Iron Man,” and “The Incredible Hulk.” In view of these claims, this Comment argues that allowing authors and their heirs to recapture the rights to fictional characters is inconsistent with the fundamental objectives of copyright law. Such claims thwart media companies’ creative efforts, deprive companies of all certainty in their copyright ownership, and threaten public access to popular comic book, television, and movie characters. Accordingly, this Comment proposes that courts use an extended interpretation of the derivative works exception to prevent authors and their heirs from recapturing the rights to fictional characters that owe their commercial and creative success to media companies.

Introduction	68
I. Evolution of the Termination Right	75
A. The 1909 Copyright Act	75
B. Copyright Law Reform	76
C. The 1976 Copyright Act	77
II. Termination Cases Involving Comic Book Characters	79
A. Captain America	80
B. Superman.....	81
III. The Unique Nature of Comic Book Characters.....	83
A. Graphically Depicted Fictional Characters Are Copyrightable Independent from the Works in Which They Appear.....	83
B. Propensity to Adapt, Transform, and Develop	87

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C. Recapturing Comic Book Characters Is Inconsistent with the Goals of the Termination Provisions	89
IV. Using the Derivative Works Exception to Rescue Spider-Man.....	91
A. The <i>Batlin</i> Test for Originality.....	94
B. Applying the <i>Batlin</i> Test to the Kirby Lawsuit	96
C. With Great Power Comes Great Responsibility	98
Conclusion.....	101

INTRODUCTION

On or about September 17, 2009, the heirs of legendary comic book artist Jack Kirby served Marvel Entertainment (“Marvel”) with forty-five notices of copyright termination, seeking to recapture the rights to dozens of characters that their father created or co-created.¹ Under the 1976 Copyright Act, authors and their heirs have the ability to terminate earlier copyright transfers and recapture the rights to their works in certain circumstances.² The notices alleged that between 1958 and 1963, Kirby created many of Marvel’s most popular characters, including “The Amazing Spider-Man,” “The Fantastic Four,” “The X-Men,” “Iron Man,” and “The Incredible Hulk,” and sold them to the media company for use in its comic books.³ In response to these claims, Marvel sued the Kirby estate in the Southern District of New York, seeking a declaration that the notices were invalid; the estate promptly counterclaimed.⁴ On November 22, 2010, Judge Colleen McMahon ruled that the notices may be valid and that litigation can proceed to the merits.⁵ Consequently, if Judge McMahon validates the Kirby heirs’

1. Michael Cieply & Brooks Barnes, *Disney Faces Rights Issues over Marvel*, N.Y. TIMES, Sept. 21, 2009, at B1; Kevin Melrose, *Kirby Heirs Sue Marvel and Disney for Stake in Characters, Profits [Updated]*, COMIC BOOK RESOURCES (Mar. 15, 2010, 12:43 PM), <http://robot6.comicbookresources.com/2010/03/kirby-heirs-sue-marvel-and-disney-for-stake-in-characters-profits/>; Complaint at 3, *Marvel Worldwide, Inc. v. Kirby*, No. 10-cv-141 (S.D.N.Y. Jan. 8, 2010).

2. 17 U.S.C. § 304(c) (2006).

3. See Melrose, *supra* note 1.

4. Complaint, *supra* note 1, at 5; Defendants’ Answer & Counterclaims and Demand for Jury Trial, *Marvel Worldwide, Inc. v. Kirby*, No. 10-cv-141 (S.D.N.Y. Apr. 28, 2010).

5. Decision and Order Granting in Part and Denying in Part Counterclaim-Defendants’ Motion to Dismiss, *Marvel Worldwide, Inc. v. Kirby*, No. 10-cv-141 (S.D.N.Y. Nov. 22, 2010).

termination notices, they will recapture the rights to their father's creations, beginning on dates ranging from 2014 through 2019.⁶

Not surprisingly, the *Kirby* lawsuit may be the most significant intellectual property rights case in Hollywood history.⁷ It involves dozens of successful characters that appear in hundreds of comic book titles,⁸ over thirteen films,⁹ and at least fifteen television series.¹⁰ If the Kirby heirs are successful, they will be entitled to a substantial share of Marvel's future profits from new works based on the characters that their father created.¹¹ In fact, the Kirby heirs' claim could be worth millions—if not billions—of dollars, seeing that 88 percent of Marvel's film earnings have been “Kirby related.”¹² Additionally, if a court validates the Kirby heirs' claim, they will acquire a non-exclusive right

6. See *Marvel Sues to Keep Spider-Man, X-Men Copyrights*, USA TODAY, Jan. 9, 2010, http://www.usatoday.com/money/media/2010-01-08-marvel-kirby-fight_N.htm.

7. Brooks Barnes & Michael Cieply, *A Custody Battle, Supersized*, NY TIMES, Mar. 21, 2010, at BU1. The Kirby heirs filed their lawsuit just months after The Walt Disney Company (“Disney”) purchased Marvel for nearly \$4.3 billion. Kiel Phegley, *Marvel & Disney: A Done Deal*, COMIC BOOK RESOURCES (Dec. 31, 2009, 8:20 AM), <http://www.comicbookresources.com/?page=article&id=24232>.

8. See Barnes & Cieply, *A Custody Battle, Supersized*, *supra* note 7.

9. SPIDER-MAN (Columbia Pictures 2002); SPIDER-MAN 2 (Columbia Pictures 2004); SPIDER-MAN 3 (Columbia Pictures 2007); FANTASTIC FOUR (Twentieth Century Fox 2005); FANTASTIC FOUR: RISE OF THE SILVER SURFER (Twentieth Century Fox 2007); HULK (Universal Pictures 2003); THE INCREDIBLE HULK (Universal Pictures 2008); IRON MAN (Paramount Pictures 2008); IRON MAN 2 (Paramount Pictures 2010); X-MEN (Twentieth Century Fox 2000); X2 (Twentieth Century Fox 2003); X-MEN: THE LAST STAND (Twentieth Century Fox 2006); X-MEN ORIGINS: WOLVERINE (Twentieth Century Fox 2009); X-MEN: FIRST CLASS (Twentieth Century Fox 2011).

10. *Spider-Man* (Krantz Films television series 1967-70); *The Amazing Spider-Man* (Charles Fries Productions television series 1978-79); *Spider-Man and His Amazing Friends* (Marvel Productions television series 1981-86); *Spider-Man* (New World Entertainment television series 1994-98); *Spider-Man Unlimited* (Marvel Enterprises television series 1999-2001); *The Spectacular Spider-Man* (Adelaide Productions television series 2008); *Fantastic Four* (Hanna-Barbera Productions television series 1967); *Fantastic Four* (Genesis Entertainment television series 1994-96); *Fantastic Four: World's Greatest Heroes* (Marvel Enterprises television series 2006-07); *The Incredible Hulk* (Marvel Productions television series 1978-82); *The Incredible Hulk* (Genesis Entertainment television series 1996-97); *Iron Man* (Marvel Enterprises television series 1994-1996); *X-Men* (Genesis Entertainment television series 1992-97); *X-Men Evolution* (Warner Bros. television series 2000-03); *Wolverine and the X-Men* (Liberation Entertainment television series 2008-09).

11. Kiel Phegley, *Unpacking the Kirby Reclamation Case*, COMIC BOOK RESOURCES (Sept. 24, 2009, 1:19 PM), <http://www.comicbookresources.com/?page=article&id=23063>.

12. Barnes & Cieply, *A Custody Battle, Supersized*, *supra* note 7. The Spider-Man film franchise alone has grossed \$2.5 billion. *The Highest Grossing Movie Franchises of All Time*, CNBC, http://www.cnbc.com/id/40259653/The_Highest_Grossing_Movie_Franchises_of_All_Time?slide=9 (last visited Feb. 5, 2011).

to license competing versions of Spider-Man, The Fantastic Four, The X-Men, Iron Man, and The Incredible Hulk, as well as any other character that a court determines Kirby created or co-created, so long as the Kirby heirs account to Marvel for its share of the profits.¹³

The *Kirby* lawsuit, however, is just the tip of the iceberg; a new wave of copyright termination cases is expected to hit Hollywood as more works become eligible for reclamation.¹⁴ The termination provisions allow authors and their heirs to terminate copyright grants executed before January 1, 1978, during a five-year window beginning fifty-six years after the author created the work.¹⁵ The termination provisions only require that the author or the author's heirs serve the copyright holder with notice of termination between two and ten years prior to the effective date of termination.¹⁶ Over the next several decades, many popular comic books, films, and television series from the 1960s and 1970s will continue to reach the fifty-six-year threshold for reclamation. Legal observers fear that prior copyright termination cases will pale in comparison to the ones facing the film, publishing, and music industries.¹⁷ Consequently, the film and publishing industries also expect to face an increased number of copyright termination cases

13. See *infra* note 203 for a discussion on how the Lanham Act would limit the Kirby heirs' ability to exploit their father's creations. See also Ashok Chandra, Note, *Crisis of Indefinite Consequence: How the Derivative Works Exception and the Lanham Act Undercut the Remunerative Value of Termination of Transfers*, 16 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 241, 263 (2005).

14. Barnes & Cieply, *A Custody Battle, Supersized*, *supra* note 7.

15. 17 U.S.C. § 304(c) (2006); see David Donahue, *Statutory Termination of Transfers*, in ADVANCED SEMINAR ON COPYRIGHT LAW 2008, at 457, 467 (Practising L. Inst., Course Handbook Ser. No. G-932, 2008). Section 304(d) also allows authors and their heirs to terminate copyright grants executed before January 1, 1978, during a five-year window beginning at the end of the seventy-fifth year of protection, providing that the termination right was not previously exercised under § 304(c). § 304(d).

16. § 304(c)(4)(A). The notice must identify the termination provision, identify the work, and contain a brief statement reasonably identifying the grant to which the notice of termination applies. § 304(c)(4)(B); 37 C.F.R. § 201.10 (2010). The provisions also require recordation with the Copyright Office. 17 U.S.C. § 304(c)(4)(A).

17. See Eriq Gardner, *Copyright Battle Comes Home*, LAW.COM (Oct. 8, 2009), <http://www.law.com/jsp/cc/PubArticleCC.jsp?id=1202434372952>. According to Ross Charap, a representative of the National Music Publishers Association, "[I]itigation is going to get bloody, and record labels are legitimately very nervous over copyright termination." *Id.*

involving fictional characters,¹⁸ which are independently copyrightable apart from the works in which they graphically appear.¹⁹

The fundamental objectives of the termination provisions are to foster creativity,²⁰ promote “predictability and certainty of copyright ownership,”²¹ and enhance public access to creative works.²² In order to achieve these goals, Congress balanced the rights and expectations of authors and media companies. On the one hand, the provisions acknowledge the unequal bargaining position that authors are in when they sell their work to media companies and allow them to recapture their work when its true value can be fully appreciated.²³ By guaranteeing the author of an original work a “second bite at the apple,” the termination right promotes creativity for the public’s benefit.²⁴ On the other hand, the provisions credit media companies who invest their creative resources into purchased copyrights. For instance, “works made for hire” are not subject to recapture because the media company, as the employer, is considered the author of the work²⁵ and owns the copyright outright unless there is a written agreement to the contrary.²⁶ By excluding from reclamation works that owe their creative success to a media company, the termination

18. This Comment uses the terms “fictional character” and “comic book character” interchangeably, as all graphically depicted characters are independently copyrightable apart from the works in which they appear. *See infra* Part IV.A.

19. *See Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 754-55 (9th Cir. 1978); *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930).

20. *See* Michael J. Bales, Note, *The Grapes of Wrathful Heirs: Terminations of Transfers of Copyright and “Agreements to the Contrary,”* 27 *CARDOZO ARTS & ENT. L.J.* 663, 664 (2010).

21. *See Cmty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 749 (1989).

22. *See* Peter Jaszi, *When Worlds Collide: Derivative Motion Pictures, Underlying Rights, and the Public Interest*, 28 *UCLA L. REV.* 715, 805 (1981).

23. Bales, *supra* note 20, at 664.

24. *Id.*

25. *Martha Graham Sch. & Dance Found., Inc. v. Martha Graham Ctr. of Contemporary Dance, Inc.*, 380 F.3d 624, 634 (2d Cir. 2004) (quoting *Shapiro, Bernstein & Co. v. Bryan*, 123 F.2d 697, 699 (2d Cir.1941)) (“[W]ith respect to works for hire, the employer is legally regarded as the ‘author,’ as distinguished from the creator of the work, whom Learned Hand referred to as ‘the ‘author’ in the colloquial sense.”).

26. *Reid*, 490 U.S. at 737 (quoting 17 U.S.C. § 201(b)); *Siegel v. Warner Bros. Entm’t Inc.*, 658 F. Supp. 2d 1036, 1056 (C.D. Cal. 2009) (“Under the 1976 Act, an author’s (or his or her heirs’) ability to terminate a prior grant in the copyright to his or her creation does not apply to a ‘work made for hire’ because the copyright in such a creation never belonged to the artist in the first instance to grant; instead, it belonged at the outset to the party that commissioned the work.”).

provisions protect media companies' confidence in their copyright ownership.²⁷

This Comment argues, however, that allowing authors and their heirs to recapture the copyrights to fictional characters is inconsistent with the basic purposes of the termination provisions because of the unique way in which media companies develop them. While traditional forms of copyrightable expression (songs, books, and films) do not transform over time, media companies adapt, transform, and develop fictional characters. When an author completes a novel, he or she sells the literary work to a publisher, the publisher distributes it, and the author has the option to later recapture the work under the termination provisions. While the publisher no doubt invests its financial resources to promote the novel, the creative qualities of the work itself—the title, chapters, words, and even punctuation—do not change from creation to termination. In contrast, when an author creates a fictional character and sells it to a media company, the media company adds new, original material to the character over the course of hundreds of successive comic book issues, films, or television episodes, thereby developing the character's history, personality, beliefs, and mission. Unlike traditional fixed forms of copyright, fictional characters share only nominal ties to their creative roots at termination. Thus, allowing authors and their heirs to recapture the rights to comic book characters undermines the fundamental objectives of copyright law in three ways: first, authors and their heirs receive a substantial windfall, because not only do they recapture the author's creative efforts, they also receive the benefit of the media company's creative investment; second, it deprives media companies of all certainty in their copyright ownership; and third, it forces media companies to discontinue using recaptured characters, which means that the public loses access to them.

In order to advance the fundamental objectives of the Copyright Act, this Comment proposes that courts use the "derivative works exception" to prevent authors and their heirs from recapturing the copyrights to fictional characters. The derivative works exception permits media companies to continue exploiting derivative works based on recaptured copyrights that were produced before termination.²⁸ A derivative work is "any work based in whole, or in substantial part, upon a pre-existing work, if it satisfies the requirements of originality."²⁹ To determine whether works fall under the exception,

27. *See Reid*, 490 U.S. at 749-50.

28. 17 U.S.C. §§ 203(b)(1), 304(c)(6)(A) (2006).

29. *Siegel v. Time Warner Inc.*, 496 F. Supp. 2d 1111, 1151 (C.D. Cal. 2007). The originality requirement is rooted in the U.S. Constitution, derived from the fact that copyright protection may be claimed only by "authors." *Durham Indus., Inc.*

courts use the Second Circuit's *Batlin* test for originality.³⁰ According to the *Batlin* test, all that is required for originality is that the author contributed something "substantial," as opposed to a "merely trivial" variation, making it "something recognizably his own."³¹ As such, the *Batlin* test should prevent authors and their heirs from recapturing the copyrights to fictional characters when media companies have invested substantial creative resources to adapt, transform, and develop the characters over time.

By way of example, this Comment applies the derivative works exception to the Kirby heirs' claim to one of Marvel's most successful comic book characters, Spider-Man. Some comic book readers contest the fact that Kirby created Spider-Man³² or insist that his work was "made for hire."³³ To prevail on their copyright termination claim, the Kirby heirs must prove that their father was a joint author in the Spider-Man copyright.³⁴ Furthermore, as explained earlier, an author's

v. Tomy Corp., 630 F.2d 905, 910 (2d Cir. 1980); *L. Batlin & Son, Inc. v. Snyder*, 536 F.2d 486, 490 (2d Cir. 1976).

30. See *Batlin*, 536 F.2d at 490.

31. *Id.* (internal quotations omitted).

32. See *Shop Talk: Jack Kirby*, WILL EISNER'S SPIRIT MAG., Feb. 1982, at 40; see also BRIAN CRONIN, WAS SUPERMAN A SPY? AND OTHER COMIC BOOK LEGENDS REVEALED 103-05 (2009); MARK EVANIER, KIRBY: KING OF COMICS 127 (2008); STAN LEE, ORIGINS OF MARVEL COMICS 134-35 (1974); JORDAN RAPHAEL & TOM SPURGEON, STAN LEE AND THE RISE AND FALL OF THE AMERICAN COMIC BOOK 93-94 (2003).

33. In a preemptive effort to retain the rights to Kirby's lucrative creations, Marvel filed a federal lawsuit on January 8, 2010, asking a judge to invalidate the Kirby heirs' termination notices. Complaint, *supra* note 1, at 5. Marvel's complaint asserted that Marvel employed Kirby and any creative efforts were "works made for hire." *Id.* at 2, 4. The Kirby heirs' lawyer, Marc Toberoff, issued a statement saying that the lawsuit is "a standard claim predictably made by comic book companies to deprive artists, writers, and other talent of all rights in their work." *Marvel Sues to Keep Spider-Man, X-Men Copyrights*, *supra* note 6. Toberoff also represented the Siegel heirs in the Superman reclamation case. Kevin Melrose, *Jack Kirby's Heirs Seek to Reclaim Copyrights to Some Marvel Characters [Updated]*, COMIC BOOK RESOURCES (Sept. 20, 2009, 2:39 PM), <http://robot6.comicbookresources.com/2009/09/jack-kirbys-heirs-seek-to-reclaim-copyrights-to-some-marvel-characters/>. For discussion of the Siegel heirs' cases, see *infra* Part III.B.

34. See 17 U.S.C. § 304(c) (2006). Authorship of the Spider-Man copyright is governed by the 1909 Copyright Act. See *Self-Realization Fellowship v. Ananda Church of Self-Realization*, 206 F.3d 1322, 1325 (9th Cir. 2000). An "author" of a copyrighted work is "the party who actually creates the work, that is, the person who translates an idea into a fixed, tangible expression." *Cnty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 737 (1989). Individuals who contribute merely non-expressive elements to a work are not joint authors. See *id.* The Second and Ninth Circuits adopted the general rule that anyone who claims to be a joint author must demonstrate that his or her contribution, standing alone, would be independently copyrightable. See *Aalmuhammed v. Lee*, 202 F.3d 1227, 1231 (9th Cir. 2000); *Childress v. Taylor*, 945 F.2d 500, 507 (2d Cir. 1991). While Professor Paul Goldstein endorses this standard,

termination right does not apply to “works made for hire.”³⁵ These concerns, however, are beyond the scope of this Comment. Regardless of whether Kirby created Spider-Man or whether the work was “made for hire,” allowing authors and their heirs to recapture the copyrights to comic book characters is inconsistent with the basic purposes of the termination provisions.

the Nimmer treatise on copyright argues that the plain language and legislative history of the copyright acts do not support such a requirement. 1 PAUL GOLDSTEIN, COPYRIGHT: PRINCIPLES, LAW AND PRACTICE § 4.2.1.2, at 379 (1989); 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 6.07[A][3][a], at 6-22 (2010). The Seventh Circuit adopted Professor David Nimmer’s interpretation of joint authorship in *Gaiman v. McFarlane* and carved out an exception to the general rule for comic book creators. 360 F.3d 644, 658-59 (7th Cir. 2004). According to Judge Richard A. Posner, the general rule fails to take into account cases in which jointly produced works cannot stand alone because of the nature of the particular creative process that produced them. *Id.* at 659. Comic books are typically the joint work of four artists—the writer, the penciler, the inker and the colorist—who are each entitled to joint ownership in a copyright (even though his or her own contribution may not be independently protectable) when the combined result of the parties’ efforts is copyrightable. *Id.* The Fourth Circuit adopted the *Gaiman* exception in *Brown v. Flowers*. 196 Fed. App’x. 178, 189 (4th Cir. 2006) (unreported). The Third Circuit has explicitly left the issue open. See *Andrien v. S. Ocean Cnty. Chamber of Commerce*, 927 F.2d 132, 136 (3d Cir. 1991).

35. *Reid*, 490 U.S. at 737 (quoting 17 U.S.C. § 201(b)). “Classifying a work as ‘made for hire’ determines not only initial ownership,” but also the owners’ renewal and termination rights. *Id.*; see also 1 NIMMER & NIMMER, *supra* note 32, § 5.03[A], at 5-11 to 12. While the 1909 Copyright Act made the employer the “author” and initial copyright holder of works made for hire, Congress left the definition of “works made for hire” to the courts. *Dumas v. Gommerman*, 865 F.2d 1093, 1096 (9th Cir. 1989). In 1965, the Ninth Circuit crafted the “instance and expense” test to determine whether works created under the 1909 Act were “made for hire.” See *Lin-Brook Builders Hardware v. Gertler*, 352 F.2d 298, 300 (9th Cir. 1965). The “instance and expense” test requires courts to evaluate three factors: “(1) At whose instance the work was prepared; (2) whether the hiring party had the power to accept, reject, modify, or otherwise control the creation of the work; and (3) at whose expense the work was created.” *Siegel v. Warner Bros. Entm’t Inc.*, 658 F.2d 1036, 1058 (C.D. Cal. 2009) (citing *Twentieth Century Fox Film Corp. v. Entm’t Distrib.*, 429 F.3d 869, 879, 881 (9th Cir. 2005)). If the employer can show “credible evidence” that the independent contractor or employee worked at the instance and expense of the employer, then a court will presume that the work was made for hire. *Lin-Brook*, 352 F.2d at 300. The independent contractor or employee can rebut the presumption by showing that the parties entered into an oral or written agreement to the contrary. *Dolman v. Agee*, 157 F.3d 708, 712 (9th Cir. 1998); *In re Marvel Entm’t Grp., Inc.*, 254 B.R. 817, 829 (D. Del. 2000). The Second and Fifth Circuits have also adopted the “instance and expense” test. See *Murray v. Gelderman*, 566 F.2d 1307, 1310 (5th Cir. 1978); *Brattleboro Publ’g Co. v. Winnill Publ’g Corp.*, 369 F.2d 565, 567-68 (2d Cir. 1966). Unfortunately for the Kirby heirs, courts have consistently applied the “instance and expense” test to deny comic book artists rights to the work they produced prior to 1978. See, e.g., *Archie Comic Publ’ns, Inc. v. DeCarlo*, 258 F. Supp. 2d 315, 333-34 (S.D.N.Y. 2003); *In re Marvel*, 254 B.R. at 830.

Part I of this Comment begins by briefly exploring the evolution of the termination right and the general purposes behind it. Part II discusses famous cases in which authors successfully exercised their termination rights to recapture the copyrights to comic book characters. Part III discusses fictional characters' unique qualities and proposes that allowing authors to recapture the copyrights to fictional characters is inconsistent with the basic purposes of the termination provisions. Finally, this Comment concludes that courts should adopt an extended interpretation of the derivative works exception to prevent authors and their heirs from recapturing the copyrights to fictional characters when media companies have invested substantial creative resources to adapt, transform, and develop the characters over time.

I. EVOLUTION OF THE TERMINATION RIGHT

The termination right evolved from the reversion right of the 1909 Copyright Act.³⁶ The reversion right permitted authors and their heirs to recapture previously sold works during a copyright's renewal term.³⁷ In 1976, Congress reformed the Copyright Act and restructured the reversion right to account for media companies' concerns.³⁸ Although authors and their heirs retained the ability to recapture previously sold works under the 1976 Copyright Act (in the form of the termination right), the right became subject to the derivative works exception.³⁹

A. *The 1909 Copyright Act*

Under the 1909 Copyright Act, authors and their heirs could exercise their reversion rights to recapture previously sold works during the copyright's renewal term.⁴⁰ Pursuant to the Act, authors could register their work for a term of twenty-eight years of copyright protection, with the right to renew once for an additional twenty-eight year term (for a maximum term of protection of fifty-six years).⁴¹ Whenever an author sold his or her work to a media company, the right to renew the copyright reverted back to the author pursuant to section 24 of the 1909 Copyright Act (unless the author assigned the renewal

36. Howard B. Abrams, *Who's Sorry Now? Termination Rights and the Derivative Works Exception*, 62 U. DET. L. REV. 181, 209-11 (1985).

37. See Donahue, *supra* note 15, at 461.

38. *Mills Music, Inc. v. Snyder*, 469 U.S. 153, 183-84 (1985) (White, J., dissenting).

39. See 17 U.S.C. §§ 203(b)(1), 304(c)(6)(A) (2006).

40. See Donahue, *supra* note 15, at 461.

41. *Id.*

term to the media company as well).⁴² Additionally, if the author died during the initial term of protection, the right to renew the copyright reverted back to the author's heirs, regardless of whether the author had assigned the renewal term to the media company.⁴³

Authors and their heirs routinely exercised their reversion rights under the 1909 Copyright Act to hold producers of successful derivative works hostage to their demands.⁴⁴ For instance, authors of copyrighted scripts, screenplays, and musical scores often sold their work to film producers on a lump-sum basis for use in motion pictures.⁴⁵ Once the producers finished the films, the authors of the underlying works exercised their reversion rights to recapture the copyrights to the underlying works.⁴⁶ If producers wanted to keep their films in circulation without infringing the authors' copyrights, they had to pay the owners of the underlying works an exorbitant fee.⁴⁷ As a result, motion picture studios were forced to remove highly successful films from circulation before the renewal rights to the underlying works vested.⁴⁸

B. Copyright Law Reform

In 1955, Congress commissioned the Copyright Office to conduct a series of studies in preparation for a reform of U.S. copyright law.⁴⁹ The Copyright Office issued a report that characterized the reversion right as intended "to protect the author and his family against his

42. *Mills Music*, 469 U.S. at 183 n.8 (1985) (White, J., dissenting) ("If an author had assigned his rights in the renewal term at the time that he assigned rights in the initial term, a grantee might safely release a derivative work prepared under authority of the first-term grant. But if the author had died before his renewal rights vested, his statutory successors acquired those rights, and any previous assignment was rendered null.").

43. *Id.* (White, J., dissenting).

44. *Fred Ahlert Music Corp. v. Warner/Chappell Music, Inc.*, 155 F.3d 17, 22 (2d Cir. 1998); *Woods v. Bourne Co.*, 60 F.3d 978, 986 (2d Cir. 1995).

45. *See Mills Music*, 469 U.S. at 183-84 (White, J., dissenting); Jaszi, *supra* note 22, at 751.

46. *Mills Music*, 469 U.S. at 183-84 (White, J., dissenting).

47. *See id.*

48. *Id.* at 183 & n.8 (White, J., dissenting) ("[Motion pictures removed from circulation for fear of infringement claims] included 'Thanks for the Memory,' 'You Can't Take It With You,' and 'The Man Who Came to Dinner.' Others, like 'Gone With the Wind,' remained in circulation only because producers were willing to pay substantial sums to holders of copyrights in the underlying works.").

49. Abrams, *supra* note 36, at 206, 228. The Copyright Office is a branch of Congress. *Id.* at 206 n.94, 228.

unprofitable or improvident disposition of the copyright.”⁵⁰ In practice, however, the report observed that the reversion right failed to accomplish its purpose.⁵¹ It had become “the source of more confusion and litigation than any other provision in the copyright law.”⁵² Consequently, the report recommended that Congress abolish the reversion right, and instead adopt a system limiting all copyright transfers to twenty years.⁵³

The film industry strongly attacked the Copyright Office’s proposed twenty-year system and urged Congress to abolish reversionary rights completely.⁵⁴ Representatives of the industry pointed out that the effect of the system would prevent producers from exploiting⁵⁵ a completed film after the twenty-year period.⁵⁶ The industry argued that since producers purchase the rights to authors’ works, it was unfair “to prevent them from continuing to exploit the finished [films] they had then created through the investment of talent and resources.”⁵⁷ The industry further reasoned that producers would be reluctant to invest the substantial amount of capital the production of a film requires if they would lose the rights to the underlying works twenty years after the transfer.⁵⁸

C. The 1976 Copyright Act

Congress’ reform efforts resulted in its enacting the 1976 Copyright Act and promulgating the termination right.⁵⁹ At the outset, the Act extended the term of protection considerably for subsisting copyrights from fifty-six years to seventy-five years.⁶⁰ To justify the term

50. *Id.* at 211 (quoting H. COMM. ON THE JUDICIARY, 87TH CONG., COPYRIGHT LAW REVISION, REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW 53 (Comm. Print 1961) [hereinafter REGISTER’S REPORT]).

51. *Id.*

52. *Id.* (quoting REGISTER’S REPORT, *supra* note 49, at 53).

53. *Id.* (citing REGISTER’S REPORT, *supra* note 49, at 55, 93-94).

54. *Id.* at 213 & n.136.

55. By “exploit,” this Comment means the right to reproduce the work, to prepare derivative works based upon the work, to distribute copies of the work to the public by sale or rental, and to perform the work. *See* 17 U.S.C. § 106 (2006).

56. Abrams, *supra* note 36, at 213 n.136.

57. *Id.* at 213.

58. *Id.* at 213 n.136.

59. *Id.* at 205-06.

60. 17 U.S.C. § 304. The Act also provided protection for a non-exhaustive list of categories of works, including literary, musical, dramatic, pictorial, graphic and sculptural works, motion pictures, and sound recordings. *See* Naomi Jane Gray, *Overview of Copyright Basics and Basics of the Copyright Office*, in UNDERSTANDING

extension, the first termination provision gives authors and their heirs a chance to benefit from the nineteen years of protection added.⁶¹ Under § 304(c) of the 1976 Copyright Act, authors and their heirs can terminate copyright grants executed before January 1, 1978, during a five-year window beginning at the end of the fifty-sixth year of protection.⁶² Additionally, Congress phased out the renewal system and made the term of protection for works created after the effective date of the 1976 Copyright Act the life of the author plus seventy years following the author's death.⁶³ Pursuant to the second termination provision, authors and their heirs can terminate copyright grants executed on or after January 1, 1978, during a five-year window beginning at the end of the thirty-fifth year of protection.⁶⁴

Congress elected to retain termination rights in the 1976 Copyright Act in order to give authors a chance to realize benefits accrued in their earlier works.⁶⁵ As the Supreme Court explained, "The termination right was expressly intended to relieve authors of the consequences of ill-advised and unremunerative grants that had been made before the author had a fair opportunity to appreciate the true value of his [or her] work product."⁶⁶ By attempting to protect authors from their own improvidence in striking early unremunerative bargains with media companies, the termination right makes the rewards for authors' creativity more substantial.⁶⁷

Nonetheless, an author's termination right is not unlimited.⁶⁸ In particular, the termination right is subject to an exception for derivative works.⁶⁹ The exception permits a media company that prepares derivative works before termination to continue to use the derivative

COPYRIGHT LAW 2007, at 25, 31 (Practising L. Inst., Course Handbook Ser. No. G-901, 2007).

61. See Donahue, *supra* note 15, at 462.

62. 17 U.S.C. § 304(c)(1), (3).

63. § 302(a).

64. § 203.

65. Virginia E. Lohmann, Note, *The Errant Evolution of Termination of Transfer Rights and the Derivative Works Exception*, 48 OHIO ST. L.J. 897, 908 (1987).

66. *Mills Music, Inc. v. Snyder*, 469 U.S. 153, 172-73 (1985) (footnote omitted).

67. *Id.*

68. *Fred Ahlert Music Corp., v. Warner/Chappell Music, Inc.*, 155 F.3d 17, 19 (2d Cir. 1998). Copyright protection is not an inherent, natural right that confers upon authors the absolute ownership of their creations. Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1107 (1990). Congress designed it, rather, to promote creative activity for the public's benefit. *Id.*

69. 17 U.S.C. § 304(c)(6)(A).

works during the extended life of the copyright.⁷⁰ A derivative work is “any work based in whole, or in substantial part, upon a pre-existing work, if it satisfies the requirements of originality.”⁷¹ The effect of the derivative works exception permits, for example, motion picture studios to continue exploiting completed films even after authors have reclaimed the rights to underlying scripts, screenplays, and musical scores.⁷² The express purpose of the derivative works exception is to protect public access to creative works, as well as preserve the rights of media companies that invest in them.⁷³

Congress added a third termination provision to the Copyright Act in 1998 when it passed the Copyright Term Extension Act (CTEA).⁷⁴ The paramount purpose of the CTEA was to extend the term of protection for subsisting copyrights from seventy-five years to ninety-five years.⁷⁵ As a result, § 304(d) of the Copyright Act allows authors and their heirs to terminate copyright grants executed before January 1, 1978, during a five-year window beginning at the end of the seventy-fifth year of protection, providing that the author did not previously exercise his or her termination right.⁷⁶ Unlike the earlier provisions, the CTEA also permits an author’s estate to exercise this right.⁷⁷

II. TERMINATION CASES INVOLVING COMIC BOOK CHARACTERS

Frustrated with the fact that media companies earn handsome profits from their creations, comic book authors and their heirs have

70. *Mills Music*, 469 U.S. at 169; *Fred Ahlert Music*, 155 F.3d at 19.

71. *Siegel v. Time Warner, Inc.*, 496 F. Supp. 2d, 1111, 1151 (C.D. Cal. 2007).

72. *See Mills Music*, 469 U.S. at 169.

73. *See Lohmann*, *supra* note 65, at 912.

74. 17 U.S.C. § 304(d).

75. Lindsay Warren Bowen, Jr., Note, *Givings and the Next Copyright Deferment*, 77 FORDHAM L. REV. 809, 819 (2008). The CTEA is pejoratively referred to as the “Mickey Mouse Protection Act.” *See* Lawrence Lessig, *Copyright’s First Amendment*, 48 UCLA L. REV. 1057, 1065 (2001). Disney lobbied Congress to pass the CTEA in order to prevent Mickey Mouse from falling into the public domain. Chris Sprigman, *The Mouse That Ate the Public Domain: Disney, the Copyright Term Extension Act, and Eldred v. Ashcroft* FINDLAW (Mar. 5, 2002), http://writ.news.findlaw.com/commentary/20020305_sprigman.html. To accomplish this, Disney donated more than \$6.3 million in campaign contributions and enlisted the assistance of California Congressman Sonny Bono. *Id.*

76. *See Donahue*, *supra* note 15, at 467.

77. Under the 1976 Copyright Act, if an author died without leaving heirs before exercising the right to termination, no one could exercise that right. *Siegel v. Warner Bros. Entm’t, Inc.*, 542 F. Supp. 2d 1098, 1114 n.4 (2008).

repeatedly sought to recapture the rights to popular characters.⁷⁸ Until recently, courts held that various agreements between the parties transferred all rights from the creators to the relevant media company.⁷⁹ Consequently, media companies expected to be the absolute owner of all rights to the characters that they purchased.⁸⁰ But the termination provisions granted authors and their heirs the right to recapture works “notwithstanding any agreement to the contrary.”⁸¹ Thus, whether a settlement agreement constitutes an “agreement to the contrary,” which would permit courts to apply the termination provisions, is a legal question that resurrected longstanding ownership battles over a number of comic book characters.⁸²

A. *Captain America*

Marvel always assumed that it was the sole owner of all rights to the famous superhero, “Captain America,” which the media company purchased from writer Joe Simon in 1940.⁸³ Simon created Captain America alongside artist Jack Kirby and sold the character to Timely Comics (Marvel’s predecessor) for a fixed price plus a 25 percent share of the profits of the first ten issues of Captain America Comics.⁸⁴ Timely then obtained copyright registrations for each comic book issue in which the character appeared.⁸⁵ Although there was no written ownership agreement between the parties when Simon created Captain America, they entered into negotiations when the renewal term of the

78. See, e.g., *Siegel v. Nat’l Periodical Publ’ns, Inc.*, 364 F. Supp. 1032, 1034 (S.D.N.Y. 1973), *aff’d*, 508 F.2d 909 (2d Cir. 1974).

79. See, e.g., *Siegel*, 542 F. Supp. 2d at 1112.

80. See, e.g., *Siegel*, 364 F. Supp. at 1035 (“By virtue of the instrument of March 1, 1938, plaintiffs transferred to [DC Comics] *all* of their rights in and to the comic strip SUPERMAN including the title, names, characters and concept as same were set forth in the first release of said comic strip published in the June, 1938 issue of the magazine ‘Action Comics’ and by virtue of said instrument [DC Comics] became the *absolute* owner of the comic strip SUPERMAN, including the title, names, characters and concept as the same were set forth in the said first release.”) (quoting Answer at Exhibit D, *Siegel*, 364 F. Supp. 1032 (S.D.N.Y. 1973)).

81. 17 U.S.C. § 304(c)(5) (2006).

82. See *Settlement Acknowledging ‘Work for Hire’ Does Not Preclude § 304(c) Termination*, [65] Pat., Trademark & Copyright J. (BNA) No. 1597, 47 (Nov. 15, 2002) (quoting § 304(c)).

83. See *Marvel Characters, Inc. v. Simon*, 310 F.3d 280, 282 (2d Cir. 2002).

84. *Id.* Simon created the first ten issues of *Captain America Comics* on a freelance basis, and orally assigned his interest in *Captain America Comics* and the Captain America character to Timely. *Id.*

85. *Id.*

copyright approached, wherein Simon acknowledged that Timely was the sole owner of the character.⁸⁶

Nevertheless, Simon was entitled to exercise his termination right to recapture the copyright to Captain America.⁸⁷ In 1999, Simon served Marvel with a notice of copyright termination, seeking to recapture the rights to the character.⁸⁸ Accordingly, Marvel sued Simon for a declaratory judgment that the termination notice was invalid.⁸⁹ First, the district court granted summary judgment in Marvel's favor, concluding that the earlier settlement agreement prevented the writer from exercising his termination right.⁹⁰ On appeal, however, the Second Circuit reversed and concluded that a settlement agreement made after a work's creation constitutes an "agreement to the contrary" which can be disavowed pursuant to the termination provisions.⁹¹ According to the court, "the clear Congressional purpose behind [the termination provisions] was to prevent authors from waiving their termination right by contract."⁹² Thus, Simon was entitled to recapture the rights to Captain America.⁹³

B. Superman

Similarly, courts repeatedly assured DC Comics that it was the absolute owner of all rights to the iconic hero, Superman, which the media company purchased from writer Jerry Siegel in 1938.⁹⁴ Siegel created Superman with artist Joe Shuster and sold the character to DC Comics (known at that time as National Periodical Publications) for

86. *Id.* at 283-84. In 1967, Simon sued Timely, claiming rights to Captain America. He sought a declaratory judgment that he, as the author of the character, had the sole and exclusive right to the renewal term. After two years of discovery, Simon entered into a settlement agreement and assigned to Timely "any and all right, title and interest he may have or control or which he has had or controlled in [Captain America] (without warranty that he has had or controlled any such right, title or interest)" *Id.*

87. *Id.* at 292.

88. *Id.* at 284-85.

89. *Id.* at 285.

90. *Id.*

91. *Id.* at 290.

92. *Id.*

93. *Id.* at 292. The case eventually settled out of court and the writer once again granted Marvel all rights to the character. *Dispute Over Captain America Is Settled*, N.Y. TIMES, Sept. 30, 2003, <http://www.nytimes.com/2003/09/30/business/media/30MARV.html?pagewanted=1>.

94. *Siegel v. Warner Bros. Entm't, Inc.*, 542 F. Supp. 2d 1098, 1104-07 (C.D. Cal. 2008).

\$130.⁹⁵ The media company obtained a release from Siegel and Shuster that transferred all rights to use the “characters and story, continuity and title” associated with Superman.⁹⁶ The creators then sued DC Comics in 1947, seeking a determination that the release was void and a declaration of their rights in the character.⁹⁷ In a detailed opinion, a New York state court upheld the agreement and declared DC Comics the “absolute owner” of the superhero.⁹⁸ Rather than appeal the decision, the creators negotiated a settlement agreement, under which DC Comics paid them \$94,000 in exchange for all rights to the character.⁹⁹ In 1969, Siegel and Shuster filed another lawsuit in New York federal court seeking a declaration that they were the rightful owners of the renewal rights to the Superman copyright.¹⁰⁰ The court held that the various agreements between the parties, including the 1947 settlement agreement, transferred the renewal term to DC Comics and dismissed the case.¹⁰¹ Eventually, in response to bad publicity, DC Comics generously agreed to provide Siegel and Shuster with annual payments for the remainder of their lives, medical insurance, and credit as the “creators of Superman.”¹⁰²

Surprisingly, however, the battle for Superman was not yet over. In 1997, the widow and daughter of Siegel served DC Comics with seven notices of copyright termination, purporting to recapture the rights to Superman.¹⁰³ After more than a decade of litigation, a California district court recently ruled that the Siegel heirs properly exercised their termination rights to recapture half of the copyright to Superman.¹⁰⁴ The court determined that Siegel’s continued acceptance

95. *Id.* at 1107.

96. *Siegel v. Nat’l Periodical Publ’ns, Inc.*, 364 F. Supp. 1032, 1034 (S.D.N.Y. 1973), *aff’d*, 508 F.2d 909 (2d Cir. 1974).

97. *Id.*

98. *Id.* at 1035 (emphasis omitted) (quoting Answer at Exhibit D, *supra* note 80).

99. *Id.*

100. *Siegel v. Nat’l Periodical Publ’ns, Inc.*, 508 F.2d 909 (2d Cir. 1974).

101. *Siegel v. Warner Bros. Entm’t Inc.*, 542 F. Supp. 2d 1098, 1112 (C.D. Cal. 2008).

102. *Siegel v. Time Warner Inc.*, 496 F. Supp. 2d 1111, 1112-13 (C.D. Cal. 2007). Furthermore, when Jerry Siegel died on January 28, 1996, DC Comics agreed to pay his widow, Joanne Siegel, the same benefits. *Id.* at 1113.

103. *Id.*

104. *Id.* Legal observers expect DC Comics to appeal the decision. On February 28, 2010, the publisher replaced its local outside counsel with high-profile attorney Daniel Petrocelli, who is perhaps best known for successfully defending Disney in a dispute over cartoon character Winnie the Pooh. Jeff Trexler, *DC Fires Lawyers in Siegel Superman Case*, NEWSARAMA (Feb. 28, 2010), <http://blog.newsarama.com/2010/02/28/dc-fires-lawyers-in-siegel-superman-case/>.

of benefits and settlement negotiations did not render the notices ineffective.¹⁰⁵ Following suit, Shuster's estate has also filed notice with the U.S. Copyright Office of its intent to reclaim the other half of the Superman copyright in 2013.¹⁰⁶ If successful, DC Comics could lose control over Superman completely.¹⁰⁷

III. THE UNIQUE NATURE OF COMIC BOOK CHARACTERS

Comic book characters express unique physical and conceptual qualities that make them independently copyrightable apart from the works in which they appear.¹⁰⁸ Accordingly, media companies adapt, transform, and develop these qualities unlike any other traditional fixed form of copyrightable expression (e.g. songs, books, and films). As a result, the physical and conceptual qualities of comic book characters often share only nominal ties to their creative roots at termination.¹⁰⁹ Therefore, this Comment argues that allowing authors to recapture the copyrights to comic book characters is inconsistent with the basic purposes of the termination provisions.

A. Graphically Depicted Fictional Characters Are Copyrightable Independent from the Works in Which They Appear

Unlike the musical notes of a song, the literary characters of a novel, or the general plot ideas of a film, comic book characters are independently copyrightable apart from the works in which they appear.¹¹⁰ Although songs, books, and films are copyrightable as musical, literary, and artistic works, copyright protection extends only

105. *Siegel v. Warner Bros. Entm't Inc.*, 658 F. Supp. 2d 1036, 1095 (C.D. Cal 2009). The Siegel heirs now own half of the copyright to all of the material introduced in the first issue of *Action Comics*, including the name Superman, the secret identity of Clark Kent, Superman's origin, his super strength, his invulnerability and ability to leap over tall buildings in a single bound, as well as the original Superman costume design. Brian Cronin, *Superman Copyright FAQ*, COMIC BOOK RESOURCES (Mar. 30, 2008, 4:41 AM) <http://goodcomics.comicbookresources.com/2008/03/30/superman-copyright-faq/>.

106. Michael Dean, *An Extraordinarily Marketable Man: The Ongoing Struggle for Ownership of Superman and Superboy*, THE COMICS J., Oct. 14, 2004, http://archives.tcj.com/263/n_marketable.html.

107. See Michael Cieply, *Ruling Gives Heirs a Share of Superman Copyright*, N.Y. TIMES, Mar. 29, 2008, at C3.

108. See *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 753 (9th Cir. 1978).

109. See *infra* Part IV.B.

110. See *Air Pirates*, 581 F.2d at 754-55; *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121-23 (2d Cir. 1930).

to the final recorded, written, or pictorial expression.¹¹¹ Protection does not extend to the underlying ideas.¹¹² Similarly, although the first issue of the comic book, *The Amazing Spider-Man*, is protected under the Copyright Act,¹¹³ the heroic storylines of that issue are not independently protectable.¹¹⁴ The Copyright Act does, however, afford independent protection to comic book characters, apart from the works in which they appear, because of their unique physical and conceptual qualities.¹¹⁵

The Ninth Circuit took a close look at what makes a comic book character copyrightable in *Walt Disney Productions v. Air Pirates*.¹¹⁶ In *Air Pirates*, a group of artists created two comic books that depicted Disney characters, including Mickey and Minnie Mouse, engaging in sex and using drugs.¹¹⁷ Disney asserted that the group infringed on the media company's copyrights by copying the graphic depiction of over seventeen characters that appeared in a series of Disney comic books.¹¹⁸ The group of artists admitted copying Disney's characters but challenged whether the characters themselves were copyrightable.¹¹⁹ Ultimately, the court sided with Disney, holding that the graphically depicted characters were protectable under the Copyright Act as component parts of Disney's copyrighted comic books.¹²⁰ The court explained that, unlike literary characters (which courts historically have

111. 17 U.S.C. § 102(a) (2006).

112. § 102(b).

113. Comic books are copyrightable as literary and artistic works. U.S. COPYRIGHT OFFICE, CIRCULAR 44: CARTOON AND COMIC STRIPS 1-2, *available at* <http://www.copyright.gov/circs/circ44.pdf> (last visited Apr. 13, 2010).

114. *See Rice v. Fox Broad. Co.*, 330 F.3d 1170, 1177 (9th Cir. 2003) (quoting *Metcalf v. Bochco*, 294 F.3d 1069, 1074 (9th Cir. 2002)).

115. *Air Pirates*, 581 F.2d at 754-55.

116. *Id.* at 753.

117.

"Air Pirates" was "an 'underground' comic book which had placed several well-known Disney cartoon characters in incongruous settings where they engaged in activities clearly antithetical to the accepted Mickey Mouse world of scrubbed faces, bright smiles and happy endings." It centered around "rather bawdy depiction of the Disney characters as active members of a free thinking, promiscuous, drug ingesting counterculture."

Id. (quoting Kevin W. Wheelwright, Note, *Parody, Copyrights and the First Amendment*, 10 U.S.F. L. REV. 564, 571, 582 (1976)); *see also* Luke Arnott, *Comics Copyrights in Disney v. the "Air Pirates,"* SUITE101.COM (Mar. 28, 2009), http://www.suite101.com/content/comics-copyrights-in-disney-v-the-air-pirates-a104607?template=article_print.cfm.

118. *Air Pirates*, 581 F.2d at 753.

119. *Id.* at 754.

120. *Id.* at 755.

not afforded independent copyright protection¹²¹), comic book characters are copyrightable because they express physical and conceptual qualities that are more likely to contain some unique elements of expression.¹²² While it is difficult to distinctively delineate a literary character from other unprotected ideas, a comic book character's visual image reduces this difficulty.¹²³ Similarly, courts have afforded copyright protection to fictional characters visually depicted in films and television shows.¹²⁴

Twenty-five years after *Air Pirates*, the Seventh Circuit took another look at the visual and non-visual elements that make comic book characters independently copyrightable.¹²⁵ In *Gaiman v. McFarlane*,¹²⁶ comic book writer Neil Gaiman sued writer/artist Todd McFarlane, seeking a declaration that he was a joint owner in the copyrights of several characters created in collaboration for the popular comic book series, *Spawn*.¹²⁷ McFarlane argued that two of the characters, "Medieval Spawn"¹²⁸ and "Cogliostro,"¹²⁹ were too commonplace to be copyrightable when Gaiman was involved in the series and only attained protection later as a result of McFarlane's

121. *Olson v. Nat'l Broad. Co.*, 855 F.2d 1446, 1451 n.6 (9th Cir. 1988); MARK S. LEE, ENTERTAINMENT AND INTELLECTUAL PROPERTY LAW § 14:5 (2009). Literary characters are occasionally copyrightable when they constitute "the story being told." *Warner Bros. Pictures v. Columbia Broad. Sys.*, 216 F.2d 945, 950 (9th Cir. 1954); see also *Burroughs v. Metro-Goldwyn-Mayer, Inc.*, 519 F. Supp. 388, 391 (S.D.N.Y. 1981) (recognizing copyright protection for Tarzan). Otherwise, literary characters may instead be protected "under aspects of state, common, or trademark laws." U.S. COPYRIGHT OFFICE, *supra* note 113, at 1.

122. *Air Pirates*, 581 F.2d at 755 (citations omitted) ("[W]hile many literary characters may embody little more than an unprotected idea, a comic book character, which has physical as well as conceptual qualities, is more likely to contain some unique elements of expression. . . . [C]omic book characters therefore are distinguishable from literary characters.").

123. *Id.*

124. See *Olson*, 855 F.2d at 1452; *Toho Co., Ltd. v. William Morrow & Co., Inc.*, 33 F. Supp. 2d 1206, 1215-16 (C.D. Cal. 1998) (recognizing copyright protection for Godzilla); *Anderson v. Stalone*, No. 87-0592, 1989 WL 206431, *7 (C.D. Cal. Apr. 25, 1989) (recognizing copyright protection for Rocky Balboa).

125. *Gaiman v. McFarlane*, 360 F.3d 644, 660 (7th Cir. 2004).

126. *Id.* at 648.

127. *Id.* at 648-49.

128. Spawn is a tall figure clad in black, with a huge blood-red cloak. He can teleport, fly, fire blasts of energy, and bring the dead back to life. Medieval Spawn wears a suit reminiscent of a suit of armor, rides a horse, and carries a shield bearing the Spawn logo. He has the same powers as the original Spawn. *Id.* at 657.

129. Count Nicholas Cogliostro is a mysterious, wise old man with a long grey beard. He is Spawn's mentor and teaches Spawn the nature of his powers. *Id.* at 657-58.

further work.¹³⁰ The doctrine of “scènes à faire” teaches that “rudimentary, commonplace, standard, or unavoidable” features do not serve to distinguish one work from another and cannot be the basis for copyright.¹³¹ Stock characters, such as a drunken old bum, a suburban housewife, a fire-breathing dragon, or a talking cat, are examples of the operation of the scènes-à-faire doctrine.¹³² McFarlane maintained that the characters, as Gaiman described them, were merely uncopyrightable stock characters; Medieval Spawn was “essentially Spawn, only [dressed] as a knight from the Middle Ages” and Cogliostro was “an unexpectedly knowledgeable old wino.”¹³³ The court disagreed, concluding that Gaiman’s contribution had expressive content (the characters’ knowledge and dialogue, their names, their ages, and physical attributes), which combined with McFarlane’s talent to create characters sufficiently distinctive to be copyrightable.¹³⁴ As the court simply put it: “No more is required for a character copyright.”¹³⁵ While unillustrated literary characters leave much to the imagination,¹³⁶ comic book characters have distinct visual and non-visual elements which make them copyrightable.¹³⁷

By way of example, Spider-Man is independently copyrightable apart from the comic book issues, films, and television series in which

130. *Id.* at 657, 659.

131. *Id.* at 659 (quoting *Bucklew v. Hawkins, Ash, Baptie & Co., LLP*, 329 F.3d 923, 929 (7th Cir. 2003)).

132. *Id.* at 659-60.

133. *Id.* at 657, 660-61.

134. *Id.* at 661. Moreover, even though Gaiman’s verbal description of Cogliostro “may well have been of a stock character, once he was drawn and named and given speech he became sufficiently distinctive to be copyrightable.” *Id.*

135. *Id.*; see *DC Comics Inc. v. Reel Fantasy, Inc.*, 696 F.2d 24, 25, 28 (2d Cir. 1982) (recognizing copyright protection for Batman); *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 753-55 (9th Cir. 1978) (recognizing copyright protection for Mickey Mouse); *Detective Comics, Inc. v. Bruns Publ’ns, Inc.*, 111 F.2d 432, 433-34 (2d Cir. 1940) (recognizing copyright protection for Superman).

136. According to Judge Posner:

The description of a character in prose leaves much to the imagination, even when the description is detailed—as in Dashiell Hammett’s description of Sam Spade’s physical appearance in the first paragraph of *The Maltese Falcon*. ‘Samuel Spade’s jaw was long and bony, his chin a jutting v under the more flexible v of his mouth. His nostrils curved back to make another, smaller, v. His yellow-grey eyes were horizontal. The v motif was picked up again by thickish brows rising outward from twin creases above a hooked nose, and his pale brown hair grew down—from high flat temples—in a point on his forehead. He looked rather pleasantly like a blond satan.’ Even after all this, one hardly knows what Sam Spade looked like.

Gaiman, 360 F.3d at 660-61.

137. *Id.* at 660.

he appears. Even when the character first debuted, he had “a specific name and a specific appearance.”¹³⁸ In 1962, artist Jacky Kirby created Spider-Man alongside writer/editor Stan Lee and artist Steve Ditko for use in Marvel’s comic book, *Amazing Fantasy* number 15.¹³⁹ Ditko drew the interior artwork, Lee added the captions and dialogue, and Kirby created an iconic cover.¹⁴⁰ Their creative efforts combined to create a timid teenager who gains superpowers from a radioactive spider bite and learns that “with great power,” comes “great responsibility.”¹⁴¹ Spider-Man’s age, his alter ego, Peter Parker, his mechanical “web-shooters,” and his classic red and blue costume combine to create a distinctive character.¹⁴² As *Air Pirates* and *Gaiman* illustrated, “[n]o more is required for a character copyright.”¹⁴³

B. Propensity to Adapt, Transform, and Develop

Whereas traditional fixed forms of copyrightable expression (songs, books, and films) do not change over time, media companies adapt, transform, and develop the physical and conceptual qualities of their comic book characters. Undoubtedly, media companies invest their financial resources in promoting the songs, books, and films that they purchase, but these efforts do not change the substantive attributes of the work.¹⁴⁴ In contrast, media companies add new, original material to their characters over the course of hundreds of successive comic book issues, films, and television series. As a result, the physical and conceptual qualities of comic book characters often share only nominal ties to their creative roots at termination.¹⁴⁵

Media companies develop comic book characters in many ways. To begin with, they continually update their characters’ superpowers and costumes. By changing these elements, media companies keep their properties fresh and exciting for comic book readers. But these elements seem trivial in contrast to the broader physical and conceptual

138. *See id.*

139. *See* EVANIER, *supra* note 32, at 127.

140. *Id.*

141. *See* Stan Lee, Steve Ditko & Art Simek, AMAZING FANTASY, no. 15 (Marvel Comics Aug. 1962), *reprinted in* 1 ESSENTIAL SPIDER-MAN (1997).

142. *See id.*

143. *Gaiman*, 360 F.3d at 660.

144. When a media company does alter a song, book, or film in a substantive way, that creative effort is subject to the derivative works exception. *See infra* notes 177-81 and accompanying text.

145. *See* Chandra, *supra* note 13, at 263.

qualities that comic book characters express.¹⁴⁶ In fact, the true value of fictional characters lies in their history, beliefs, alter ego, personality, and mission.¹⁴⁷ Comic book heroes experience tragic and historic events, form memories, acquire personality traits, build friendships, and make enemies. Media companies adapt, transform, and develop these qualities in order to keep comic book characters contemporary, relevant, and provocative.

Previously recaptured comic book characters shared only nominal ties to their creative roots at termination. For instance, when Simon and Kirby created Captain America in 1938, the character was an army-reject who fought Nazi spies after the American government injected the hero with an experimental super soldier serum.¹⁴⁸ By the time the Second Circuit concluded that Simon was entitled to recapture the rights to Captain America in 2002, the character had fallen into the North Atlantic Ocean and spent decades frozen in a block of ice¹⁴⁹ until a superhero team, “The Avengers,” revived the hero from suspended animation in 1964.¹⁵⁰ In order to keep the character contemporary, Marvel significantly adapted, transformed, and developed Captain America from creation to termination. Similarly, when Siegel and Shuster created Superman in 1934, the character “was able to leap tall buildings in a single bound,” but could not fly.¹⁵¹ The character did not have heat vision, x-ray vision, super-hearing, or the ability to freeze things with his breath.¹⁵² By the time the Siegel heirs recaptured the rights to Superman in 2009, a lot had happened: the character’s

146. See *In Re Marvel Entm’t Grp., Inc.*, 254 B.R. 817, 824 (D. Del. 2000) (“In analyzing the similarities or differences in comic book characters, a reader must take notice of more than the characters [sic] name, powers, and costume. The reader must consider the character’s background story, which includes the story of origin and the character’s alter ego, personality, and mission.”).

147. *Id.*; Leslie A. Kurtz, *The Independent Legal Lives of Fictional Characters*, 1986 Wis. L. Rev. 429, 430.

148. *Marvel Characters, Inc. v. Simon*, 310 F.3d 280, 282 (2d Cir. 2002).

149. THE AVENGERS, no. 4 (Marvel Comics Mar. 1964), reprinted in 1 STAN LEE, JACK KIRBY & DON HECK, MARVEL MASTERWORKS: THE AVENGERS (2009)).

150. *Id.*

151. Chandra, *supra* note 13, at 279.

152. See *id.* In fact, Superman’s first appearance in *Action Comics* no. 1 made no mention of the Daily Planet (the newspaper where the character’s alter ego, Clark Kent, works), Smallville (the town where Superman’s spaceship landed on Earth), Kryptonite (the deadly remains of Superman’s home planet), or Lex Luthor (Superman’s archenemy). Joe Shuster & Jerry Siegel, *Superman, Champion of the Oppressed!*, ACTION COMICS, no. 1 (DC Comics June 1938), reprinted in 1 SUPERMAN: THE ACTION COMICS ARCHIVES (1998).

adoptive Earth parents had died;¹⁵³ the unstoppable killing machine named Doomsday had murdered the superhero;¹⁵⁴ he had returned from death in his Fortress of Solitude;¹⁵⁵ and had married the love of his life Lois Lane.¹⁵⁶ Indeed, all of these events transformed the comic book character's history, beliefs, alter ego, personality, and mission.

C. Recapturing Comic Book Characters Is Inconsistent with the Goals of the Termination Provisions

Allowing authors and their heirs to recapture the copyrights to comic book characters is inconsistent with the basic purposes of the termination provisions. The fundamental objectives of copyright law are to foster creativity,¹⁵⁷ promote predictability and certainty of copyright ownership,¹⁵⁸ and enhance public access to creative works.¹⁵⁹ Allowing authors and their heirs to recapture the rights to comic book characters disregards these objectives in three ways: first, authors and their heirs receive a substantial windfall, because not only do they recapture the author's creative efforts, they also receive the benefit of the media company's creative investment; second, it deprives media companies of all certainty in their copyright ownership; and third, it encourages authors and their heirs to hold media companies hostage to their prohibitive demands, forcing media companies to discontinue the use of recaptured characters, meaning that the public will lose access to them.

First and foremost, authors and their heirs unjustly profit from the creative efforts of others when they recapture the copyrights to successful comic book characters.¹⁶⁰ Congress intended the termination provisions "to relieve authors of the consequences of ill-advised and unremunerative grants that [they had made before they] had a fair

153. See Leo Dorfman & Al Plastino, *The Last Days of Ma and Pa Kent*, SUPERMAN, no. 161 (DC Comics May 1963), reprinted in SUPERMAN IN THE SIXTIES (1999). DC Comics later rebooted the Superman continuity so that his adoptive parents never actually passed away. Recently, his adoptive father, Jonathan Kent, died of a heart attack in Geoff Johns, Gary Frank & Jon Sibal, ACTION COMICS, no. 870 (DC Comics Oct. 2008).

154. *Superman*, no. 75 (DC Comics 1992), reprinted in THE DEATH OF SUPERMAN (1993).

155. *Id.*

156. *Superman: The Wedding Album* (DC Comics 1996), reprinted in SUPERMAN: THE WEDDING AND BEYOND (1997).

157. See Bales, *supra* note 20, at 664.

158. See *Cnty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 749 (1989).

159. See Jaszi, *supra* note 22, at 751-52.

160. See *Mills Music, Inc. v. Snyder*, 469 U.S. 153, 183 & n.8 (White, J., dissenting).

opportunity to appreciate the true value of [their] work product.”¹⁶¹ By attempting to protect authors from their own improvidence in striking early unremunerative bargains with media companies, the termination right makes the rewards for authors’ creativity more substantial.¹⁶² But “appreciating a work’s true value over time” is different than “developing a work’s value through creative investment.” The former is attributable to the author, while the latter is attributable to the media company. The termination provisions are meant to reward only the former.¹⁶³ It is unfair for courts to allow authors and their heirs to recapture works that have attained their value through the creative efforts of media companies.

By rewarding authors and their heirs with a substantial windfall, the termination provisions deter media companies from investing their creative efforts in purchased copyrights. Congress’ paramount purpose in revising copyright law in 1976 was to enhance the predictability and certainty of copyright ownership.¹⁶⁴ In the “copyright marketplace,” media companies negotiate with authors for creative works with an expectation that the media companies will own the copyright in the future.¹⁶⁵ With that expectation, the parties settle on relevant contractual terms, such as the price and the ownership of reproduction rights.¹⁶⁶ But when comic book creators have the absolute ability to terminate prior grants of copyright transfers, regardless of compensation or whether the media company invested its creative efforts into the work, the termination provisions deprive media companies of all certainty in their copyright ownership.

Furthermore, while others have argued that the termination provisions reach equitable results by forcing media companies to bargain with authors,¹⁶⁷ media companies instead are held hostage by authors’ prohibitive demands. Media companies build franchises atop successful comic book characters.¹⁶⁸ Once these franchises are built, the authors of the underlying characters can exercise their termination rights to recapture the copyrights. Accordingly, if media companies want to continue to produce comic books, films, and television series based on recaptured characters, they have to pay the corresponding

161. *Id.* at 172-73.

162. *Id.*

163. *See id.*

164. *See Cmty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 749 (1989) (citing H.R. Rep. No. 94-1476, 129 (1976)).

165. *Id.* at 749.

166. *Id.* at 750.

167. *See, e.g.,* Chandra, *supra* note 13, at 296.

168. *See* Barnes & Cieply, *A Custody Battle, Supersized*, *supra* note 7.

authors an exorbitant fee.¹⁶⁹ As a result, media companies must remove highly successful characters from public access or risk infringing on authors' underlying copyrights.¹⁷⁰

The Superman reclamation case is the perfect example of why allowing authors and their heirs to recapture the copyrights to comic book characters is inconsistent with the basic purposes of the termination provisions. Even though DC Comics paid Jerry Siegel and his family hundreds of thousands of dollars in compensation for Superman,¹⁷¹ and courts repeatedly assured DC Comics that it was the "absolute owner" of Superman,¹⁷² the Siegel heirs were still able to reclaim a character that now shares only nominal ties with their father's creation.¹⁷³ This outcome rewarded the Siegel heirs with a substantial windfall and undermined DC Comics' confidence in its copyright ownership. As a result, the media company will likely be reluctant to invest its creative resources in works that are subject to the termination provisions. Furthermore, if the Shuster estate is successful in its claim to recapture the other half of the Superman copyright, DC Comics will be forced either to pay the creators' heirs substantial amounts of money to continue using the character or discontinue publishing Superman comic books altogether.

IV. USING THE DERIVATIVE WORKS EXCEPTION TO RESCUE SPIDER-MAN

Accordingly, courts should use the derivative works exception to prevent authors and their heirs from reclaiming the rights to fictional characters. As explained earlier, the derivative works exception permits media companies to continue to exploit derivative works based on a recaptured copyright and produced before termination.¹⁷⁴ Congress designed the derivative works exception to protect the creators of derivative works, such as film producers, from having to renegotiate rights in underlying works, such as the scripts, screenplays, and

169. See *Mills Music, Inc. v. Snyder*, 469 U.S. 153, 183-84 (White, J., dissenting); Jaszi, *supra* note 22, at 751-52.

170. *Mills Music*, 469 U.S. at 183-83 (White, J., dissenting); Jaszi, *supra* note 22, at 751-52.

171. Dean, *supra* note 106 ("According to papers filed during various litigations between DC and the two creators, total compensation to Siegel and Shuster for their work on the Superman comics exceeded \$400,000 by the time DC paid them off for Superboy with another \$94,000.").

172. See *supra* note 80 and accompanying text.

173. Chandra, *supra* note 13, at 277-83.

174. *Mills Music*, 469 U.S. at 169; *Fred Ahlert Music v. Warner/Chappell Music, Inc.*, 155 F.3d 17, 19 (2d Cir. 1998).

musical scores on which their films are based.¹⁷⁵ Similarly, the exception should protect media companies from having to renegotiate for the copyrights to their successful characters. Just like a completed film, a comic book character develops and matures through a media company's talent and resources.

This Comment, thus, endorses an extended interpretation of the derivative works exception beyond its traditional limits. Under the Copyright Act:

A “derivative work” is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications, which, as a whole, represent an original work of authorship, is a “derivative work.”¹⁷⁶

Traditionally, courts apply the derivative works exception to protect only new works from the termination provisions.¹⁷⁷ This is because, generally, whenever a media company adapts, transforms, or develops a fixed form of copyright (songs, music, and books), the media company creates a new, derivative work.¹⁷⁸ For example, when a music studio remixes a song to change the basic melody or fundamental nature of the work, the music studio creates a new song that is independently copyrightable and exempt from reclamation under the derivative works exception.¹⁷⁹ But media companies can adapt, transform, and develop copyrighted fictional characters without necessarily creating a new work.¹⁸⁰ As such, the derivative works exception should also protect the

175. *Mills Music*, 469 U.S. at 183 (White, J., dissenting).

176. 17 U.S.C. § 101 (2006).

177. *See, e.g., Mills Music*, 469 U.S. at 173.

178. *See id.*; 17 U.S.C. § 101.

179. *See TeeVee Toons, Inc. v. DM Records, Inc.*, No. 05-5602, 2007 WL 2851218, at *9 (S.D.N.Y. Sept. 27, 2007) (unpublished opinion).

180. *See supra* Introduction. Media companies can also *recast* their characters to create new, derivative characters that are not be subject to the termination provisions. For instance, “Spider-Girl,” a character based on Spider-Man, is not subject to the termination provisions because the character is sufficiently original to satisfy the *Batlin* test. *See infra* Part IV.A. Although she wears a red-and-blue costume nearly identical to her father's, shares the same super-powers and fights many of the same villains as the original Spider-Man, Spider-Girl is more than a “merely trivial” variation of the underlying work. *See Spider-Girl (MC2)*, MARVEL UNIVERSE WIKI, <http://marvel.com/universe/Spider-Girl> (last visited Apr. 13, 2010). Spider-Girl first

fictional characters that a media company has fundamentally adapted, transformed, or developed (even when the characters already appeared in the original, underlying works).¹⁸¹

Courts should adopt this extended interpretation of the derivative works exception to advance the fundamental objectives of copyright law. First, preventing authors from recapturing characters that media companies have transformed over time eliminates the windfall element of the termination provisions, because authors will no longer be able to recapture works that owe their commercial and creative success to a media company. Therefore, it limits terminations to those cases in which media companies did not foster creativity.¹⁸² Second, by assuring media companies that their creative efforts are not subject to the termination provisions, they can safely negotiate for creative works in the “copyright marketplace.” This protects media companies’ confidence in their copyright ownership. Third, it prevents authors and their heirs from holding media companies hostage to their demands and protects public access to creative works.

While others argue that the rewards for authors’ creativity are less substantial when authors cannot recapture the rights to successful characters,¹⁸³ Congress did not design the termination provisions to blindly reward authors.¹⁸⁴ Rather, courts must balance the interests and expectations of authors and media companies to maximize creativity for the public’s benefit.¹⁸⁵ Ultimately, the royalties generated during a

appeared in 1998 as May “Mayday” Parker, the daughter of Spider-Man. *What If?* (Vol. 2) no. 105 (Marvel Comics Feb. 1998). She exists in a future, alternate universe, wholly separate from the traditional Spider-Man continuity. *See Spider-Girl (MC2)*, *supra*. Besides being female, Spider-Girl has her own identity, personality, attitude, and experiences. *Id.* The character is charismatic and popular, played on her high school basketball team, is a cheerleader, is a reserve member of the superhero team, The Avengers, and is trained in the martial arts. *Id.* Therefore, Marvel recast Spider-Man into a new character, which qualifies for protection from the termination provisions under the derivative works exception.

181. Another option would be for courts to adopt a “King Solomon” approach and split the copyright in two. Authors and their heirs could recapture the rights to the “prototype” character that appeared in the underlying work. The media company could also continue to exploit the “developed” character that existed at termination. While the author would not be entitled to reap the benefits of the media companies’ creative efforts, he or she could realize profits from their own creation. This solution, however, would be unworkable if the media company asserted trademark protection under the Lanham Act. *See infra* note 203.

182. *See Abrams, supra* note 36, at 220-21 (“[T]he reversion right was useful in cases where a publisher or producer had acquired rights but then failed to publish or produce the work.”).

183. *See Chandra, supra* note 13, at 295-96.

184. *See supra* Part II.C.

185. *See Leval, supra* note 68, at 1107.

work's extended renewal term under the 1976 Copyright Act are, in fact, a windfall to either authors or media companies.¹⁸⁶ Neither group originally expected to be able to exclusively exploit copyrights for more than fifty-six years.¹⁸⁷ But media companies should be the beneficiary of this windfall when a copyright's success is attributable to its creative efforts.¹⁸⁸ This way, media companies retain their creative works and can offer them to the public at affordable costs.

A. *The Batlin Test for Originality*

To determine whether derivative works are subject to the termination provisions, courts use the Second Circuit's *Batlin* test for originality.¹⁸⁹ When a derivative work satisfies the *Batlin* test, it is not subject to reclamation.¹⁹⁰ According to the *Batlin* test, all that is required for originality is that the author contributed something "substantial," as opposed to a "merely trivial" variation, making it "something recognizably his own."¹⁹¹ Miniscule differences that are not perceptible to the casual observer are not independently copyrightable.¹⁹² While novelty, uniqueness, and ingenuity are not required for originality, there must be at least some minimal independent creation.¹⁹³ Courts have characterized the *Batlin* test as "modest," "minimal," and "concededly one with a low threshold."¹⁹⁴

The *Batlin* test should prevent authors and their heirs from reclaiming the rights to fictional characters when media companies have invested substantial creative resources to adapt, transform, and develop the characters over time. To determine whether a character is subject to reclamation, a court must first identify the physical and conceptual qualities of the character that are attributable to the author exercising

186. *Woods v. Bourne Co.*, 60 F.3d 978, 986 (2d Cir. 1995).

187. *Id.*

188. *See id.* ("The Derivative Works Exception preserves the right of owners of derivative works to continue to exploit their works during the extended renewal term . . .").

189. *L. Batlin & Son, Inc. v. Snyder*, 536 F.2d 486, 490 (2d Cir. 1976).

190. *Durham Indus., Inc. v. Tomy Corp.*, 630 F.2d 905, 910 (2d Cir. 1980).

191. *Batlin*, 536 F.2d at 490 (internal quotations omitted).

192. *Id.* at 492 ("To extend copyrightability to miniscule variations would simply put a weapon for harassment in the hands of mischievous copiers intent on appropriating and monopolizing public domain work.")

193. *Id.* at 490.

194. *Durham*, 630 F.2d at 910 (citing *Batlin*, 536 F.2d at 490; *Puddu v. Buonamici Statuary, Inc.*, 450 F.2d 401, 402 (2d Cir. 1971); *Thomas Wilson & Co., Inc. v. Irving J. Dorfman Co.*, 433 F.2d 409, 411 (2d Cir. 1970); *Millworth Converting Corp. v. Slifka*, 276 F.2d 443, 445 (2d Cir. 1960)).

his or her termination right. Next, it should use the *Batlin* test and compare those qualities to the ones expressed by the character at termination. In comparing the similarities and differences between the character at creation and at termination, a court should consider more than just the comic book character's name, superpowers, and physical appearance.¹⁹⁵ It should consider the character's history, beliefs, alter ego, personality, and mission.¹⁹⁶ Finally, if the media company added "merely trivial" developments to the character since creation, then the author or the author's heirs should be permitted to recapture the work. If, however, the media company added substantial, original material to the character, thereby adapting, transforming, and developing it enough to satisfy the *Batlin* test, then it should not be subject to reclamation.

Other authors have argued that courts should modify the *Batlin* test to ensure that fictional characters remain subject to the termination provisions.¹⁹⁷ Under a stricter standard, a media company would have to show that the graphical depiction of the character at termination is "grossly different" from the character's physical appearance at creation.¹⁹⁸ Focusing exclusively on the character's physical appearance, however, ignores the broader physical and conceptual qualities that comic book characters express.¹⁹⁹ Furthermore, a modified standard neglects the role that media companies play in the production of creative works.²⁰⁰ Media companies hire artists, writers, and editors to produce creative works for the public's enjoyment.²⁰¹ While a "grossly different" standard would make the rewards for authors' creativity even more substantial, it would also further alienate media companies' creative efforts.

Finally, even though courts should use the *Batlin* test to prevent authors and their heirs from recapturing the rights to successful comic book characters, they should not prevent authors and their heirs from recapturing the rights to the works in which the characters appear. For example, even if a court determines that the Kirby heirs cannot recapture the rights to Spider-Man, they should still be entitled to exercise their termination rights to reclaim the cover of *Amazing*

195. *In re Marvel Entm't Grp., Inc.*, 254 B.R. 817, 824 (D. Del. 2000).

196. *Id.*

197. *See, e.g.*, Chandra, *supra* note 13, at 295-96.

198. *Id.* at 293.

199. *See supra* Part III.A.

200. *See* Chandra, *supra* note 13, at 292-93.

201. Generally, "works made for hire" are not subject to the termination provisions. *See supra* notes 25-26, 35 and accompanying text.

Fantasy, number 15, which their father produced for Marvel.²⁰² The heirs can then exploit the artwork however they see fit, and will be entitled to any profits that Marvel earns from reproducing the image.²⁰³ This allows the heirs a fair opportunity to appreciate the true value of Kirby's work, which is the paramount purpose of the termination provisions.

B. Applying the Batlin Test to the Kirby Lawsuit

By way of example, this Part applies the *Batlin* test to the *Kirby* lawsuit in order to determine whether Spider-Man should be subject to the termination provisions. As explained earlier, Kirby created Spider-Man alongside writer/editor Stan Lee and artist Steve Ditko in 1962.²⁰⁴ Kirby's involvement, however, was limited to Spider-Man's first appearance in *Amazing Fantasy*, number 15.²⁰⁵ That issue introduced comic book readers to teenager Peter Parker, a brilliant student living with his aunt and uncle.²⁰⁶ After a radioactive spider bites Parker, the character acquires superhuman strength, speed, stamina, agility, the ability to cling to most surfaces, a precognitive "spider sense," and the capacity to create web fluid.²⁰⁷ At first, he uses his newly acquired powers to become a famous television star.²⁰⁸ But after a burglar (who

202. This assumes that the work was not "made for hire." See *supra* notes 25-26, 35 and accompanying text.

203. Even if the Kirby heirs recapture the rights to the cover of *Amazing Fantasy* no. 15, Marvel's trademarks may limit the Kirby heirs' ability to exploit the work. See Chandra, *supra* note 13, at 271-77. The name "Spider-Man" and the title "Amazing Fantasy" are separate and distinct from the copyright, enforceable instead under trademark law. See *id.* Section 43(a) of the Lanham Act protects media companies from having their distinctive trademarks (typically a name, word, phrase, slogan, title, logo, symbol, design, etc.) used by others. *Id.* at 271. Moreover, while the graphic representation of Spider-Man that appears on the cover of *Amazing Fantasy* no. 15 is protected by the Copyright Act, the likeness of the superhero is also trademarked by Marvel. *Id.* at 274 ("While comic book characters are protected by copyright, courts have also recognized that they are protected by trademark."); see also *DC Comics Inc. v. Unlimited Monkey Bus., Inc.*, 598 F. Supp 110 (N.D. Ga. 1984). This registered trademark protects the association that consumers recognize between Spider-Man and Marvel when they purchase a Spider-Man product. See Chandra, *supra* note 13, at 271-72. Even if the Kirby heirs reclaim the rights to the cover of *Amazing Fantasy* no. 15 under the Copyright Act, this image would be useless if Marvel asserts trademark protection under the Lanham Act. See *id.* at 272.

204. See *supra* note 139 and accompanying text.

205. See EVANIER, *supra* note 32, at 127.

206. Stan Lee, Steve Ditko & Art Simek, *AMAZING FANTASY*, no. 15 (Marvel Comics Aug. 1962), reprinted in 1 *ESSENTIAL SPIDER-MAN* (1997).

207. *Id.*

208. *Id.*

the teenager refused to catch earlier in the issue) murders his uncle, Parker realizes that “with great power,” comes “great responsibility.”²⁰⁹ With that, he becomes the superhero known as “Spider-Man.”²¹⁰

Since Kirby’s involvement, the character has grown significantly. Marvel has published over six-hundred issues of *The Amazing Spider-Man* and the character has appeared in over nine hundred different titles.²¹¹ Over the course of five decades, Spider-Man has experienced events no other person could ever possibly experience in his or her lifetime. Spider-Man has been married,²¹² been cloned,²¹³ bonded with an alien symbiote,²¹⁴ had a child,²¹⁵ fought in parallel dimensions,²¹⁶ driven enemies to their death,²¹⁷ and watched loved ones die.²¹⁸ While any one event may have had only a miniscule effect on the superhero, they collectively transformed his history, beliefs, alter ego, personality, and mission.

209. *Id.*

210. *Id.*

211. *Comics*, SPIDERFAN.ORG, <http://www.spiderfan.org/comics/index.html> (last visited Apr. 13, 2010).

212. Peter Parker married Mary Jane Watson in THE AMAZING SPIDER-MAN, annual no. 21 (Marvel Comics 1987), *reprinted in* SPIDER-MAN: THE WEDDING (1992). Marvel later retconned the marriage from existence when Peter made a deal with Mephisto (a character akin to the devil) to save the life of his Aunt May. *See* Jonah Weiland, *The “One More Day” Interviews with Joe Quesada, Pt. 1 of 5*, COMIC BOOK RESOURCES (Dec. 28, 2007, 12:00 AM), <http://www.comicbookresources.com/?page=Comment&id=12230>.

213. Miles Warren, a.k.a. the Jackal, cloned Spider-Man in the 1970s. *See* TOM DEFALCO, THE AMAZING SPIDER-MAN: THE ULTIMATE GUIDE 86-87 (2007). The clone, known as Ben Reilly, later resurfaced in the 1990s as the Scarlet Spider during the controversial “Clone Saga.” *Id.* at 136-37.

214. Spider-Man first bonded with the alien symbiote, Venom, in DeFalco et al., THE AMAZING SPIDER-MAN, no. 252 (Marvel Comics May 1984), *reprinted in* THE AMAZING SPIDER-MAN: SAGA OF THE ALIEN COSTUME (1988), when the superhero returns to Earth with it after the “Secret Wars.” *See* DEFALCO, *supra* note 213, at 108-09.

215. May “Mayday” Parker is the daughter of Peter Parker and Mary Jane Watson. *See Spider-Girl (MC2)*, *supra* note 180. While Spider-Man’s daughter presumably died during child birth in the comic books, Marvel uses the character as Spider-Girl in an alternate timeline. *See id.*

216. Spider-Man fought in the Secret Wars in a twelve-issue comic book limited series that Marvel published from May 1984 to April 1985. *See Secret Wars*, MARVEL UNIVERSE WIKI, http://marvel.com/universe/Secret_Wars (last visited Apr. 13, 2010).

217. Long time Spider-man foe, Kraven the Hunter, committed suicide in the storyline, “Kraven’s Last Hunt.” DEFALCO, *supra* note 213, at 116-17.

218. *See infra* note 231.

Marvel's creative efforts added substantial, original material to the character, as opposed to "merely trivial" developments. Although Spider-Man's physical appearance has remained fundamentally the same since 1962, and the character exhibits the same superpowers, Marvel transformed the work's greater physical and conceptual qualities. When he first appeared, Spider-Man was an undeveloped character with no well-established personality traits, motivating history, or defining moments. He was a superhero without a single battle scar. Today, Spider-Man is defined by his uncanny bad luck, his terrific sense of humor, his unyielding determination, and his allegiance to family and friends. Whereas there have been a number of young superheroes with spider-based powers in comic books,²¹⁹ Spider-Man's distinctive personality and background keep loyal readers coming back for more. Because Marvel contributed substantial material to the Spider-Man copyright and made the character recognizably its own, the *Batlin* test for originality is satisfied and the character should not be subject to reclamation.

*C. With Great Power Comes Great Responsibility*²²⁰

The *Kirby* lawsuit aside, Congress did not design the derivative works exception to protect a media company who merely repackages and free rides on an author's creation.²²¹ All creative work is inherently derivative: "There is no such thing as a wholly original thought."²²² If the character subject to reclamation exhibits only minimal original changes from the author's underlying work, there is no creative justification to bar the copyright termination claim. Only when the media company can show credible evidence that it adapted and transformed the copyrighted character into a new, substantially different character should it be guarded against reclamation.

219. For example, Spider-Girl, Spider-Woman, the Scarlet Spider, and Araña are all Marvel characters with superpowers similar to those of Spider-Man. See *supra* note 215; *Spider-Woman (Jessica Drew)*, MARVEL UNIVERSE WIKI, [http://marvel.com/universe/Spider-Woman_\(Jessica_Drew\)](http://marvel.com/universe/Spider-Woman_(Jessica_Drew)) (last visited Apr. 13, 2010); *Scarlet-Spider (Ben Reilly)*, MARVEL UNIVERSE WIKI, [http://marvel.com/universe/Scarlet_Spider_\(Ben_Reilly\)](http://marvel.com/universe/Scarlet_Spider_(Ben_Reilly)) (last visited Apr. 13, 2010); *Araña (Anya Corazon)*, MARVEL UNIVERSE WIKI, <http://marvel.com/universe/Arana> (last visited Apr. 13, 2010).

220. See Stan Lee, Steve Ditko & Art Simek, AMAZING FANTASY, no. 15 (Marvel Comics Aug. 1962), reprinted in 1 ESSENTIAL SPIDER-MAN (1997) ("And a lean, silent figure slowly fades into the gathering darkness, aware at last that in this world, with great power there must also come -- great responsibility!").

221. See Leval, *supra* note 68, at 1116.

222. *Id.* at 1109.

Granted, based on the preceding analysis, it is difficult to imagine a comic book character that would be subject to the termination provisions. Authors and their heirs only target the most successful characters for reclamation. For example, the *Kirby* lawsuit purports to recapture the following characters: The Fantastic Four, Iron Man, Ant-Man, The X-Men, The Incredible Hulk, The Avengers, Thor, Nick Fury, and Spider-Man.²²³ These are Marvel's most lucrative properties, as well as the most developed. All of these characters have appeared in dozens of comic book titles, films, and television series. It is highly likely that Marvel can show credible evidence that it has sufficiently transformed each of these characters enough to satisfy the *Batlin* test for originality.

Still, there are circumstances in which a court should permit an author or the author's heirs to recapture the rights to a fictional character. The greater an author's contribution, the more likely that he or she should succeed in a copyright termination claim. For example, whereas Kirby's involvement was limited to Spider-Man's first appearance in *Amazing Fantasy*, number 15, artist Steve Ditko drew the first thirty-eight issues of *The Amazing Spider-Man* from 1963 to 1966.²²⁴ In those formative issues, Spider-Man became a photographer for the Daily Bugle,²²⁵ he battled Dr. Octopus,²²⁶ the Sandman,²²⁷ and the Green Goblin for the first time;²²⁸ he struggled to balance his personal life with his secret identity;²²⁹ and he graduated from high school.²³⁰ Although the character today is the product of hundreds of artists' and writers' creative efforts,²³¹ Ditko's input established Spider-

223. See *supra* note 1 and accompanying text.

224. See LEE, *supra* note 32, at 16-18.

225. Stan Lee et al., THE AMAZING SPIDER-MAN, no. 1 (Marvel Comics Mar. 1963), reprinted in 1 ESSENTIAL SPIDER-MAN (1997).

226. Stan Lee, Steve Ditko & John Duffy, THE AMAZING SPIDER-MAN, no. 3 (Marvel Comics July 1963), reprinted in 1 ESSENTIAL SPIDER-MAN (1997).

227. Stan Lee & Steve Ditko, THE AMAZING SPIDER-MAN, no. 4 (Marvel Comics Sept. 1963), reprinted in 1 ESSENTIAL SPIDER-MAN (1997).

228. Stan Lee, Steve Ditko & Art Simek, THE AMAZING SPIDER-MAN, no. 14 (Marvel Comics July 1964), reprinted in 1 ESSENTIAL SPIDER-MAN (1997).

229. Stan Lee et al., THE AMAZING SPIDER-MAN, no. 8 (Marvel Comics Jan. 1964), reprinted in 1 ESSENTIAL SPIDER-MAN (1997).

230. Stan Lee, Steve Ditko & Sam Rosen, THE AMAZING SPIDER-MAN, no. 28 (Marvel Comics Sept. 1965), reprinted in 1 ESSENTIAL SPIDER-MAN (1997).

231. In 1973, writer Gerry Conway and artist Gil Kane challenged the limits of Spider-Man's sanity when the Green Goblin murdered the character's sweetheart, Gwen Stacy. Gerry Conway et al., THE AMAZING SPIDER-MAN, no. 121 (Marvel Comics June 1973), reprinted in 6 ESSENTIAL SPIDER-MAN (1997). Ten years later, writer Roger Stern and artist John Romita Jr. tested the limits of Spider-Man's superhuman strength in the "Nothing Can Stop the Juggernaut" storyline. Roger Stern

Man's core personality and values. In comparing the physical and conceptual qualities of Spider-Man that are attributable to Ditko and the qualities of the character today, it is much more difficult to conclude that Marvel substantially transformed the work.²³² Consequently, if courts apply the *Batlin* test, Marvel would have a more difficult time defending a termination of transfer claim against Ditko than Kirby.

Without a doubt, using the derivative works exception to prevent authors and their heirs from recapturing fictional characters would be a complicated, fact-intensive endeavor for courts. In order to delineate the physical and conceptual qualities attributable to the author, as opposed to the qualities attributable to a media company, a court would need to consider hundreds of comic books, films, and television series. Fortunately, courts already perform the bulk of this work when analyzing other issues associated with a typical copyright termination case.²³³ For example, in the Superman reclamation case, the Central District of California examined in great detail a considerable amount of early promotional advertisements, newspaper comic strips, and comic books to determine whether the character was a "work made for hire."²³⁴ Furthermore, the court noted the vast differences between Superman at creation and termination.²³⁵ As such, courts already perform most of the investigation that would be required to determine whether a media company has adequately adapted, transformed, and developed a fictional character to satisfy the *Batlin* test.

et al., THE AMAZING SPIDER-MAN, nos. 229-30 (Marvel Comics June-July 1982), reprinted in THE SENSATIONAL SPIDER-MAN: NOTHING CAN STOP THE JUGGERNAUT (1989). In 1993, writer J.M. DeMatteis and artist Sal Buscema shook Spider-Man's emotional foundation when his best friend, Harry Osborn, died from a lethal drug overdose. J.M. DeMatties et al., *Best of Enemies*, THE SPECTACULAR SPIDER-MAN, no. 200 (Marvel Comics May 1993), reprinted in SPIDER-MAN V. GREEN GOBLIN (1995). Each of these authors contributed something substantial to the Spider-Man mythos. Without their contributions, Spider-Man would not be the character he is today.

232. Moreover, editor/writer Stan Lee wrote the dialogue and captions for *Amazing Fantasy* no. 15 and *Amazing Spider-Man*, nos. 1-110. See *Comics: Amazing Spider-Man (Vol. 1): #1-#22*, SPIDER-FAN.ORG, http://www.spiderfan.org/comics/title/spiderman_amazing.html (last visited Apr. 13, 2010).

233. See, e.g., *Siegel v. Warner Bros. Entm't Inc.*, 658 F. Supp. 2d 1036, 1095 (C.D. Cal. 2009).

234. *Id.* The Court sifted through the following material: (1) early Superman promotional advertisements, (2) *Action Comics* nos. 1-61, (3) *Superman* nos. 1-23, and (4) Superman daily newspaper strips. *Id.*

235. *Siegel v. Warner Bros. Entm't, Inc.*, 542 F. Supp. 2d 1098, 1110-11 (C.D. Cal. 2008); see also *supra* notes 151-156 and accompanying text.

CONCLUSION

As courts face an increasing number of copyright termination cases, they must decide whether allowing authors and their heirs to recapture successful comic book, television, and movie characters best serves the fundamental objectives of copyright law. As more authors reclaim the rights to well-known characters, media companies progressively lose all confidence in their copyright ownership. They have to pay substantial fees to authors and their heirs to exploit works that the media companies themselves adapted, transformed, and developed into notoriety. Meanwhile, the public suffers the consequences, as the prices of comic books, cable premiums, and movie tickets gradually increase.²³⁶ This Comment offers a solution: courts should extend their interpretation of the derivative works exception to prevent authors and their heirs from recapturing copyrightable characters that owe their commercial and creative success to a media company. While this solution may make the rewards for authors' creativity less substantial, it acknowledges media companies' creative efforts and protects comic book, film, and television franchises for the public's enjoyment. Stricter standards ignore the unique physical and conceptual qualities of fictional characters that media companies adapt, transform, and develop over time. Thus, in preventing authors and their heirs from recapturing the rights to successful fictional characters, courts will achieve the fundamental objectives of the Copyright Act, and the public can rest easy knowing that their favorite characters are safe from the tangled web of the termination provisions.²³⁷

236. See *Movie Ticket Prices Set to Rise*, CBSNEWS (Mar. 25, 2010), <http://www.cbsnews.com/stories/2010/03/25/entertainment/main6332679.shtml>; Julianne Pepitone, *Why Cable is Going to Cost You Even More*, CNNMONEY.COM (Jan. 9, 2010, 8:19 PM), http://money.cnn.com/2010/01/06/news/companies/cable_bill_cost_increase/index.htm; Vaneta Rogers, *Talking Shop - Comic Book Pricing*, NEWSARAMA.COM (Feb. 10, 2009, 5:28 PM), <http://www.newsarama.com/comics/090210-talking-shop-pricing.html>.

237. Copyright termination cases have been a hot topic among comic book readers. Many readers worry that their favorite costumed superheroes will disappear from the comic racks as a result of copyright litigation. See, e.g., Dean, *supra* note 106.