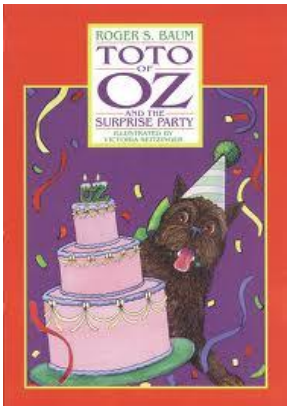
Disney and Warner Bros. Duel on the Yellow Brick Road

By Dan Nabel on March 6, 2012

A few weeks ago, Eriq Gardner of the Hollywood Reporter wrote an interesting article about Disney's recent skirmishes with Warner Bros. concerning numerous *Wizard of Oz*-related trademark applications that both companies have filed.

For Disney, the trademark applications pertain to its merchandising plans for the 2013 release of *Oz, the Great and Powerful* — "a prequel to the 1900 book by L. Frank Baum, told from the point of view of the Wizard." (Fun movie trivia: Does anyone else remember Disney's last *Oz* film? Headless, princess Mambi, anyone? Dorothy at the insane asylum? I suspect Disney is hoping you'd forgotten — but I never will!)

For Warner Bros., its applications (and oppositions to Disney's applications) are geared towards protecting its rights in the ridiculously valuable *Wizard of Oz* film and related merchandise. And it's no coincidence that, while Disney's film is to be called *Oz, the Great and Powerful*, Warner Bros.' new registration is for "The Great and Powerful Oz."



For Toto, these applications are all very boring. He is still caught up in the 2004 book by Roger S. Baum (L. Frank Baum's great-grandson) and Victoria Seitzinger, entitled "Toto of Oz and the Surprise Party." Because Toto eating cake with munchkins is *way* cuter than some stupid trademark applications.

Toto's surprise party aside, the battle between Disney and Warner Bros. is a fascinating legal thicket, because it raises questions about the ability to protect derivatives of public domain stories and characters.

Copyright and the Public Domain

Public domain materials can be used legally in many ways — but one must exercise caution. Original stories can be "re-imagined," *e.g.*, the made-for-television 2007 miniseries *Tin Man*, and new derivative works can be made, *e.g.*, Disney's 1985 *Return to Oz* and forthcoming *Oz the Great and Powerful*. But, as one court put it, "this freedom to make new works based on public domain materials ends where the resulting derivative work comes into conflict with a valid copyright."

Fictional film characters are protected by copyright to the extent that such characters are sufficiently distinctive. Where the character is based upon a preexisting work, such as a novel, the law only protects the increments of character expression in the film that go beyond the character expression in books.

To give you a concrete example, take Dorothy's famous ruby slippers. In Baum's novel, Dorothy wears silver slippers, whereas in the 1939 film, the filmmakers transformed them into ruby slippers to fully take advantage of the new Technicolor film process. Because the ruby slippers are a widely identifiable characteristic of the film-Dorothy, creating a new Dorothy character with ruby slippers could potentially run afoul of Warner Bros.' copyright.

Or, for an example from a different magical kingdom, consider that, at the end of this month, Relativity Media will be releasing *Mirror Mirror*, its take on the Grimms fairy tale of Snow White, while at the beginning of June, Universal will be coming out with its own *Snow White and the Huntsman*. Neither of those companies, you may have noticed, is Disney, which released its own *Snow White and the Seven Dwarfs* back in 1937. And while Relativity and Universal are both free to mine the original, public domain Grimms fairy tale for source material to their hearts' content, don't expect any find any dwarfs singing "Heigh Ho" — an original element of the still-copyright-protected 1937 Disney film.

The lesson is that any artist creating a new version of a public domain work should be careful not to use copyrightable elements of film-characters based on that work. Of course, in Disney's battle with Warner Bros., copyright isn't really the issue — trademark is.

Trademark and the Public Domain

What happens when copyright law and trademark law overlap? Can Warner Bros. stop Disney and others from registering trademarks such as "Dorothy of Oz" and "Oz the Great and Powerful," even though these marks derive from a public domain source (*i.e.*, Baum's 1899 novel)?

At least one court has said that "[o]nce copyrighted material passes into the public domain it cannot then be protected by trademark law." Unfortunately, the court had no authority for that statement or any reasoning to support it. Moreover, the court also said that if the defendant had used the public domain characters in question "on t-shirts which it was selling" then there might be a claim for a trademark violation. Not terribly consistent.

The most recent Supreme Court case to address the overlap between intellectual property laws offers some guidance…but not much. According to the Supreme Court, trademark law cannot be used to create a species of perpetual copyright. It reached this conclusion via a technical reading of the Lanham Act (the federal trademark law), determining that claims for "false designation of origin" could only be asserted for *tangible* goods and services — i.e., a DVD or film print — and could not encompass the underlying ideas or communications behind those goods and services — i.e., the movie itself. But while this might help further resolve the issue of whether trademark law would permit Disney to make its own Oz film (it does), it doesn't necessarily answer the question of whether Disney can merchandise the hell out of the thing.

And of course, even assuming that trademark law theoretically allows Warner Bros. to maintain some limited monopoly over Oz, at least in the trademark arena (a question that is far from settled), the factual question of whether consumers would actually be confused by the competing studios' uses of these marks — i.e., whether Disney is actually infringing on Warner Bros.' rights with its use of "Oz" marks — is itself up for debate. On one hand, most everybody currently associates the Oz-related marks with Warner Bros.' 1939 film, and an "Oz" t-shirt may very well call to mind images of Judy Garland in sparkly red shoes saying "There's no place like home." On the other hand, that may

change once Disney starts promoting *its* new film. Is anyone really likely to be confused by an Oz product that looks like something from the new Disney film?

Toto probably knows the answer. But unfortunately, he can only talk in Oz (although he prefers not to).

Tags: Copyright, Film and Television, General, Trademark