Faster than a Speeding Bullet! More Powerful than a Locomotive! Worth the Paper He's Drawn On? An Examination of the Practical & Economic Implications of the Recent District Court Decisions Involving the Superman Copyright

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FASTER THAN A SPEEDING BULLET! MORE POWERFUL THAN A LOCOMOTIVE! WORTH THE PAPER HE'S DRAWN ON?

AN EXAMINATION OF THE PRACTICAL & ECONOMIC IMPLICATIONS OF THE RECENT DISTRICT COURT DECISIONS INVOLVING THE SUPERMAN COPYRIGHT

"After seventy years, Jerome Siegel's heirs regain what he granted so long ago – the copyright in the Superman material that was published in Action Comics, Vol. 1." With these words, Judge Stephen G. Larson, writing for the United States District Court for the Central District of California, announced a decisive and hard-fought victory for the daughter and widow of one of the co-creators of perhaps the most well-know comic book character ever created. However, as the subsequent eighteen-plus months of continuing proceedings have illustrated, the scope of that victory, and the extent to which the Siegel Heirs are entitled to financial recovery, is anything but clear. This paper will examine the relevant decisions, and the legal basis for the Siegel Heirs' victory and corresponding claims for economic recovery. While an authoritative accounting of the proper amount of such recovery is beyond the scope of this paper, it will attempt to explain how any recovery must be considered in light of competing rights of the defendants, including those arising under federal trademark law, and those stemming from validly obtained copyrights in derivative works. This paper will show that, due to the specific circumstances surrounding the exploitation of the Superman material over the last seven decades, and the limited nature of the reclaimed copyright, the Siegel Heirs are unlikely to actually recognize significantly more than a moral victory.

Section I will outline some of the unique history of Superman's creation, and the decades of litigation and negotiation that lead up to the case at hand. Section II will address the extent of the Superman copyright actually reclaimed by the Siegel Heirs, and its relationship to the valid copyrights still held by DC Comics,

including derivative works created while DC Comics owned the Superman material. Section III will examine the overlap of federal copyright and trademark laws, and how trademark law may effectively limit much of the Siegel Heirs’ ability to commercially exploit their newly reclaimed copyrights. Finally, Section IV will present a summary and conclusion.

I. SECRET ORIGIN: CREATION AND LITIGATION

The story of how the Superman character came to be entails nearly as much drama as the character’s own fictional origin. The subsequent negotiations and litigation over the ownership in the character, spanning more than half a century, were as pitched and hard-fought as any battle the Man of Steel ever faced. This section will briefly summarize both points.

A. The Creation of “Superman”

In 1932, Jerome Siegel and Joseph Shuster were teenagers in Cleveland, Ohio; Siegel was an aspiring writer and Shuster was an aspiring artist.2 Recognizing a shared appreciation for science fiction and comics, the two began collaborating on projects, including, in January 1933, an independently published short story titled, The Reign of the Superman.3 They would go on to develop a heroic comic book version of “Superman” in the form of “a strong (but not extraordinarily so) human, similar to Flash Gordon or Tarzan, who combated crime.”4 Following a failed attempt at publication, they continued to tinker with the character and the format, ultimately arriving at a newspaper comic strip version of “a character who is sent as an infant to Earth aboard a space ship from an unnamed distant planet (that had been destroyed by old age) who, upon becoming an adult, uses his superhuman powers (gained from the fact that his alien heritage made him millions of years more evolved than ordinary humans) to perform daring feats for the public good.”5 This new Superman character’s powers and

2. Id. at 1102.
3. Id.
4. Id. at 1103.
5. Id. at 1103-04. There is some ambiguity regarding the exact date of the
abilities were much more extraordinary and fantastic than the original “strong man” design, and included “[s]uperhuman strength; the ability to leap 1/8th of a mile, hurdle a twenty-story building, and run faster than an express train; and nothing less than a bursting shell could penetrate his skin.”

Shuster then conceived of the costume for Siegel’s superhero: “a cape and tight-fitting leotard with briefs, an ‘S’ emblazoned on an inverted triangular crest on his chest, and boots as footwear.” Superman’s alter ego, mild-mannered Clark Kent, was depicted “in a nondescript suit, wearing black-rimmed glasses, combed black hair, and sporting a fedora.”

Siegel and Shuster shopped the character for a number of years to numerous publishers but were unsuccessful until December 4, 1937, when they entered into an agreement with Detective Comics, agreeing to furnish some of their existing comic strips for the next two years, and further agreeing “that all of these products and work done by [them] for [Detective Comics] during said period of employment shall be and become the sole and exclusive property of [Detective Comics.] and [that Detective Comics] shall be deemed the sole creator thereof . . . .” In response to Detective Comics’ desire to publish the Superman strip in comic book form, on or around February 16, 1938, the pair re-formatted and resubmitted their Superman material to accommodate the comic book layout.

On March 1, 1938, prior to the printing of the first issue of Action Comics, Detective Comics sent Siegel a check for $130 (representing the per-page rate for the thirteen-page Superman comic book story) and enclosed with it a written agreement that assigned to Detective Comics “all [the] good will attached . . . and exclusive right[s]” to Superman “to have and hold forever.”


7. Id.
8. Id.
9. Id. at 1105-06.
10. Id. at 1106-07.
11. Id.
Siegel and Shuster signed and returned the agreement to Detective Comics, and this world-wide grant in ownership rights was later confirmed in a September 22, 1938, employment agreement in which Siegel and Shuster acknowledged that Detective Comics was "the exclusive owner[ ]" of Superman. 12

The first full Superman story was published by Detective Comics on April 18, 1938, as part of Action Comics, Vol. I. 13 The Superman character has evolved in subsequent works since that initial depiction, including "decades of new material to further define, update, and develop the character (such as his origins, his relationships, and his powers and weaknesses) in an ongoing flow of new exploits and supporting characters, resulting in the creation of an entire fictional Superman 'universe.'" 14

B. Subsequent Litigation

Over the ensuing years, Siegel and Shuster continued to produce new Superman material for Detective Comics, but as Superman’s popularity grew, Siegel and Shuster’s relationship with the publisher deteriorated, prompting multiple lawsuits. 15 In 1947, Siegel and Shuster brought an action against Detective Comics’ successor in interest, "seeking, among other things, to annul and rescind their previous agreements with Detective Comics assigning their ownership rights in Superman as void for lack of mutuality and consideration." 16 The parties eventually settled this suit and signed a stipulation in May of 1948, "whereby in exchange for the payment of over $94,000 to Siegel and Shuster, the parties reiterated the referee’s earlier finding that Detective Comics owned all rights to Superman." 17 In 1969, Siegel and Shuster again filed suit, this time in federal court, "seeking a declaration that they, not Detective Comics’ successor (National Periodical Publications, Inc.), were the owners of the renewal rights to the

13. Id. at 1110. Incidentally, the cover date of the issue was June, 1938. Id.
14. Id. See also infra Section II.
16. Id. at 1112.
17. Id.
Superman copyright."\(^{18}\) Siegel and Shuster were unsuccessful in this suit, but following a New York Times article in the mid seventies describing the creators as "nearly destitute,"\(^ {19}\) the parties came to an agreement under which DC Comics\(^ {20}\) made a number of concessions, including modest annual payments and crediting Siegel and Shuster as the creators of Superman on all future publications, and in return the creators re-acknowledged DC's ownership of Superman.\(^ {21}\) This agreement was modified in the early eighties to include survival spouse benefits for Siegel's wife, should he predecease her, and DC continued making payments, including the spousal support benefits following Siegel's death in 1996.\(^ {22}\)

The present litigation is a result of changes in the Copyright Act of 1976, permitting artists and their heirs, subject to certain limitations and upon complying with statutory procedures, to terminate any grants of copyright in their works executed prior to January 1, 1978.\(^ {23}\) Pursuant to that act, in 1997 the Siegel Heirs served DC Comics with notices of termination to be effective April 16, 1999.\(^ {24}\) The next several years saw the parties attempt, and ultimately fail, to come to a new agreement, and the initiation of the present lawsuit in the United States District Court for the Central District of California in October of 2004.\(^ {25}\) Since that time, Judge Larson has issued a number of rulings, including the aforementioned declaration that the Siegel Heirs had successfully reclaimed a portion of the copyrighted Superman material,\(^ {26}\) a bench trial and ruling on the nature and fair market value of DC


\(^{19}\) Mary Breasted, Superman's Creators, Nearly Destitute, Invoke His Spirit, N.Y. TIMES, Nov. 22, 1975, at 62.

\(^{20}\) Detective Comics has undergone numerous name changes over the years, but currently operates under the name "DC Comics."

\(^{21}\) Siegel I, 542 F. Supp. 2d at 1113.

\(^{22}\) Id.

\(^{23}\) Id. See also 17 U.S.C. § 304(c) (2006).

\(^{24}\) Id. at 1114.

\(^{25}\) Id. at 1114-16.

\(^{26}\) Siegel I, 542 F. Supp. 2d at 1145. This sixty-one page opinion also includes an addendum with a reproduction of the entire thirteen page Superman story from Action Comics, Vol. 1. Id. at 1146-59.
Comics' grants of motion picture and television licenses to Superman material, and a ruling further clarifying the scope of the reclaimed copyright. The following sections will explore how these rulings interplay with applicable federal copyright and trademark law to greatly limit the Siegel Heirs' likelihood of economically exploiting their reclaimed copyrighted material.

II. REIGN OF THE SUPERMEN: THE ORIGINAL VERSUS DERIVATIVES

"At present, [the Siegel Heirs] are the co-owners to the copyright in the Superman material published in Action Comics No. 1. They are not the owners of the entirety of the Superman copyright." This distinction is important in considering the breadth of the reclaimed copyright, as well the practical value of rights to which the Siegel Heirs are now entitled.

A. Derivative Works

The Copyright Act of 1976 defines a "derivative work" as "a work based upon one or more preexisting works," including works "consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship." The character of Superman has undergone numerous changes since his original depiction, including revisions and modifications to his costume and power set. Any of these

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28. Siegel III, 658 F. Supp. 2d at 1095. This sixty-five page opinion also includes reproduced samples of the Superman materials at issue. Id. at 1047, 1053.
31. Compare supra, notes 7-9, 15, and accompanying text, with Siegel I, 542 F. Supp. 2d at 1110-11 (describing Superman powers not appearing in Action Comics, Vol. 1, "including his ability to fly (even through the vacuum of space); his super-vision, which enables him to see through walls ('x-ray' vision) and across great distances ('telescopic' vision); his super-hearing, which enables him to hear conversations at great distances; and his 'heat vision,' the ability to
changes, taken individually or in combination, which meet the requisite level of originality, as distinguished from the preexisting material, would result in independently copyrightable derivative works.32 A fitting example of derivative works in comic book characters was explained in the 2004 Seventh Circuit case, Gaiman v. McFarlane.33

In Gaiman, Judge Posner examined the character “Spawn,” created by Todd McFarlane, and a character known as “Medieval Spawn” (or “Olden Days Spawn”), who was “essentially Spawn, only . . . dressed . . . as a knight from the Middle Ages with a shield bearing the Spawn logo,” and first appeared in Spawn No. 9, written by Neil Gaiman, and illustrated by Todd McFarlane.34 McFarlane challenged Gaiman’s claim of co-ownership in the Medieval Spawn character by arguing that Gaiman’s additions to the original Spawn were merely “scènes à faire” or stock elements, and not copyrightable.35 Judge Posner acknowledged that the copyrightability of Medieval Spawn was a close issue, as “[o]nly his costume and manner of speech, together with the medieval background, distinguish him” from the original character.36 However, Judge Posner went on to explain,

"[T]hat is enough expressive content for copyrightability, because Spawn itself (the original Spawn . . .) is not a stock character (McFarlane would have a heart attack if we said he was). Spawn is copyrightable, and the question is simply whether Medieval Spawn is sufficiently distinct from Spawn also to be copyrightable as a derivative work.37

“[T]o avoid the confusion that would be created if two indistinguishable works were copyrighted,” a copyrightable

32. See 17. U.S.C. § 103(b). See also Sapon v. DC Comics, No. 00 CIV. 8992, 2002 WL 485730, at *8 (S.D.N.Y. Mar. 29, 2002) (“To determine whether a derivative work possesses the requisite originality, courts must compare the derivative work to the preexisting work and define which elements are new to the derivative work.”).
33. Gaiman v. McFarlane, 360 F.3d 644 (7th Cir. 2004).
34. Id. at 657.
35. Id. at 659.
36. Id. at 661.
37. Id.
derivative work must be significantly different from the copyrighted original.\footnote{Id.} In Gaiman, Judge Posner held that such confusion wasn’t an issue because it was clear that “[a] Spawn who talks medieval and has a knight’s costume would infringe Medieval Spawn, and if he doesn’t talk medieval and doesn’t look like a knight then he would infringe Spawn.\footnote{Gaiman, 360 F. 3d at 662.} Considering the differences between modern Superman’s powers and costume, and those originally appearing in Action Comics Vol. 1, Detective Comics could make a similar claim of independently copyrightable derivative works. Any of these derivative works created outside of the reclaimed materials, even those works created by Siegel and Shuster themselves,\footnote{See Siegel II, 658 F. Supp. 2d at 1067-68 (“It is clear to the Court that all of the comic book material produced by Siegel and Shuster after they signed the employment agreement with Detective Comics were works made for hire. . . . [T]he pair were specifically ‘employ[ed] and retain[ed]’ by Detective Comics . . . to produce, on an ongoing basis, the comic book magazines for certain characters, including Superman, in return for payment of a sum certain upon that materials’ publication.”).} would remain the exclusive property of DC Comics.\footnote{17 U.S.C. 304(c) (explaining that the termination of transfer provision only applies to rights “other than a copyright in a work made for hire”).} Furthermore, the Siegel Heirs will have no future rights to control, or receive an accounting from, DC Comics’ exploitation of any such derivative works created prior to April 16, 1999.\footnote{17 U.S.C. 304(c)(6)(A) (“A derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination . . . “); See also Siegel I, 542 F. Supp. 2d at 1142-43 (holding that profits DC Comics generated from “its use of unaltered pre-termination derivative works are not subject to accounting.”).} In addition to the Siegel Heirs’ inability to receive economic benefits from the derivative works validly owned by DC Comics, they also face hurdles in the way of co-ownership.

\textbf{B. Co-Ownership and Non-Exclusive Rights}

As described above, the Superman material published in Action Comics No. 1 was created jointly by Jerry Siegel and Joe Shuster.\footnote{See supra, notes 3-9 and accompanying text.}
Under the Copyright Act, "the authors of a joint work are co-owners of copyright in the work." And while the Siegel Heirs have successfully terminated Siegel's grant, effective April 16, 1999, the heirs of Joe Shuster have not yet successfully terminated his grant, meaning that even following Judge Larson's ruling, DC Comics is still a co-owner of all of the Superman material the Siegel Heirs have reclaimed, and as such, both parties have "an undivided one-half interest" in the reclaimed materials. In order for the Siegel Heirs to receive an accounting of any exploitation of the reclaimed material by DC Comics, they have the burden of showing "proof as to the separate value of the non-exclusive rights to Action Comics No. 1," independent of the seventy years worth of Superman material, of which DC Comics is the exclusive owner. Even if the Siegel Heirs were to attempt to independently exploit only the material they reclaimed, DC Comics, as co-owner, would be entitled an accounting of those profits. However, as the next section will show, it is unclear whether the Siegel Heirs would even be able to legally exploit the reclaimed Superman materials.

III. THE MAN OF STEEL (AND T-SHIRTS, AND LUNCHBOXES, AND COFFEE MUGS . . .)

Setting aside the matter of copyright, DC Comics has, over the years, obtained a number of registered trademarks relating to

44. 17 U.S.C. § 201(a).
45. See Siegel I, 542 F. Supp. 2d at 1114 n.3 (The heirs of Shuster have "given notice of the estate's intent to terminate the 1938 grant of the Superman copyright to Detective Comics and its successors effective 2013."); See also, Siegel II, 2009 WL 2014164, at *20 ("It is by no means a foregone conclusion that the Shuster estate will be successful in terminating the grant to the Superman material published in Action Comics No. 1.").
47. Id. at *16.
48. See Siegel I, 542 F. Supp. 2d at 1143 ("[E]ach co-owner has an independent right to use or license the use of the copyright[, but that a] co-owner of a copyright must account to other co-owners for any profits he earns from licensing or use of the copyright.") (quoting Oddo v. Ries, 743 F.2d 630, 633 (9th Cir. 1984)).
Superman. These registered trademarks include: the word “Superman” as used in relation to the sale of products as diverse as breakfast cereals, seafood, and T-Shirts; the image of Superman as used for the sale of toy doll figures, and lunchboxes; and the “S” Shield Logo sold on earrings, belt buckles, and coffee mugs. DC Comics’ rights to the marks arise under the Lanham Act, and as such, are not in any way impaired by the Siegel Heirs’ copyright reclamation. As Judge Larson explained, “profits [DC Comics] garner from the use of Superman trademarks that ‘are purely attributable to [those] trademark rights’ . . . are not subject to accounting.” However, some commentators would argue that Judge Larson’s conclusion is inconsistent with the dominant case law, including a recent Supreme Court decision.

A. The Overlap of Copyright and Trademark Law: Must Copyright Prevail?

In 2003, the Supreme Court decided Dastar Corp. v. Twentieth Century Fox Film Corp, in which Fox attempted to raise an unfair competition claim under §43(a) of the Lanham Act related to Dastar’s use of video footage on which Fox had previously owned the copyright, though it had since fallen into the public domain. Fox’s argument, ultimately rejected by the Court,

49. Siegel I, 542 F. Supp. 2d at 1142.
52. U.S. Trademark No. 72,017,747 (filed Oct. 18, 1956).
54. U.S. Trademark No. 73,231,893 (filed Sep. 18, 1979).
55. U.S. Trademark No. 73,231,896 (filed Sep. 18, 1979).
56. U.S. Trademark No. 73,087,920 (filed May 20, 1976).
57. U.S. Trademark No. 73,231,846 (filed Sep. 18, 1979).
59. 17 U.S.C. § 304(c)(6)(E) (“Termination of a grant under this subsection affects only those rights covered by the grant that arise under this title, and in no way affects rights arising under any other Federal, State, or foreign laws.”).
60. Siegel I, 542 F. Supp. 2d at 1142-43.
63. Dastar 539 U.S. at 27.
centered on the premise that Dastar had made a "false designation of origin" by using the formerly copyrighted material without attributing Fox. 64 Writing for the Court, Justice Scalia characterized copyright law as "part of a carefully crafted bargain" between the author and the public; therefore, "in construing the Lanham Act, [the Court has] been careful to caution against misuse or over-extension of trademark and related protections into areas traditionally occupied by patent or copyright." 65 Justice Scalia reasoned that permitting Fox's claim under §43(a) "would create a species of mutant copyright law that limits the public's federal right to copy and to use expired copyrights." 66 Though Dastar was an unfair competition claim involving an expired copyright and little direct involvement of trademarks, it would not be difficult to argue that Dastar, in fact, stands for the broader notion of copyright superiority, even in the face of validly registered trademarks. However, as some scholars have noted, such a broad reading of Dastar is neither necessary nor desirable.

Professor Laura A. Heymann characterizes Dastar specifically in terms of the "copyright bargain" and the availability of works in the public domain. 67 She explains:

The usual argument for why trademark law cannot have a place at the table post-copyright is because permitting such intrusion would restrict copyright's public domain. In this vision, the public domain is seen as something of a sacred and wholly inviolate realm, a source of raw material for future creators that can be taken without restriction and without regard to any other legal regime. 68

This argument, Professor Heymann notes, seems untenable when one considers how copyright law and the public domain may be impacted by other, non-intellectual property, areas of law, such as torts, or criminal law:

[I]f an avant-garde New York theatre company decides to put on a production of Romeo and Juliet using loudspeakers in the middle of Fifth Avenue at rush hour, it may be subject to laws regulating

64. Id. at 31.
65. Id. at 33-34 (internal quotations omitted).
66. Id. at 34 (internal quotations omitted).
68. Id. at 83.
the flow of traffic or nuisance, and it cannot use the fact that the work is the public domain as a defense. Or, to take another example, one cannot pick up a copy of Romeo and Juliet from the local bookstore and walk out the front door without paying on the basis that the work is in the public domain and therefore free to the entire public. 69

Viewed through this, admittedly extreme perspective, one may better understand how trademark and copyright laws may interface and overlap, without one necessarily holding superiority over the other.

B. The Overlap of Copyright and Trademark: The Mickey Mouse Example

Many commentators have found the character of Mickey Mouse illustrative of the issues arising from an overlap in copyright and trademark protection. 70 In her 2004 essay, “Mutant Copyrights and Backdoor Patents,” Professor Viva R. Moffat examined some of the potentially hazardous implications of applying Dastar reasoning to famous trademarks, such as Mickey Mouse. 71 She explained that, despite Disney’s long-time use of Mickey Mouse as a trademark, “[u]nder the reasoning in Dastar, when Mickey’s copyright expires the ‘right to copy’ Mickey should pass to the public; to allow trademark protection following the expiration of the copyright would create a ‘mutant’ copyright.” 72 However, this result is problematic because “allowing a ‘right to copy’ Mickey would result in a great deal of consumer confusion, exactly what the trademark laws seek to avoid.” 73 Though Professor Moffat uses the Mickey Mouse example less as a criticism of Dastar, and more as a call for Congressional action explicitly disfavoring the

69. Id. at 86 (internal citations omitted).
70. The Walt Disney Corporation owns the copyright to the Mickey Mouse character, as well as a number of trademarks associated with the character’s name and likeness.
72. Id. at 1526.
73. Id.
overlap of trademark and copyright protection,\textsuperscript{74} one can also point to Mickey, as Professor Heymann did, as evidence of how overlap can work, so long as \textit{Dastar} is read narrowly.

Considering the Mickey Mouse example, Professor Heymann would see no problem with Disney enforcing its trademark rights following the expiration of the Mickey Mouse copyright, even at the expense of the public’s right to copy, because “the harm should be fairly minimal if courts are vigilant.”\textsuperscript{75} So long as Disney is able to show a likelihood of confusion, it can protect the value of its trademark against unlicensed copying; and where no likelihood of confusion exists, and within the area typically protected by “fair use,” the public is free to use the Mickey Mouse material in the public domain.\textsuperscript{76} Therefore, the public should be free to make parodies and satires, as those would present little likelihood of confusion regarding Disney’s involvement, but if a Mickey Mouse statue outside a non-Disney theme park “suggests to patrons that Disney has some affiliation with or sponsorship of the theme park, it does not seem to be beyond the bounds of rationality to permit Disney to take action.”\textsuperscript{77} Applying this reasoning to the Siegel case, the central issue regarding the Siegel Heirs’ ability to exploit the reclaimed material will hang on the likelihood of confusion in light of the registered trademarks of DC Comics.

\begin{center}
\textbf{C. Siegel Heirs’ Ability to Exploit Reclaimed Material}
\end{center}

Perhaps the most obvious manner in which the Siegel Heirs could attempt to exploit their reclaimed copyright would be to publish new copies of \textit{Action Comics No. 1}; however, not surprisingly, all of DC Comics’ marks mentioned above are also registered in relation to the sale of comic magazines,\textsuperscript{78} and have been registered long enough as to be incontestable under the

\begin{itemize}
\item \textsuperscript{74} \textit{Id.} at 1531.
\item \textsuperscript{75} Heymann, \textit{supra} note 68, at 99.
\item \textsuperscript{76} \textit{Id.}
\item \textsuperscript{77} \textit{Id.}
\item \textsuperscript{78} U.S. Trademark No. 73,363,768 (filed May 10, 1982) (word mark); U.S. Trademark No. 73,094,761 (filed Jul. 27, 1976) (image); U.S. Trademark No. 73,173,809 (filed Jun. 9, 1978) (“S” Shield Logo).
\end{itemize}
Lanham Act. If the Siegel Heirs were to affirmatively exercise their copyright right of publication, they would almost by necessity be infringing DC Comics’ trademarks, and consequently be subject to claims for injunctive relief, actual damages, and potentially statutory damages. While the Siegel Heirs could conceivably argue against an infringement charge by showing a minimal likelihood of confusion, or alternatively some theory of fair use, DC Comics has successfully prevailed over such arguments in the past.

In 1984, DC Comics successfully brought a trademark infringement claim against a singing telegram company in the Northern District of Georgia. The singing telegram company advertised a “Superman” telegram, in which a performer would appear dressed as “mild mannered . . . Dark Dent,” and before singing “remove[d] his glasses and unbutton[ed] his shirt to reveal a skin-tight costume, declaring, ‘This must be a job for ‘Super Stud.’” The costume worn was similar or identical to that worn by Superman in the comic books, including the “S” shield. The court held that the defendants’ “use of the SUPERMAN costume, and in particular the ‘S’ chest shield . . . [and] the presence of the SUPERMAN name in their advertising” established a likelihood of confusion “as to the source of the singing telegram services and as to any affiliation between plaintiff and defendants.” Citing primarily the strength of the mark, and evidence of actual confusion, the court granted DC Comics’ motion for summary judgment, explaining that “[t]he control, use, and modification of plaintiff’s characters for singing telegram services must be left in plaintiff’s hands,” and thus permanently enjoined the telegram company from further use of the Superman marks.

82. 15 U.S.C. § 1117(a)-(b).
85. Id. at 114.
86. Id.
87. Id. at 115-16.
88. Id. at 116-19.
Granted, the decision from the Northern District of Georgia would not necessarily control potential infringement claims against the Siegel Heirs, the likelihood of an infringement claim, and the associated damages and litigation costs, would have to be preemptively balanced against the anticipated return on investment, simply to justify publishing the materials in the first place, especially taking into account, as explained earlier, that any profits generated would have to be split with DC Comics as a co-owner.\textsuperscript{89} It would appear that, based solely on the current competing intellectual property rights retained by DC Comics, and barring any further congressional or Supreme Court clarification to the contrary, any attempt by the Siegel Heirs to exploit the reclaimed Superman material would pose significant litigious and potentially economic risks.

IV. WHATEVER HAPPENED TO THE MAN OF TOMORROW? (AND WHAT SHOULD WE EXPECT IN THE FUTURE?)

The story of Superman’s creation, and subsequent evolution into an international icon, was almost inevitably bound to result in litigation. There will be those who portray the publisher as a heartless corporation, preying on the inexperience and lack of bargaining power of the artists. There will be those who decry the creators as too naïve and lacking in foresight to adequately protect their interest in their creations. Whichever side is ultimately inked as the Superman to the other’s Lex Luthor, it is clear that DC Comics will not be significantly damaged by the litigation, and the Siegel Heirs can only hope for, at best a modest victory. Considering the sheer number of categories of goods and services in which DC Comics has the exclusive right to use Superman materials as marks in commerce, including the most easily exploitable category, comic books, it is unlikely that the Siegel Heirs would be able to obtain any substantial benefit from independently exploiting their reclaimed copyrights. Even if they were to try, presuming they could overcome a trademark infringement claim, they would only be permitted to retain one-half of any profits generated, as DC Comics would be entitled to

\textsuperscript{89} See supra, Section II.B.
the other half as a co-owner. Furthermore, the Siegel Heirs will only be able to recognize financial benefit from DC Comics’ use of the reclaimed copyright to the extent that any such profits are directly attributable to the reclaimed materials. As Judge Larson noted, the Siegel Heirs “admirably concede[d]” that they are not entitled to any profits from DC Comics’ “post-termination exploitation of derivative works [of the reclaimed material] prepared prior to termination,” nor those “purely attributable to [Superman] trademark rights.”

Considering the above, it looks as though contract law, and not intellectual property law, will ultimately provide the remedy. The Siegel Heirs’ best hope of realizing tangible economic benefits from their early victory will be in negotiating a new settlement, consisting of either a new sale of copyright to DC Comics in exchange for financial consideration, or alternatively, and perhaps more likely, a license, under which DC Comics would retain exclusive rights to the reclaimed material, as well as the right to create new derivative works from the original material, in exchange for some sort of on-going royalty payments. That is to say that, after sixty plus years of litigation, and the enactment of new federal legislation intended specifically to benefit creators and their heirs, the Siegel Heirs’ best hope for a positive resolution lies in the potential for a private, out-of-court agreement. As an impartial outsider, it is difficult to say for certain whether such an outcome reflects “truth” and “justice,” but it is most assuredly “the American way.”

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90. Siegel I, 542 F. Supp. 2d at 1142.

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