

Character reference

Protecting and exploiting rights in characters

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The Ladybird Book for Grown-Ups title *How it Works: The Husband* by Jason Hazeley and Joel Morris was the Official Christmas number one. At the time of writing, sales of the eight titles in the series were set to top one million copies sold in under three months, netting Penguin around £6m. The story behind this series illustrates the practical and legal complexities of protecting a character or an idea.

In early 2014 artist Miriam Elia raised £5,000 through Kickstarter to publish an edition of 1,000 books titled *We Go to the Gallery*. The book was announced as ‘Miriam Elia’s new take on a 1960s Ladybird book’. Like the originals, the book consists of simple scenes with new vocabulary at the bottom of each page, and the illustrations of Peter and Jane were closely modelled on the originals; Elia even replicated Ladybird’s design techniques and printing technology. Unlike the 1960s originals, Elia’s was firmly tongue in cheek: “‘Is the art pretty?’” says Jane. “No,” says Mummy, “Pretty is not important.” Penguin responded swiftly: threatening legal action unless sales were halted. Elia was forced to pulp all remaining copies of the first edition. But on what grounds could Penguin base a claim?

When Michael Johnston published *Brideshead Regained*, James Gill, who represents the Evelyn Waugh estate, said: ‘You cannot just wander into someone else’s property and take their characters.’ Surprisingly, you often can. Characters are not protected under English law; copyright protects the words and form in which ideas are expressed, not the ideas or characters themselves. The type of copying traditionally envisaged by the law, taking chunks of original text, is not what happens when someone lifts your famous character’s name or catchphrase for their own book, game or toy. The English courts have several times refused to uphold copyright in the fictional characters of Sherlock Holmes and Dr Watson due to the lack of recognition of such a concept in English law. In the US, however, some Holmes characters have been deemed still in copyright, and authors wanting to write about the detective – in the UK or the US – have found themselves drawn into lengthy wrangles with people claiming to own rights.

If you are considering using a character which you think may be out of copyright (based solely on the lifetime of the author), remember that it may not be that simple and the character may have various creators. Copyright lasts for the life of the creator plus 70 years so the copyright duration might be different between text and illustration. Take *The Wind in the Willows*. Kenneth Grahame died in 1932 so his published work

was out of copyright by 2003. E. H. Shepard died in 1976, at 97, and his illustrations will be in copyright until the end of 2046.

In Miriam Elia’s case, if the original words or settings, plot-lines and character development were used, Penguin might have been able to claim copyright infringement. A similar battle was fought over *Lo’s Diary*, a novel retelling Vladimir Nabokov’s *Lolita* from the young girl’s point of view. That dispute ended with an agreement to share royalties. However most sequels and fan fiction (‘fanfics’) take original characters and create new situations for them, as in *We Go to the Gallery*. The situation is different in the US since US copyright law contains specific reference to the author controlling sequel rights. (A classic example is *The Wind Done Gone*, which told *Gone with the Wind* from a slave’s point of view; the author and publisher were sued by the estate of Margaret Mitchell for infringing copyright, although the case was eventually settled.) However, it is not usually possible to protect a format, unless it is particularly well developed. The Ladybird format of words with new vocabulary at the bottom of each page might not be original enough to merit copyright protection.

Names do not attract copyright protection, as they are considered too short to be literary work, so Elia was free to name her characters ‘Peter’ and ‘Jane’. Names can be protected by trademark, however. Peter Rabbit is registered as such, for example, and you would infringe the trademark if you published a Peter Rabbit book. ‘Ladybird’ is also a registered trade mark and, by using it on the cover, Elia had infringed it – giving Penguin the strongest of its claims. There are limits on what you can register as a trademark, though, and registering descriptive names is not usually possible. The creators of the feline internet celebrity known as ‘Grumpy Cat’ applied for a trademark in 2013, but only to protect the graphic image. The name could not be registered as, clearly, it is descriptive.

If a character is illustrated, it may be easier to protect; English law broadly recognises the principle that a picture is worth a thousand words. Any new works which used a substantial part of any of the original Peter and Jane drawings would be an infringement. ‘Substantial part’ is hard to define but pictures or three-dimensional objects that bore a suspicious resemblance to Peter and Jane might well be infringements. (As an aside, it seems in Elia’s case that Penguin had trouble proving that they owned the copyright to the original drawings – which is a lesson in keeping proper records.)

However, creating new illustrations in the style of but not referencing a particular image – which is what Elia did – would not usually be an infringement.

Illustrations can also be registered as trademarks, but this does not protect the character, only each specific image. In 1993, Beatrix Potter's pictures came out of copyright and each image was then registered as a trademark. In the Peter Rabbit books, each individual picture now has ® against it, indicating it is a registered trademark. ('TM' denotes a trademark that has been applied for but is not yet registered.) Although the registration process involves paying fees to cover various 'classes' of work – fees which can rapidly mount up – it has the great advantage that trademarks can be re-registered every ten years, so protection can be perpetual.

Penguin may also have relied on the law of passing off, which is intended to stop someone trading on another's reputation. Passing off applies if someone is confused into thinking that the new goods were designed or licensed by the original creator. While a sequel usually prominently bears the new author's name, it can still be claimed that confusion was likely because the public often does not remember an author's name but only the title and characters' names. For this reason some sequels now bear both writers' names in a way which makes clear that the author of the sequel is not the same as the author of the original.

To succeed in a passing off action, Penguin would have to show that it had suffered actual financial loss, not that Elia had unfairly gained. This is difficult as the likely effect of most sequels is to enhance rather than diminish sales of the original. One response to unauthorised sequels is to write or endorse another author to write your own sequel, as when the Du Maurier estate authorised Sally Beauman's *Rebecca's Tale* after she wrote a 1993 *New Yorker* article about the original. This was the route Penguin eventually chose – with great financial success.

Penguin could also claim passing off if readers might think it had given Elia a licence to use the characters. The sale of secondary licensing rights is highly lucrative – consider the ubiquitous *Star Wars* spin-offs. If you decided to write a Harry Potter spell-book the public might think that it was endorsed by J. K. Rowling or her publishers, who would be able to claim damages for passing off. But if you called it 'the unofficial Harry Potter spell-book', and you did not infringe the Harry Potter trademarks (or use chunks of text or illustrations), there might be little that J. K. Rowling or Bloomsbury could do about it. By calling it 'unofficial' you would make it clear that it had not been endorsed by them, and the Harry Potter name is too short to be protected by copyright. I should however flag up that authors need to consider also the risk of having to spend time and money trying to prove their case if a powerful, well-funded rights-holder were to bring a claim. There would also be a danger if the work amounted to derogatory treatment

of the original – by in some way damaging the integrity of the work or damaging the author's reputation.

Incorporation of the European Convention on Human Rights into English law under the Human Rights Act 1998 may allow a claim that characters should be protected. Article 1 of the Protocol to the Convention gives everyone the right to peaceful enjoyment of their property. It may be held that allowing people to take away valuable property such as rights in characters is not in the public interest and should be forbidden under the law. That said, this argument has never reached the courts and a similar argument in the context of copyright recently failed.

Despite all this, it may not have escaped your notice that Penguin's adult Ladybird books were not the only ones flying off the shelves last year. Elia put out a new version of *We Go to the Gallery*, removing the Ladybird trademark and calling the series 'Dung Beetle' instead. Penguin might still be able to claim passing off, as the books have a very similar look and feel to Ladybird books, but in order to do so they would have to prove actual financial loss – which would be almost impossible. Elia has also reduced the risk of a copyright claim by changing some of the wording and illustrations, and changing the children's names to Susan and John. Finally she was assisted by a change in copyright law. Since October 2014, it provides that 'fair dealing with a work for the purposes of caricature, parody, or pastiche does not infringe copyright in the work'. Unfortunately parody, pastiche and caricature are not fully defined. 'Fair dealing' has no statutory definition either, being a matter of fact, degree and impression in each case. This copyright exception is intended for 'limited, moderate' use of another's material. The courts will consider commercial factors, such as the degree to which the parody affects the market of the original work and any financial loss caused. They will also undertake a quantitative and qualitative analysis of whether the amount of work taken is 'reasonable and appropriate', and it may not be if the use would associate the original character with something unsavoury or discriminatory. In an extreme case, even if there is no actual copyright infringement or passing off, it is possible that an author could claim for infringement of the moral right not to have work subjected to derogatory treatment if the copy damages the integrity of the original work or the author's reputation.

As can be seen from the Ladybird example, characters are valuable and their originators are constantly developing new and sophisticated attempts to use the law to protect them. The key question for any author must be how you protect and exploit your concept.

1 Trademarks are expensive and the process is slow, so registering a name and illustrations may not be worthwhile until you are sure the design is going to be a hit.

2 Make sure your idea is properly documented. You do not have any copyright until the idea is recorded in permanent form (on paper, on your computer, in an audio recording). If you show the concept to a publisher, whether commissioned or not, state that the ideas are valuable and given in confidence. If a valuable idea (even if incapable of copyright protection) is given in a situation of confidence the recipient cannot use it without your consent. The idea must be sufficiently well developed for you to be able to prove that it was a valuable concept. You should also make a dated copy of exactly what you wrote to the publisher so that you can later prove that it is your concept that is now the publisher's bestseller.

3 If your publisher likes the idea, consider carefully any contract that is offered. Take advantage of the SoA's contract checking service. You might want to retain the rights to spin-off books such as colouring and pop-up books. And where possible retain dramatisation, merchandising and cartoon-adaptation rights.

4 Be careful if the publisher is going to help you develop the character: there is a risk that they could claim rights in the developed images if, for example, they create final artwork from roughs supplied by you, or if the idea is animated by computer.

5 Make sure that you own not only the original rights but also any material which is created from your original design. Such developments multiply as sub-licences are given. For example, the Disney drawings of Winnie the Pooh are quite different from E. H. Shepard's original illustrations. And although the original story of *The Snowman* was created by Raymond Briggs, it was animated by another illustrator whose images were used for the merchandising. Without an agreement between them, it could be the animator rather than Raymond Briggs who would profit from sales.

6 If your book and character catch the public imagination and you are asked to enter into merchandising arrangements, seek specialist advice about the terms. If you do not think that your publisher can properly exploit all the character rights (it is a very specialist field), try to retain merchandising rights. You can either grant a licence to a merchandising agent who in turn will grant separate sub-licences to manufacturing companies, or you can license direct to those companies. There is no room to discuss merchandising agreements in detail here (members with specific queries can in the first instance contact the SoA) but be warned that they have quite different considerations from book contracts, particularly in the area of quality control.

This article sets out the current English law on rights in characters. Publishing is now international, however, and many countries, including the US and most of

continental Europe, have laws against unfair competition that may provide protection for characters and sequels. Also, this is a developing area as 'brand owners' try new ways to protect income sources and the courts struggle with the conflicting rights of the original author (or his or her estate) to benefit from his property and the rights of a new author to freedom of artistic expression and development.

Courts may be sympathetic to a sequel author, feeling that an estate should not cast a hand over what is written later. This is what happened when a French court rejected a claim by descendants of Victor Hugo trying to stop a new sequel to *Les Misérables*. The author's descendants argued that the new book, François Cérésa's *Cosette ou le temps des illusions*, infringed Hugo's intellectual property rights. The court noted that Hugo, in his lifetime, had said he had not wanted his descendants to have any control over his literary legacy. Courts may be sympathetic to the rights of the original author, on the other hand, feeling that the property created by his/her genius and hard work should not be exploited by the sequel author who should have created an original work from scratch instead.

Perhaps all parties should bear in mind the example of the Ladybird case: both Penguin and Elia were aggrieved at what they saw as the other party's unfair use of their work, but the sales of each one's works seem only to have been enhanced by the existence of the other's.