Edward A. Elkins
Attorney at Law

Offices in Orlando

PO Box 149533
Orlando, Fl 32814-9533
Phone: 407-279-1231
Fax: 407-208-2912

The Day the Mouse Got Away: The Walt Disney Company's Character Copyright Challenges and the Law that Mickey Built

In 2007 alone, one corporation known throughout the world reported an income of thirty five billion dollars even though its largest market, the United States of America, was suffering from economic tragedy. [i] The potential for this large income is due to the creation of one character, and arguably the most recognized cartoon on Earth- Mickey Mouse. Originally created in 1929, Mickey Mouse has become the face of the Walt Disney Company. The question to be pondered is whether or not The Walt Disney Company would continue to be successful if it lost its title as copyright owner of Mickey Mouse. In order to fully explore the depths of this question one must first explore the very basis of Disney's stake in the characters they market and the threats posed by copyright violators. Only after exploring the fundamental copyrights held by The Walt Disney Company can one understand the most recent threats to Disney and the entertainment industry as a whole.

This article explores the history of copyright as it pertains to the United States of America. As the history of copyrights in The United States shows, the beliefs held by the U.S. government ultimately prevented it from protecting the creative work of its own citizens overseas. The article then explores the history of copyright within the U.S will investigate the utilization of copyrights by The Walt Disney Company. The article will show that Disney is not a stranger to copyright and has had its copyrights challenged on numerous occasion within a court of law. After doing so, this article expands upon challenges The Walt Disney Company has overcome regarding some of the characters that they have marketed such as Bambi and Nemo. In a more modern context, this article will then explore the Copyright Extension Act of 1998 which effectively extends the length of copyrights of many

recognizable works of creativity including the copyright of Mickey Mouse. In summation, this article will explore the impact that the Copyright Extension Act will have on the entertainment industry and on The Walt Disney Company in the future.

The Evolution of Copyright

The very idea of copyright within the United States was explored by the framers of the United States' Constitution. The framers granted Congress the power to "promote the progress of science and the arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." [ii] The creativity of the people of nation as well as the importance of protecting the expression of that creativity was contemplated when the founding fathers first laid the building blocks of the country. This idea further evolved into The United States Copyright Act. The Copyright Act granted rights to the authors of works that include the rights:

> to reproduce the copyrighted work in copies or phone records; to prepare derivative works based upon the copyrighted work; to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending; in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission. [iii]

By protecting the creative works of authors the Copyright Act legally prevents others wishing to capitalize from those creative works. Unfortunately copyright protection does not extend extraterritorially. That is to say that the protection of the creative work granted in one country does not extend pass its borders. Although copyrights have existed for a long time, it was only until a group of concerned countries decided in 1886 that it may be in the best interest of themselves and others to protect copyright internationally.

International Copyright Protection as Afforded by The Berne Convention

The Berne Convention of 1886 was a turning point in copyright history because it broke the national boundaries of copyright enforcement that had been plaguing creative minds for so

long. It was only in March of 1989 that the United States became a member of the Berne Convention. [iv] By becoming a member of the Berne Convention, the United States agreed to enforce the copyrights of other member nations on United States soil. Similarly, other members agree to protect the copyrights issued by the United States on their soil. Under the terms of the Berne convention members must agree to the following terms of protection;

> "(a) Works originating in one of the contracting States (that is, works the author of which is a national of such a State or works which were first published in such a State) must be given the same protection in each of the other contracting States as the latter grants to the works of its own nationals (principle of "national treatment").
> (b) Such protection must not be conditional upon compliance with any formality (principle of "automatic" protection).
> (c) Such protection is independent of the existence of protection in the country of origin of the work (principle of the "independence" of protection). If, however, a contracting State provides for a longer term than the minimum prescribed by the Convention and the work ceases to be protected in the country of origin, protection may be denied once protection in the country of origin ceases." [v]

Furthermore, the Berne Convention required that member nations maintain a minimal level of protection of copyrights. These requirements include, but are not limited to, the right to translate, and the right to recite in literary work. [vi] Although an active and responsible member now, The United States hesitated to join the Berne Convention for one-hundred years due its piracy of works from the United Kingdom. Instead of joining, the United States claimed that there was a right to the "public access of knowledge."[vii] It was only after a large amount of copyrighted work was being pirated overseas did the United States become a signatory of the Berne Convention.

The Walt Disney Company's Copyright Pains

Mickey Mouse

In the beginning of the Disney era there was Mickey Mouse. Created in early1928 by Walt Disney, Mickey Mouse first appeared in the animated silent cartoon "Mickey Mouse in Plane Crazy." [viii]As 1928 progressed Disney released two more feature cartoons starring Mickey Mouse titled "Gallopin Goucho" [ix] It was not until November 18, 1928 that Mickey Mouse was given a voice and

appears in the same form that the public knows him as today. [x] Mickey became the pride and joy of Walt Disney and the Walt Disney Company; however the joy was not to last long. The challenge to Walt Disney's copyright of the original Mickey Mouse cartoons revolve around the copyright notices placed on the original cartoons. The title screens of the original cartoons do contain a copyright notice and Walt Disney's name appears within the same frame, however there is no indication that Walt Disney was more than a contributor to the work.[xi]

The confusion over whether or not Walt Disney gave proper notice of his copyright interest in the original films has created a large controversy among legal scholars. The bulk of this controversy centers on the requirements of the 1909 Copyright Act. "The 1909 Act requires that a copyright notice contain the year-date, a symbol or word indicating copyright, and the copyright owner's name." [xii] Although the title met these basic requirements, there was an absence of a visible relationship between the copyright notice and Walt Disney's name. "The mere fact that the name of the person who is in fact the copyright owner is prominently displayed will not validate a copyright notice, if the placement of the name bears no indicated relationship to the other elements of the notice."[xiii] If the above theories are true then the original Mickey

Mouse cartoons entered the public domain as required under the Copyright Act of 1909. [xiv]

The most notorious challenge to the copyright of Mickey Mouse came in the form of "counter-culture comic books." It was in 1978 when a radical group opposing all things Disney blatantly infringed upon the copyright of The Walt Disney Company by using the image of Mickey Mouse and other copyrighted Disney characters to portray sexual acts.[xv] Disney brought multiple charges against the Air Pirates including infringement of copyright.[xvi]. In response to the claim of infringement, the defendants claimed that the images of the characters were protected by the First Amendment and also fall under fair use since the work was a parody.[xvii] The court used an analysis it created in *Benny v. Loew's Inc.*, 239 F.2d 532 (9th Cir. 1956), which determined that "the substantial copying by a defendant combined with the fact that the portion copied constituted a substantial part of the defendant's

work , automatically precluded the fair use defense." [xviii] This test means that if a large portion of the potential infringer's finished work is the copied work of another, the fair use defense is not available. The court, when reviewing the merits of the First Amendment defense, observed that the defendants could have easily expressed their views and ideas without infringing upon Disney's copyrights.[xix] The court correctly affirmed the lower court's holding that Disney's copyrights were infringed. Although victorious in court, the almost decade long lawsuit against the Air Pirates was costly. Some estimates place the total cost of litigation for Disney at two-million dollars.[xx]

Bambi

Mickey Mouse is not the only lovable face in The Walt Disney Company's archive that has had his day in court. Although considered to be a classic Disney character, Bambi is not a Disney creation at all. Released during World War II, Bambi only grossed four-thousand dollars within the first two weeks of opening.[xxi] Originally titled *Bambi, A Life in the Woods*, authored by Felix Salten of Austria, Bambi was first published in Germany without proper copyright notice as required under the 1909 Copyright Act. [xxii] Although the book met the German requirements for copyright protection it was not properly copyrightable within the Unites States until 1926 when the heirs, and rightful copyright holders, of the author registered for a U.S. copyright.[xxiii] In 1937 Disney acquired certain rights to Bambi from an heir. It was the heir's children who later granted rights to Bambi in 1993 to the plaintiff Twin Books.[xxiv] The underlying claim by the plaintiff was that they had the exclusive license to the original expression of the Bambi character and story.[xxv] The court ultimately reversed the summary judgment originally granted to Disney on the grounds that the original copyright was renewed and valid.[xxvi]

Gargoyles

In the mid-ninety's The Walt Disney Company unleashed the Gargoyles cartoon show on the Saturday morning cartoon audience.[xxvii] Following the success of the cartoon, the plaintiff filed suit claiming that the Walt Disney Company infringed upon his copyrights.[xxviii] This claim is the result of the plaintiff's collaboration with his agent in regard to the marketing.[xxix]The plaintiff claimed that the agent had connections with Disney and marketed the Gargoyles characters and screenplay to them; however they did not form an agreement to develop the cartoon. It was only after the plaintiff's relationship with his agent ended that Disney released the Gargoyles cartoon.[xxx] Luckily for Disney the court rejected the claim of copyright infringement on the basis that the plaintiff failed to prove that the Walt Disney Company had access to the plaintiff's copyrighted material.[xxxi]

Finding Nemo

With a large amount of legitimate copyright infringement claims having been brought against The Walt Disney Company since the company's birth, it is no surprise to find that a few frivolous claims have been made as well. One such claim was examined by California courts in February of 2008. [xxxii] The claim of copyright infringement was brought against The Walt Disney Company by an author of a children's book who claimed that after she attempted to sell the idea to Disney; Disney stole certain aspects of it and created the hit movie "Finding Nemo."[xxxiii] The plaintiff claimed that her story "Squisher the Fish" was the basis of Disney's "Finding Nemo" because of significant similarities between many of the character and the basic plot elements of the story. [xxxiv] The court determined, and rightfully so, that there was a lack of substantial certainty between the author's copyrighted story and Disney's movie. [xxxv] Unfortunately for Disney, the plaintiff was not required by the court to pay the court costs resulting from the frivolous accusations.[xxxvi]

The Continuing Legal Battles of The Walt Disney Company

For a corporate entity such as The Walt Disney Company, there will always be someone who attempts to benefit from their success. This idea has most recently been seen within a member nation of the Berne Convention who is known for its leniency towards copyright infringers. China is home to both Disney Land Hong Kong and the Shijingshan Amusement Park in Beijing. [xxxvii] The Shijingshan Amusement Park contains a less than perfect copy of Disney's Cinderella's Castle, and a movie theater inside of a large Spaceship Earth dome which can be found in Disney World's Epcot Park. [xxxviii] This type of blatant copyright infringement is expected after reading the park's slogan: "Disney is too far, please come to Beijing Shijingshan Amusement Park."[xxxix] Shortly after the opening of the park in 2007 there were also large numbers of costumed performers dressed up in below average replicas of Disney characters. The Walt Disney Company has failed to comment specifically on this infringement other than to say that the company is investigating it.[xl]

The Copyright Term Extension Act

Although The Walt Disney Company has faced many legal battles over the years, nothing prepared the company for the single most devastating challenge it had to face when it realized that the copyright on Mickey Mouse was going to expire. Due to the fact that The Walt Disney Company evolved mainly upon the character of Mickey Mouse, the legal team at Disney stormed into action within the walls of Congress. The result was the Copyright Term Extension Act of 1998 (CTEA). [xli] The act extends the copyright term from the original 50-yeards after the author's death to 70-years and for all copyrighted works not published prior to 1978 the copyright is extended to 95 years after publication. [xlii] The new copyright term extension resulted in the copyright term of Mickey Mouse which was to originally expire in 2024.[xliii]

The fight to keep Mickey Mouse out of the public domain was not yet over for The Walt Disney Company. The constitutionality of the Copyright Term Extension Act was challenged in 2003.[xliv] The plaintiffs in the case argued that the act was unconstitutional by claiming that it failed to meet the standards of the Copyright Clause and the First Amendment.[xlv] The plaintiffs' claim argued that by continually extending copyright terms, Congress violates the "limited times" language used within the copyright clause of the Constitution.[xlvi] The court, on the issue of the Copyright Clause, held that Congress did not violate the clause because it did not create an unlimited term, it only extended the limited term that was already in place so. [xlvii] The court next looked briefly at the alleged violation of the First Amendment and held that the Copyright Term Extension Act promotes free speech by protecting the expression of ideas for a longer amount of time while expanding the terms of fair use.[xlviii]

Finding that the Copyright Term Extension Act was constitutional the Supreme Court effectively extended the copyright term of many familiar artistic creations. Aside from the copyright of Mickey Mouse, the CTEA extended the copyright of *The Ten Commandments* by C.B. Demille, *Peter Pan* with Betty Bronson, the character of Little Orphan Annie, and *Winnie the Pooh* by A.A. Milne. [xlix] Some popular works of art were not as lucky as Mickey Mouse or Winnie the Pooh. One such example of a

popular character that faded into obscurity (and the public domain) is Felix the Cat. Unfortunately for Felix, he was created in 1920 and just barely missed out on the copyright extension. [l]

The effects of the CTEA on the entertainment industry are small at best. It may be argued that by continually extending the copyright of many of common characters, books, and songs the government is stifling the creative minds of the generations of artist to come. [li] In evaluating this claim one only has to look to the history of creative genius of the human mind. There is no limit to the creativity of an inspired artist. The artistic community is still creating new, intelligent, and creative works.

Conclusion

Since the conception of copyright, the creative minds of the world have taken pride knowing that their creations are protected. As a young nation, the United States has grown and adapted to the changing technological times to better accommodate and protect the creative minds within its borders. The Walt Disney Company has also adapted and continues to create change both in the entertainment industry and the law. It is realistic to believe that some may find the actions of the Walt Disney Company to be selfish when lobbying for the copyright term extension of Mickey Mouse. Few will argue that if placed in the same position as an entertainment giant built upon the shoulder of a little mouse with a big heart they would act differently.

When the times comes for The Walt Disney Company's copyright on the original Mickey Mouse cartoons to expire Disney will continue to thrive thanks in part to many of its other characters it has either created or purchased over the period of the company's existence. Disney has survived the trials and tribulations of copyright infringement in the past and it will continue to do the same in the future so that many more generations can enjoy the fruits of creativity and so long as the American culture protects the expression of ideas.

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[i] The Walt Disney Company, *2007 Annual Report: Financial Highlights*, Dec. 13, 2007, http://corporate.disney.go.com/investors/annual_reports/2007/fh/part1.html.
[ii] U.S. Const. art. 1, § 8, c.8.
[iii] 17 U.S.C. § 106 (2002)

[iv] World Intellectual Propert Organization, Contracting Parties, http://www.wipo.int/treaties/en/ShowResults.jsp?country_id=ALL&start_year=ANY&end_year=ANY&search_what=C&treaty_id=15 (last visited on Oct. 26, 2008).

[v] Other rights required under the Berne Convention include "the right to make adaptations and arrangements of the work, the right to perform in public dramatic, dramatico-musical and musical works, the right to communicate to the public the performance of such works, the right to broadcast, the right to make reproductions in any manner or form, the right to make reproductions in any manner or form." World Intellectual Property Organization, Summary of the Berne Convention for the Protection of Literary and Artistic Works (1896), http://www.wipo.int/treaties/en/ip/berne/summary_berne.html (last visited on Nov. 2, 2008).

[vi] *Id.*

[vii] Susan Tiefanbrun, *A Hermeneutic Methodology and How Pirates Read and Misread The Berne Convention*, 17 Wis. Int'l L.J. 1, 3 (1999).

[viii] Lauren Vanpelt, Mickey Mouse - A Truly Public Character, available at http://www.public.asu.edu/~dkarjala/publicdomain/Vanpelt-s99.html (last visited Oct. 26, 2008).

[ix] Released in June 1928. *Id.*

[x] Walt Disney used his own voice as the voice of Mickey Mouse. It should also be noted that this date is the date which is considered to be the official birthday of Mickey Mouse. The Walt Disney Company, Mickey Mouse, http://disney.go.com/vault/archives/characterstandard/mickey/debut/debut.html (last visited on Oct. 26, 2008).

[xi] Douglas A. Hedenkamp, Free Mickey Mouse: Copyright Notice, Derivative Works, and the Copyright Act of 1909, 2 Va. Sports & Ent. L.J. 254, 257 (2003).

[xii] See, Vanpelt.

[xiii] Douglas A. Hedenkamp, Free Mickey Mouse: Copyright Notice, Derivative Works, and the Copyright Act of 1909, 2 Va. Sports & Ent. L.J. 254, 257 (2003). (citing Nimmer on Copyright at § 7.11 n19 (2002)).

[xiv] Douglas A. Hedenkamp, Free Mickey Mouse: Copyright Notice, Derivative Works, and the Copyright Act of 1909, 2 Va. Sports & Ent. L.J. 254, 257 (2003). (citing 194 F. Supp. 605).

[xv] The cartoons also used images of Minnie, Donald Duck, Goofy, and Big Bad Wolf, however at least seventeen copyrighted Disney characters were used by the defendants in the cartoons. *Walt Disney Production v. The Air Pirates*, 581 F.2d 751, 754 (9th Cir. 1978).

[xvi] *Id. at 752*.

[xvii] *Id.* at 756.

[xviii] Walt Disney Production, supra, at 756.

[xix] *Id. At 758-759.*

[xx] Justin Heer, *Free Mickey*, The Boston Globe, Sept. 28, 2003 *also found at* http://www.boston.com/news/globe/ideas/articles/2003/09/28/free_mickey/.

[xxi] The Walt Disney Company, Walt's Mastervault, http://disney.go.com/disneyatoz/familymuseum/collection/masterworks/bambi/index.html (last visited on Oct. 26, 2008).

[xxii] *Twin Books Corp v. Disney*, 83 F.3d 1162 at 1164 (9th Cir. 1996).

[xxiii] *Id.*

[xxiv] *Id.*

[xxv] *Id.*

[xxvi] *Id.* at 1168.

[xxvii] *Tomasini v. The Walt Disney Co.*, 84 F. Supp. 2d 516 at 517, (S.D.N.Y. 2000).

[xxviii] *Id.*

[xxix] *Id.*

[xxx] *Id.* at 518.

[xxxi] *Id.* at 522.

[xxxii] *Thomas v. The Walt Disney Co.*, 2008 U.S. Dist. LEXIS 14643 (2008).

[xxxiii] *Id.*

[xxxiv] *Id.*

[xxxv] *Id.*

[xxxvi] *Id.*

[xxxvii] ABC News, Not Quite the Happiest Place on Earth, http://i.abcnews.com/Entertainment/Story?id=3140039&page=1 (last visited on Oct. 31, 2008).

[xxxviii] *Id.*

[xxxix] *Id.*

[xl] *Id.*
[xli] *Eldred v. Ashcroft,* 537 U.S. 186 (2003).
[xlii] *Id.* At 195-196
[xliii] Dennis Karjala, Some Famous Works and Year of First Publication, http://homepages.law.asu.edu/~dkarjala/OpposingCopyrightExtension/publicdomain/PDlist.html (last visited Nov. 1, 2008).
[xliv] *See Eldred v. Ashcroft* at 186.
[xlv] *Id.*
[xlvi] *Id.* At 196-197.
[xlvii] *Id*. At 208.
[xlviii] *Id.* At 219-220.
[xlix] See Dennis Karjala *supra.*
[l] *Id.*
[li] *See* Eldred v. Ashcroft (Stevens, Dissenting).