

V. Synthesis, conclusion and policy recommendations

Many of the aspects that constitute a character, especially its name, its physical appearance and its signature phrases are covered by trade mark law in Germany and the United States alike. This allows for a potentially perpetual regime of protection from confusingly similar uses, supplemented by even more extensive protection through the doctrine of dilution, and recent CJEU jurisdiction on double identity. Infringement does not necessitate direct copying, but will regularly only given in cases where the infringing sign is used in commerce.

Character modernizations and alterations are only tolerable to a minimal extent, as the modernised character must create a continuous commercial impression. This will usually be given in cases of “natural” character development – as in the conventional evolution all characters, fictitious or not, undergo – but not necessarily in cases where characters are overhauled to comply with altered market demands. While it is undoubted that under certain circumstances intangible character features such as personality traits are able to act as designators of origin no more or less than other nonconventional trade marks, courts and trade mark offices alike seem reluctant to grant protection for opaque reasons. While the German and European approach is dogmatically more convincing, by basing its aloofness on the principle of the uniformity of the trade mark, U.S. courts' mere reference to Copyright as a more appropriate regime seems inconsistent with general trade mark law mechanics, and even more so with the regime concerning non-conventional trade marks. However, the industry's strong reliance on these characters, and manifold registration attempts on the registers prove, that there is demand for said protection. Considering the fact that characters created for advertisement purposes pass the test of serving their purpose as designators of origin with flying colours – especially in comparison with other non-conventional marks, and further given the fact that the characters in question are consistent with the economical rationale behind trade mark

law, a strong case can be made for a doctrinal pivot towards a more appreciative regime.

While U.S. unfair competition law in principle serves the same purpose as trade mark law, German unfair competition law only provides for the very basic protection of unregistered signs in hardship cases.

Copyright has traditionally been the native regime for the protection of characters, and serves as a strong alternative to trade mark law by taking a traditionally holistic approach to character protection, referring to the entire character rather than its isolated features. In light of the above described gaps in trade mark protection, character owners will, in most cases, be able to resort to copyright protection in order to protect their characters. Since the protection is not dependent on any formalities, this flexibility allows for the automatic protection of character modernisations and alterations. Protection is, however, limited in duration. While the extent of the duration will likely be sufficient for the majority of all characters, there have been, and will be further cases of characters outliving their copyright protection. In cases of spokes-characters, that were initially created to serve as designators of origin, the limited term of copyright protection will prevent efficient and sustainable protection of aspects not eligible for trade mark protection.

Despite the fact characters are constructed analogously to human beings, and possess a similar pattern of assets and features, protection granted under the rights to personality, privacy or publicity can be considered as side-notes or mere curiosities.

Finally, as far as character merchandising is concerned, the problem of perpetuation of copyrights via trade mark law seems entrenched in the system. Deriving from opportunistic lawyering and short-sighted jurisprudence, despite ongoing critique by scholars, the enforcement of character merchandising by means of trade mark law – regardless of its economic rationale – has become a commonplace phenomenon. Furthermore, merchandising has developed into a fully-fledged industry, generating substantial revenues. However, as recent court rulings suggest that this return-on-investment based rationale is being rethought by U.S. courts. The situation calls for a clear statutory so-

lution of this dilemma most elegantly and thus preferably by means of adaptation of the trade mark use requirement – clearly stating that merchandising is not considered to be use as a trade mark. The alleged status quo, granting extended protection to copyright owners causes deadweight loss, and is harming the public interest. The need for such a change in jurisprudence thus is evident.

Semantically, the case for a stricter trade mark use requirement is a clear-cut one. Character merchandising, by its nature, is merely ornamental. Merchandising does not allow for distinction as to origin of a product it is applied to, and therefore is not a trade mark use. Economically, there is no sensible reason to grant perpetual protection for characters, that do not serve the public interest by acting as a designator of origin.

Characters are protected under the copyright regime for a considerable duration already, leaving no need for the further incentivization of their creation. Granting trade mark protection for merchandising uses would extend this monopoly even further, without causing any additional benefit for the general public.

If a character is actually used as a trade mark – regardless of the question whether it was created for marketing purposes, or whether the character was created for entertainment, and later used as a designator of origin – it is likely to serve its distinctive purpose better than conventional signs, and thus deserves the same degree of protection. A distinction after the purpose of the character at the time of its creation does not sufficiently take this into account.

While trade mark owners that actually use their signs as designators of origin, or use it only for certain goods and services, would not be impaired, merchandisers could reap the benefits of their characters for the duration of their copyright protection.