Restoring Balance to the Force (of Fandom): An IP Management Strategy for Walking the Fine Line Between IP Protection and Fan Engagement

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I. HARRY POTTER AND THE INFRINGEMENT CONUNDRUM: SHOULD THE EMPIRE STRIKE BACK OR LET IT GO?

Nestled in between the various up-and-coming restaurants lining Maginhawa Street is an inconspicuous one-story building of concrete and glass. Of the three tenants there, the one to the farthest left is particularly eye-catching for aspiring wizards and witches. Painted on the windowpane are the words "The Nook Café", and on a blackboard by the door, the café proudly announces that it sells "Butterbeer". Inside, the noisy streets are shut out, and the space magically transforms into a whole different world — that of Harry Potter's. Above the diners hang broomsticks such as the Nimbus 2000, known in the books for the part they play in the fictional game of Quidditch. Sketched on the walls are the cottages and chimney rooftops that feature in Hogsmeade, the village nearest to the celebrated Hogwarts School of Witchcraft and Wizardry. On the shelves are various memorabilia — some are official merchandise, like the official wands sold in Universal Studios' Harry Potter theme park, while others are self-made, like printed pictures of the actors and actresses that feature in the movies. All seven books of the original series complete the scene. And on the menus, products are named after famous foods and characters that feature in the novels, including the Butterbeer drink advertised at the entrance.

To the average customer, the reactions to The Nook Café's distinct dedication to the Potter franchise may range from thinking "That's cute!" to "That's just nerdy." But to a devoted fan, The Nook Café is more than just a restaurant. It is a place visited to evoke memories — of midnight screenings on the first evening release of one of the eight Harry Potter films, dressed in fan-designed t-shirts (or, for the more daring, robes); phone calls to friends and heated discussions over key plot points in the books; and reading fan-made follow-ups to the canonical works called fan fiction. The Nook Café is a manifestation of a much deeper sentiment — one of fondness, affection, and long-term commitment towards a particular multimedia franchise.

The Nook Café, like most other fan efforts, seems a harmless tribute to a beloved childhood book and its movie adaptations — it is a restaurant made by fans, for fans, and provides them with a safe space where they can bask in the glory of their obsession with their favorite media franchise's universe. But a fan-made Harry Potter-themed café has legal consequences that the average shop owner usually fails to realize, particularly regarding intellectual property (IP) law, for the companies and individuals who own the rights to the IP of a particular media franchise may believe — and could reasonably

argue — that the works, events, and activities produced by devoted fans infringe on their trademarks and copyrights.

In the United Kingdom, a cease-and-desist letter was sent to an establishment, The Flower Café, for hosting Harry Potter-themed afternoon tea parties.[1] The letter was sent by lawyers representing Warner Brothers Entertainment, Incorporated (Warner Brothers), the registered owner of the Harry Potter trademark, and licensee of the rights to make the Harry Potter films.[2] According to The Flower Café's main Facebook page, due to "the infringement of 'copyright' and those pesky 'licensing laws[,]'" the café was forced to change the name of its Harry Potter afternoon tea set to "Wizards Afternoon Tea" to avoid being sued.[3] Like The Nook Café, however, The Flower Café was a space for fans to gather and bask in the glory of their fandom together — in fact, the Harry Potter-themed set was always sold out, with "visitors dressing up in Harry Potter costumes, while the venue itself was transformed into a mini-Hogwarts."[4]

The Flower Café example is only one of many where manifestations of fan enthusiasm for a particular media franchise are met with a lukewarm response from the franchise's IP owners. Staying within the universe of Harry Potter, for example, Warner Brothers and J.K. Rowling have sued a fan for attempting to publish a reference guide to the Harry Potter series, alleging copyright infringement.[5] Anne Rice, author of The Vampire Chronicles, has vehemently fought against fan fiction written about characters in her works, and has sent cease-and-desist letters to websites that

1. Richard Amofa, Shock as Warner Bros makes legal threat to family-run cafe over Harry Potter cakes, *available at* https://www.mirror.co.uk/news/uk-news/film-giant-warner-bros-threatens-11576262 (last accessed May 4, 2018).

2. *See* Harry Potter, Registration No. 2506165.

3. Amofa, *supra* note 1. The same Facebook post also remarked, "We will now patiently await an email or call from the Big Guy in the North Pole to tell us we are unable to use the wording 'Christmas Afternoon Tea.'" *Id.*

4. *Id. See also* Chuck Strouse, *Harry Potter's Lawyers to Bake Shop: No Butterbeer or Acid Pops for You!*, MIAMI NEW TIMES, July 15, 2011, *available at* http://www.miaminewtimes.com/restaurants/harry-potters-lawyers-to-bake-shop-no-butterbeer-or-acid-pops-for-you-6568132 (last accessed May 4, 2018). Warner Brothers also sent cease-and-desist letters to a bakery in Miami using the word "Butterbeer" in the names of their products. *Id.*

5. Warner Bros. Entertainment Inc. v. RDR Books, 575 F. Supp.2d 513, 517-18 (S.D.N.Y. 2008) (U.S.).

archive these fan creations.[6] Summit Entertainment, the studio that produced the movie adaptations of the Twilight series by Stephenie Meyer, has demanded the removal of fan-designed t-shirts from online stores, and has shut down an unofficial Twilight fan magazine by threatening to sue.[7] CBS Entertainment (CBS), the owner of the rights to the Star Trek TV series, has also stopped the production and release of fan-made films based on old Star Trek scripts.[8] Pokémon Company International, the group that owns the entire Pokémon franchise, sued two "self-described Pokémon fanatics"[9] who wanted to throw a Pokémon-themed party, arguing that the fans were infringing on its IP rights.[10] Lucasfilm, Ltd. stopped a fan from continuing a crowd-funding project that would help him build his own life-size All Terrain Armored Transport (AT-AT) Walker from The Empire Strikes Back.[11] These numerous examples, taken from multiple mega franchises, show that IP owners stop all forms of fan-made events, products, and re-imaginings, some of which are not even commercial in nature. This

6. Anne Rice, Anne's Messages to Fans, *available at* http://annerice.com/ReaderInteraction-MessagesToFans.html (last accessed May 4, 2018) & Hayley C. Cuccinello, *Fifty Shades Of Green: How Fanfiction Went From Dirty Little Secret To Money Machine*, FORBES, Feb. 10, 2017, *available at* https://www.forbes.com/sites/hayleycuccinello/2017/02/10/fifty-shades-of-green-how-fanfiction-went-from-dirty-little-secret-to-money-machine/3 (last accessed May 4, 2018).

7. Christina Mulligan, *The Twilight copyright saga: Forbidden love and forbidden T-shirts*, WASH. POST, July 4, 2010, *available at* http://www.washingtonpost.com/wp-dyn/content/article/2010/07/02/AR2010070202449.html (last accessed May 4, 2018).

8. Carol Pinchefsky, *CBS Blocks Production of 'Star Trek' Fan Film*, FORBES, Mar. 29, 2012, *available at* https://www.forbes.com/sites/carolpinchefsky/2012/03/29/cbs-blocks-production-of-star-trek-fan-film (last accessed May 4, 2018).

9. Steven Schlackman, Pokémon Sues their Biggest Fan for Copyright Infringement, *available at* https://alj.orangenius.com/pokmon-sues-biggest-fan-copyright-infringement (last accessed May 4, 2018).

10. Jack Shepherd, *The Pokemon Company are suing a fan for putting on an 'unofficial' cosplay party*, INDEPENDENT, Oct. 5, 2015, *available at* https://www.independent.co.uk/arts-entertainment/tv/news/the-pokemon-company-are-suing-a-fan-for-putting-on-an-unofficial-cosplay-party-a6680381.html (last accessed May 4, 2018).

11. Rebecca Hawkes, *Star Wars lawsuits: Who has Lucasfilm sued and why?*, TELEGRAPH, Oct. 18, 2016, *available at* https://www.telegraph.co.uk/films/2016/10/18/star-wars-lawsuits-who-has-lucasfilm-sued-and-why (last accessed May 4, 2018).

IP enforcement strategy, however, is not always taken well by the fans themselves.

In the case of infringement found by Pokémon Company International, for example, the company dropped the case against the two fans, following online backlash, for a small settlement.[12] As for the Twilight case, Christina M. Mulligan remarked that Summit Entertainment's insistence on taking down t-shirt designers online was

> a huge mistake. Fans who uploaded t-shirt designs to Zazzle [were not] pretending to sell official Twilight products; they just wanted to share their love — or hate — for Bella, Jacob[,] and Edward. And none of the actions by the parties Summit [Entertainment] [ ] sued [ ] undercut box office sales — if anything, demand for the films has increased because of the additional publicity.[13]

The two reactions to the IP enforcement strategies of Twilight and Pokémon Company International show that there is more than just one dimension to the issue of how to deal with fan-made creations which could be infringing on one's IP rights. There is, of course, the legal aspect of it. While it is debatable whether or not some fan activities, such as the creation of fan fiction, can be considered protected by the fair use doctrine or are transformative works or both,[14] the fact remains that many fan ventures can result in trademark and copyright infringement. But there is also the enforcement aspect of the issue, which, in itself, is not just purely legal, but involves management prerogative as well. In relation to this, and in reference to CBS halting the Star Trek fan film, it has been remarked that "[r]ight[-]holders have their rights. The fact that CBS has not gone after everybody in the world in a way they could have [does not] mean [they have] waived their right to [IP] around the Star Trek franchise."[15] Hence, IP owners *do* enjoy the protection of IP laws, and, if they so wished, *could* send cease-and-desist letters to fans for infringing on their IP rights, or sue them in court.

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12. Schlackman, *supra* note 9.

13. Mulligan, *supra* note 7.

14. David Tan, *Fair Use and Transformative Play in the Digital Age*, *in* RESEARCH HANDBOOK ON INTELLECTUAL PROPERTY IN MEDIA AND ENTERTAINMENT 102-31 (2017). *See* Lenz v. Universal Music Corp., 801 F.3d 1126 (9th Cir. 2015) (U.S.). The case discussed fair use in relation to videos featuring the music of Prince, uploaded by a user on YouTube. *Id.* at 1129.

15. Pinchefsky, *supra* note 8 (emphasis omitted). The article quotes Harold Feld, an IP rights attorney based in the United States (US) and Senior Vice President of Media Access Project, an organization advocating for the public interest in media, telecommunications, and technology policy. *Id.*

Some companies, however, have come to understand that, at times, allowing the use of their IP by rabid fans can only mean good things for the business. Walt Disney Company, for example, has taken this approach to Frozen videos and parodies posted by fans on YouTube.[16] While traditionally seen to be highly protective of their IP rights,[17] Disney has allowed tribute videos featuring Frozen songs and characters to proliferate.[18] This example of Disney's experience with its Frozen brand shows that, to some extent, the House of Mouse has learned to let go and be more liberal with the use by fans of their IP.

Proceeding from the above examples, it is evident that multimedia franchises approach IP enforcement and management in relation to their fans and fan-made works in different ways. Some are strict and clamp down on even small shops or events. Some take a more liberal stance to alleged infringement, and, to some extent, embrace the productive tendencies of their hardcore fans. These differences highlight the difficulty of determining when it is actually necessary to pursue fans to protect IP, and when letting go may be better for the business overall. Fans bring in free publicity. They are a virtual shield from criticism and a substantial source of revenue of many of these mega franchises. At the same time, however, an IP owner has the right to ensure proper use of its IP — and there is fan-generated content that can bring harm to the IP content owner. The dilemma is heightened by the fact that overleniency towards fans may lead to a court concluding that the IP owner has impliedly consented to the fan's creation of merchandise, events, and other derivative works,[19] or that the mark, undefended, has become generic, and can now be used by all.[20]

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16. Andrew Leonard, How Disney learned to stop worrying and love copyright infringement, *available at* https://www.salon.com/2014/05/23/how_disney_learned_to_stop_worrying_and_love_copyright_infringement (last accessed May 4, 2018).

17. *Id.* As noted by Rich Stevens of Inside Counsel, "There was a time when Disney's leadership viewed YouTube as an opportunity for fans to engage in mass piracy." *Id.*

18. *Id.*

19. A fan can use the defense of consent in order to evade liability for copyright infringement. *See* Kevin J. Hickey, *Consent, User Reliance, and Fair Use*, 16 YALE J.L. & TECH. 397 (2014) & Meredith McCardle, *Fan Fiction, Fandom, and Fanfare: What's All the Fuss?*, 9 B.U. J. SCI. & TECH. L. 2 (2003).

20. Simon Tulett, 'Genericide': Brands destroyed by their own success, *available at* http://www.bbc.com/news/business-27026704 (last accessed May 4, 2018).

The conundrum is thus placed before us in its full form — when it comes to fans and IP infringement, when should the multimedia empire strike back, and when should it just let it go?

This Essay aims to balance the force of fandom with IP protection. It will pinpoint observations on what factors *should* influence IP management and enforcement strategies in relation to fan-made merchandise and works. As a limitation, this Essay will only discuss IP laws of the Philippines and of the United States (US), since Philippine IP law is heavily influenced by US IP law.[21]

This first part of the Essay introduces the topic of fandom. The second part explains fandom culture, and why this is important to cultivate for media franchises, as well as the concepts of fan labor and the prosumer — a consumer who creates as he or she consumes.[22] The third part explores the IP concerns that arise from the works of prosumers and from fan labor, particularly in the areas of trademark and copyright law — this is meant to explain why and when IP protection and enforcement becomes essential for the IP content owner from both a business and legal perspective. The fourth part of the Essay creates an overall model for determining when to pursue legal action against prosumers and their fan labor. The Author then gives her conclusion and recommendations.

II. OF MICE, WIZARDS, JEDI, AND MEN: MEDIA FRANCHISES, FANDOM CULTURE, AND THE PHENOMENON THAT IS THE PROSUMER

There are some books, films, and TV shows that captivate entire generations — those that create universes that invade one's mind, inhabit it, and simply never leave. This is the universe of fantasy, of fairytale, and of lore. Here, the princess marries the prince; the light vanquishes the dark; and the great

21. *See, e.g.*, ABS-CBN Corporation v. Gozon, 753 SCRA 1, 45-48 (2015) & Pearl & Dean (Phil.), Incorporated v. Shoemart, Incorporated, 409 SCRA 231, 245-47 (2003) (citing Baker v. Selden, 101 U.S. 99, 102-05 (1879)). These cases analyzed, discussed, and applied US doctrines on IP rights, using US rulings to aid in judicial interpretation of Philippine IP laws. It is also of note that some provisions of the Philippine IP Code are similar to those found in US law. This is true, for example, of the fair use provisions in both the Philippine and the US law on copyright. *Compare* An Act Prescribing the Intellectual Property Code and Establishing the Intellectual Property Office, Providing for its Powers and Functions, and for Other Purposes [INTELL. PROP. CODE], Republic Act No. 8293, § 155 (1997) *with* Copyright Act of 1976, 17 U.S.C. § 107 (2008) (U.S.).

22. Robert V. Kozinets, *Click to Connect: Netnography and Tribal Advertising*, 46 J. ADVERT. RES. 279, 280 (2006).

evil is toppled to make way for a new world. But this universe is more than just a figment of the imagination. It has, at least, two tangible manifestations in our mundane realities. Its first manifestation is in the world of its creator — of the moviemaker, the writer, the producers, the director, the animator, and the business machinery that supports these individuals. But its second manifestation is in the world of its admirers — those who engage in heavy discourse in relation to the work; those who purchase memorabilia; and those who gather into communities, called "consumer tribes."[23] Together, these two worlds inhabit the universe of the mega media franchise.

Harry Potter, Star Wars, and Disney are all examples of mega media franchises — they have strong goodwill, they are household names, and legions of their fans adore their works and releases through multiple platforms that are associated with them.[24]

Oftentimes, the presence of such rabid fans is something great for mega media franchises. These are the fans who go out of their way to watch a film on the very first night and help a franchise beat opening day records,[25] or watch the movie in the theaters again and again, leading to record repeat business-based sales.[26] These are the fans who, by sheer enthusiasm, can even resuscitate a dead TV show.[27] And these are the fans who drive up sales not

23. *Id.*

24. KAMIL IDRIS, INTELLECTUAL PROPERTY: A POWERFUL TOOL FOR ECONOMIC GROWTH 148 (2003).

25. Mark Hughes, '*Star Wars: The Last Jedi*' *Grabs $45-50M Thursday Night And Could Shatter Opening Day Record*, FORBES, Dec. 15, 2017, *available at* https://www.forbes.com/sites/markhughes/2017/12/15/star-wars-the-last-jedi-grabs-45-50m-thursday-night-and-could-shatter-opening-day-record (last accessed May 4, 2018).

26. Josh Rottenberg, *Be their guest — more than once:* '*Beauty and the Beast*' *and the power of repeat business*, L.A. TIMES, Apr. 2, 2017, *available at* http://www.latimes.com/entertainment/movies/la-et-mn-beauty-and-the-beast-repeat-business-20170402-story.html (last accessed May 4, 2018).

27. Jason Hall, The revival of 'Sense 8' and the power of fandom, *available at* https://hiddenremote.com/2017/07/01/the-revival-of-sense8-and-the-power-of-fandom (last accessed May 4, 2018) & Pamela Gocobachi, 'Timeless' writer enlists 'Supernatural' fans to help save the show, *available at* http://peopleschoice.com/2017/02/01/supernatural-star-jensen-ackles-shows-love-to-nbcs-timeless-after-writer-reveals-show-is-on-the-bubble (last accessed May 4, 2018).

only of a franchise's films or books, but also of all other related products, even those that are licensed out to other companies.[28]

But some fans are not content with being passive consumers of products officially licensed by mega media franchises. They, instead, see themselves as active co-creators of their chosen mega media franchise. As Elana Shefrin has observed,

> [a]ctive fans [are] a specific type of audience that can be substantially distinguished from the majority of media consumers. For such fans, the act of watching a particular film ... [is] an experiential unit that is interconnected to an expansive multi-textual environment — one which may encompass magazines, books, collectibles, interactive media, online clubs, conferences, and role-playing events.[29]

For active fans, called "prosumers" by Robert V. Kozinets, a creative process is wholly integrated into the appreciation of a particular franchise and its created universe.[30] They produce simultaneously as they consume.[31] Shefrin further expounds on this idea —

> As active participants, fans often appropriate corporate-generated imagery, and then embellish or transform it with personal artistic expressions such as poetry, songs, paintings, scholarly essays, creative fiction, photographs, digital films, collages, or clothing. Due to their personal identification with

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28. For example, thanks to Star Wars and Disney Princesses, following the release of Star Wars: The Force Awakens and Frozen, Hasbro's shares hit an all-time high — it experienced a growth in sales by 24% in the boys' toys category and 41% in the girls' toys category attributable to the films. Cara Caruso, 'Star Wars,' the force behind Hasbro sales, *available at* https://www.cnbc.com/2016/04/18/star-wars-the-force-behind-hasbro-sales.html (last accessed May 4, 2018). The Wizarding World of Harry Potter section of the Universal Studios theme park in Hollywood boosted overall attendance by 60% in 2017, after only having been opened for one year. Robert Niles, The power of magic: USH attendance up 60% after Potter, *available at* http://www.themeparkinsider.com/flume/201704/5551 (last accessed May 4, 2018).

29. Elana Shefrin, *Lord of the Rings, Star Wars, and Participatory Fandom: Mapping New Congruencies between the Internet and Media Entertainment Culture*, 21 CRITICAL STUD. MEDIA COMM. 261, 273 (2004) (citing Henry Jenkins, *Quentin Tarantino's Star Wars? Digital Cinema, Media Convergence, and Participatory Culture, in* RETHINKING MEDIA CHANGE: THE AESTHETICS OF TRANSITION (David Thorburn & Henry Jenkins eds., 2004)).

30. Kozinets, *supra* note 22.

31. *Id.*

> the texts, fans may also adopt attitudes, language, or behaviors that are an outgrowth of their 'immersion in a special lexicon[.]' Thus, participatory fandom is marked by a sustained emotional and physical engagement with a particular narrative universe — an engagement that visualizes a non-commercial, shared ownership with the media company that holds the commercial, legal property rights.[32]

Prosumer fans form communities with their chosen franchise as foundation; they share their love by creating spaces for discourse on the universe of a specific franchise, drawing fan art, writing fan fiction, throwing in various clips from the film to create a fan montage, designing t-shirts and other merchandise, and hosting fan events. These activities have a multiplier effect — as one fan creates, and shares his or her work with fellow fans, more fans participate in the process, increasing not only their passion for the franchise they love, but also the amount of creative output produced by prosumers. Some refer to this labor of love as "fan labor" — fans freely engaging in activities and creating productive outputs for the benefit of fellow fans and their fan community.[33]

As an example, Portkey Events,[34] an events management and party planning company based in the Philippines, is an incorporated company that was co-founded by three big Harry Potter fans.[35] After organizing a game of jeopardy based on the series for a small group of friends, they decided to organize an event to bring together an even bigger circle of fans.[36] Charging a small fee sufficient to cover expenses spent on rentals and decor, the team behind Portkey Events hosted a five-part Harry Potter game night series.[37] For the first night, 40 to 50 people attended, although the function room booked fit only 30 people.[38] By the time the five-part series was finished, the attendants ballooned up to 200 people, with participants as young as eight

32. Shefrin, *supra* note 29.

33. Mel Stanfill & Megan Condis, *Fandom and/as labor*, TRANSFORMATIVE WORKS & CULTURES, 2004, ¶ 3.2.

34. A portkey, as used in the Harry Potter series, refers to an inanimate object which, once bewitched, "will transport anyone who grasps it to a pre-arranged destination." J.K. Rowling, Portkeys, *available at* https://www.pottermore.com/writing-by-jk-rowling/portkeys (last accessed May 4, 2018).

35. Interview *with* Ayn Rand I. Parel & Katsie Llave, *in* Makati City, Philippines (Mar. 11, 2018).

36. *Id.*

37. *Id.*

38. *Id.*

and as old as 50.[39] Following the success of this game night series, the Portkey Events team decided to host more events for the benefit of fans, including a Yule Ball[40] and a Harry Potter-themed Halloween party where all the guests dressed up like Harry Potter characters.[41] To properly execute these events, Portkey Events also partnered with many local Potter-based businesses made by fans, such as The Nook Café, The Potter Heritage,[42] and The Perfect White Shirt.[43]

The Internet has also made it more convenient for prosumers to share their works with a wider network. Thanks to the Web, fans are able to upload content on various platforms, depending on the media they use to create. While fan films and videos are uploaded on YouTube, fan art is uploaded on sites like Tumblr, and fan fiction is uploaded on sites like fanfiction.net. One platform often used by fandoms for these types of creative works is Archive of Our Own, "[a] fan-created, fan-run, non-profit, non-commercial archive for transformative [fan works], like [fan fiction], [fan art], fan videos, and podfic[.]"[44] It currently hosts 3,699,000 works across 27,700 fandoms, and has 1,415,000 users.[45] As noted in its description,

39. *Id.*

40. *Id.* The Yule Ball is a traditional dance held during Triwizard Tournaments. It was first featured in the fourth Harry Potter book. J.K. Rowling, The Yule Ball: Professor McGonagall informs the students of a Triwizard Championship tradition, *available at* https://www.pottermore.com/book-extract-long/im-not-dancing (last accessed May 4, 2018).

41. Interview *with* Ayn Rand I. Parel & Katsie Llave, *supra* note 35.

42. The Potter Heritage, Home, *available at* https://thepotterheritage.weebly.com (last accessed May 4, 2018). The Potter Heritage is an online store that offers "the widest range of Harry Potter merchandise in the Philippines." *Id.*

43. The Perfect White Shirt, Home, *available at* http://www.perfectwhiteshirt.com (last accessed May 4, 2018). The Perfect White Shirt is a t-shirt company that sells designs catering to fans of mega media franchises, some of which include Harry Potter, Black Panther, and Game of Thrones. It has physical stores in Metro Manila. *Id.*

44. Archive of Our Own, Home, *available at* https://archiveofourown.org (last accessed May 4, 2018). Podfics are audio recordings of fan fiction, read aloud by a fan. *Id. See* Fanlore, Podfic, *available at* https://fanlore.org/wiki/Podfic (last accessed May 4, 2018).

45. *Id.*

Archive of Our Own is non-commercial, and users who upload content do not get paid for their work.[46]

Some fans, as prosumers, profit from their forays in fandom. Online stores selling unofficial, fan-made merchandise are easy to find by hashtags in Instagram;[47] The Lost Bros., an Instagram store which produces Disney-themed products, has earned $100,000 in sales, and their designs, which include "Mickey-waffle-and-bacon[-and-]skull-and-crossbones tees[,]" often sell out.[48] And, as mentioned, some fans set up cafés or throw themed parties, where fees are charged.

Fans who are prosumers, however, complicate matters for the IP owner, and their tendency for creating works using the IP of the franchise they love poses problems. While it is acknowledged that "media companies could not survive without loyal fan participation[,] ... the battle-lines [between media franchises and prosumers] are drawn over the issues of copyright and [IP] law."[49] To explore the IP-related concerns that crop up in the context of fan labor, the next portion of this Essay will discuss the fan-made works in relation to IP law, and the need to balance these concerns with other perspectives.

III. THE TWO TOWERS: INFRINGEMENT AND FAN ENGAGEMENT

A. The Legal Perspective: Trademark and Copyright Infringement Arising from Fan Activities

Prosumers, in their sheer enthusiasm for a media franchise's story, characters, and themes, often forget to concern themselves with the legality of the fan works they produce. It has thus been observed by some commentators that prosumers often skirt the lines of violating two forms of IP: trademark and copyright.[50]

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46. Olivia Riley, Archive of Our Own and the Gift Culture of Fanfiction 7, *available at* https://conservancy.umn.edu/bitstream/handle/11299/175558/Archive%20of%20Our%20Own%20and%20the%20Gift%20Culture%20of%20Fanfiction.pdf?sequence=1&isAllowed=y (last accessed May 4, 2018).

47. Hilary George-Parkin, Why Notoriously Litigious Disney is Letting Fan Stores Thrive, *available at* https://www.racked.com/2017/9/5/16192874/disney-fan-stores-instagram (last accessed May 4, 2018).

48. *Id.*

49. Shefrin, *supra* note 29.

50. IP Legal Forum, The IP Cons of Fan Conventions, *available at* https://iplegalforum.com/2017/09/19/the-ip-cons-of-fan-conventions (last

1. Trademark

A trademark "is a symbol of the product[, one that] communicates a message to the consumer about what he or she is seeking to buy."[51] The underlying principle of trademark law is that the mark to be registered serves to "identify and distinguish [a seller's] goods ... from those manufactured or sold by others and to indicate [their] source[.]"[52] Trademarks serve a variety of purposes for a business — they represent the goodwill of a business,[53] and thus can serve to assure customers that a particular product is of the same quality and standard as all other products created by the same business.[54] The concern addressed is the idea that an infringer can pass off its goods as the goods of the party infringed, leading to "confusion between related goods."[55] This, in turn, can possibly lead to the lowering of the economic value of the goodwill associated with the trademark, particularly when the infringer's products are of a lower quality.[56] Trademark law has thus been used against counterfeiters of a business' goods.[57] These goals of trademark

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accessed May 4, 2018); Sheppard Mullin, Fans: Friend or Foe?, *available at* https://www.intellectualpropertylawblog.com/archives/fans-friend-or-foe (last accessed May 4, 2018); & Shefrin, *supra* note 29, at 262.

51. IDRIS, *supra* note 24, at 167.

52. Lanham Trademark Act of 1946, 15 U.S.C. § 1127 (1946) (U.S.).

53. IDRIS, *supra* note 24, at 167.

54. *Id.* They can also be used to assure customers that a specific threshold for safety or technical standards were met by the product, thus assuring that it is of good quality. *Id.*

55. AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 348 (9th Cir. 1979) (U.S.). US courts have held that, in determining whether confusion between related goods is likely, the following factors are relevant:

    (1) strength of the mark;
    (2) proximity of the goods;
    (3) similarity of the marks;
    (4) evidence of actual confusion;
    (5) marketing channels used;
    (6) type of goods and the degree of care likely to be exercised by the purchaser;
    (7) defendant's intent in selecting the mark; and
    (8) likelihood of expansion of the product lines.

    Id. at 348-49.

56. VAN LINDBERG, INTELLECTUAL PROPERTY AND OPEN SOURCE: A PRACTICAL GUIDE TO PROTECTING CODE 118 (2008).

57. *Id.*

law are reflected in the elements of trademark infringement. The Philippine Supreme Court has held that, based on Section 155 of the Philippine Intellectual Property Code (IP Code),[58] there is trademark infringement when —

(1) The trademark being infringed is registered in the Intellectual Property Office; however, in infringement of trade name, the same need not be registered;

(2) The trademark or trade name is reproduced, counterfeited, copied, or colorably imitated by the infringer;

(3) The infringing mark or trade name is used in connection with the sale, offering for sale, or advertising of any goods, business[,] or services; or the infringing mark or trade name is applied to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with such goods, business, or services;

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58. An Act Prescribing the Intellectual Property Code and Establishing the Intellectual Property Office, Providing for its Powers and Functions, and for Other Purposes [INTELL. PROP. CODE], Republic Act No. 8293, § 155 (1997). The provision states —

> Section 155. *Remedies; Infringement.* Any person who shall, without the consent of the owner of the registered mark:
>
> (1) Use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark or the same container or a dominant feature thereof in connection with the sale, offering for sale, distribution, advertising of any goods or services[,] including other preparatory steps necessary to carry out the sale of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or
>
> (2) Reproduce, counterfeit, copy[,] or colorably imitate a registered mark or a dominant feature thereof and apply such reproduction, counterfeit, copy[,] or colorable imitation to labels, signs, prints, packages, wrappers, receptacles[,] or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive, shall be liable in a civil action for infringement by the registrant for the remedies hereinafter set forth: Provided, That the infringement takes place at the moment any of the acts stated in Subsection 155.1 or this subsection are committed[,] regardless of whether there is actual sale of goods or services using the infringing material.

Id.

(4) The use or application of the infringing mark or trade name is likely to cause confusion or mistake or to deceive purchasers or others as to the goods or services themselves or as to the source or origin of such goods or services or the identity of such business; and

(5) It is without the consent of the trademark or trade name owner or the assignee thereof.[59]

In both the US and the Philippines, trademark infringement generally arises only when the mark involved is registered in the relevant government agency.[60] Under US law, trademark infringement occurs when a mark that is "identical with, or substantially indistinguishable from, a mark registered on the principal register in the [US] Patent and Trademark Office and in use"[61] is used. Meanwhile, under Philippine law, the mark must also be registered before infringement concerns may arise.[62] However, both the US and the Philippines adhere to Article 6 of the Paris Convention for the Protection of Industrial Property[63] and Article 16 of the Agreement on Trade-Related Aspects of Intellectual Property Rights,[64] which state, essentially, that owners of internationally well-known marks, whether or not registered in these countries, enjoy trademark protection. Hence, marks of mega media franchises, such as Harry Potter and Star Trek, would arguably not need registration for protection.

Some are of the opinion that certain products of prosumers can infringe on trademarks — this is particularly true when fan-made creations make use of the logos, marks, and symbols of the brand concerned, causing confusion as to whether or not these products were actually released by the IP owner. Disney filed a case for trademark infringement against a fan who set up his own Lightsaber Academy, alleging that the logo the academy used was too

59. Prosource International, Inc. v. Horphag Research Management SA, 605 SCRA 523, 530 (2010) (citing RUBEN E. AGPALO, THE LAW ON TRADEMARK, INFRINGEMENT, AND UNFAIR COMPETITION 142-43 (2000)).

60. *See* Prosource International, Inc., 605 SCRA at 530 & 18 U.S.C. (2006 & Supp. II 2008).

61. 18 U.S.C. § 2320 (e) (1) (A) (ii) (2006 & Supp. II 2008).

62. INTELL. PROP. CODE, § 155.

63. Paris Convention for the Protection of Industrial Property art. 6, *adopted* Mar. 20, 1883, 828 U.N.T.S. 305 (as amended).

64. Agreement on Trade-Related Aspects of Intellectual Property Rights art. 16, *opened for signature* Apr. 15, 1994, 1869 U.N.T.S. 233.

similar to the official Jedi Order logo, a registered mark.[65] Taylor Swift recently sued fans who sold merchandise with her image and lyrics on them, alleging trademark infringement.[66] Prior to her sleuth of lawsuits, Swift had registered various phrases that appear in her songs, such as "This Sick Beat" and "Cause We Never Go Out of Style."[67] Companies have also used trademark law to take down websites that make use of their names — Canon, for example, sent a takedown notice to a site run by fans of its cameras, called "Canon Filmmakers".[68]

Above are just some examples of alleged trademark infringement by fans. But another IP right is just as likely to be infringed by fan work, if not more — that of copyright.

2. Copyright

Copyright refers to "the exclusive right of the owner to 'carry out, authorize, or prevent' certain specific acts enumerated in the [law] — to reproduce, transform, publicly distribute, rent, publicly display, publicly perform, and/or communicate to the public a literary and artistic work."[69] As provided by the US law on copyright, copyright protection subsists "in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device."[70] The originality of a creative work has been held the

65. Gavia Baker-Whitelaw, Disney sues fan-created Lightsaber Academy for trademark infringement, *available at* https://www.dailydot.com/parsec/disney-sues-star-wars-fan-lightsaber-academy (last accessed May 4, 2018).

66. Hazel Cills, Why Taylor Swift's Etsy Crackdown Feels So Wrong, *available at* https://www.refinery29.com/2015/02/82294/taylor-swift-sues-fan-made-etsy-products (last accessed May 4, 2018).

67. *Id.*

68. Jonathan Bailey, Trademark, Copyright and Fan Sites, *available at* https://www.blogherald.com/2011/06/03/trademark-copyright-and-fan-sites (last accessed May 4, 2018) & Jon Connor, All Good Things Must Come To An End, *available at* http://shooteditlearn.com/blog/2011/06/01/all-good-things-must-come-to-an-end (last accessed May 4, 2018).

69. J. SEDFREY S. SANTIAGO, LAW FOR ART'S SAKE: AN INTRODUCTION TO LEGAL GOBBLEDYGOOK 3 (2010) (citing INTELL. PROP. CODE, § 117).

70. 17 U.S.C. § 102 (2012). The same statute lists works of authorship to include: (1) literary works; (2) musical works, including any accompanying words; (3) dramatic works, including any accompanying music; (4) pantomimes and choreographic works; (5) pictorial, graphic, and sculptural works; (6) motion

"*sine qua non* of copyright[,]"[71] the element held most relevant for copyright protection both in the Philippines and the US.[72] Unlike trademark infringement, which generally arises only when a trademark is registered,[73] copyright infringement can occur from the moment of the creation of the original work.[74] There is copyright infringement where there is "similarity or at least substantial similarity of the purported pirated works to the copyrighted work."[75] It has two elements: (1) the ownership of copyright, and (2) the copying of a work's original elements.[76]

Another aspect of copyright law that adds a layer of complexity to the issue of prosumer creations is the concept of derivative works. Derivative works are works that are "based upon one or more preexisting works."[77] They include "dramatizations, translations, adaptations, abridgments, arrangements, or other alterations of literary or artistic works" as well as "compilations of data and other materials which are original by reason of the selection or coordination or arrangement of their contents."[78] Derivative works enjoy copyright protection.[79] But while derivative works are protected as new works in themselves, it is the owner of the original work

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pictures and other audiovisual works; (7) sound recordings; and (8) architectural works. *Id.*

71. Tufenkian Import/Export Vent., Inc. v. Einstein Moomjy, Inc., 237 F. Supp.2d 376, 384 (S.D.N.Y 2002) (citing Feist Publications, Inc. v. Rural Tel. Service Co., 499 U.S. 340, 348 (1991)) (U.S.).

72. *Id.* & Ching v. Salinas, Sr., 462 SCRA 241, 251 (2005).

73. INTELL. PROP. CODE, § 155.

74. *Id.* § 172.2. *See also* SANTIAGO, *supra* note 69. In the US, "copyright protection attaches at the moment one fixes [his or] her work in a physical object (such as putting text on paper, painting on canvas, etc.), and the validity of the copyright does not depend on its registration with the Copyright Office." Dotan Oliar, et. al., *Copyright Registrations: Who, What, When, Where, and Why*, 92 TEXAS L. REV. 2211, 2215-16 (2014). However, registration is a prerequisite for bringing an infringement action over a US work. 17 U.S.C. § 411 (a) (2012).

75. Joaquin, Jr. v. Drilon, 302 SCRA 225, 234 (1999).

76. Shine v. Childs, 382 F. Supp.2d 602, 607 (2005) (citing *Feist Publications, Inc.*, 499 U.S. at 361) (U.S.).

77. 17 U.S.C. § 101 (2000).

78. INTELL. PROP. CODE, § 173.

79. *Id.* § 173.2.

that has the right to create derivative works, and any person other than the owner who hopes to do the same must first obtain the latter's consent.[80]

Copyright infringement is the prevailing argument used by IP content owners against fan fiction, fan art, and other fan works which make use of the images, characters, and stories of their beloved franchises to produce their own creative works.[81] For example, the Tolkien estate, in its website and in correspondence with fans, has made clear that it views fan-made fiction of the Lord of the Rings as copyright infringement, although it and its representatives also state that, so long as the work is not made commercial and is only for private enjoyment, the estate will not bother suing.[82] In suing a fan who was making a comprehensive lexicon for the Harry Potter series, J.K. Rowling also made use of US copyright laws.[83]

Whether or not fan-made works really do violate copyright, however, is hotly debated, particularly when the works created by fans are literary or

80. 17 U.S.C. § 106 (2) (2006). *See* Glynn S. Lunney, Jr., *Copyright, Derivative Works, and the Economics of Complements*, 12 VAND. J. ENT. & TECH. L. 779, 781-82 (2010).

81. *See, e.g.*, Speider Schneider, Fan Art vs. Copyright Infringement: What's Legal?, *available at* https://blog.glstock.com/fan-art-vs-copyright-infringement-legal (last accessed May 4, 2018); Michael Nam, Copyright Infringement in Fan Fiction, *available at* https://glarts.org/copyright-infringement-in-fan-fiction/ (last accessed May 4, 2018); Jonathan Bailey, The Messy World of Fan Art and Copyright, *available at* https://www.plagiarismtoday.com/2010/05/13/the-messy-world-of-fan-art-and-copyright (last accessed May 4, 2018); & Kristina Elyse Butke, Yes, fanworks are illegal: Harsh truths about copyright & Fair Use, *available at* http://inyourwritemind.setonhill.edu/yes-fanworks-are-illegal-harsh-truths-about-copyright-fair-use (last accessed May 4, 2018). *See also* Abigail V. Go, Fanatical for Protection: The Legality of Fan Fiction under Intellectual Property Law (2008) (unpublished J.D. thesis, Ateneo de Manila University) (on file with the Professional Schools Library, Ateneo de Manila University). The work focuses on discussions of copyright law and copyright infringement in relation to fan fiction, though trademark is also made a sub-issue. *Id.*

82. Theodora Michaels, Know Your Rights: Copyright Law for the Creator of Fan Works, *available at* http://www.theodoramichaels.com/articles/fan-fic.php (last accessed May 4, 2018).

83. *See Warner Bros. Entertainment Inc.*, 575 F. Supp.2d.

artistic works as well.[84] Some argue that these works of fans should be considered within the bounds of fair use.[85]

Fair use is a defense which may be raised in copyright infringement suits.[86] As defined in US jurisprudence, fair use is "a privilege in others[, not] the owner of the copyright[,] to use the copyrighted material in a reasonable manner without his [or her] consent."[87] The doctrine of fair use is complementary to the idea that copyright as a property right is intended to promote creativity — hence, it is designed to ensure that a rigid application of copyright statutes will not stifle "the very creativity which the law is designed to foster."[88]

In the Philippines, the fair use doctrine is embodied in the IP Code, which provides under Section 185.1 that "[t]he fair use of a copyrighted work for criticism, comment, news reporting, teaching[,] including multiple copies for classroom use, scholarship, research, and similar purposes is not an infringement of copyright."[89] The law goes on to provide factors for determining whether the use made of a work in any particular case is fair use. These include:

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit education purposes;

(2) the nature of the copyrighted work;

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84. Some forms of fan-made works, however, may be protected by their very nature. For example, parodies made by fans (and non-fans) are not copyright infringement. *See* Campbell v. Acuff-Rose Music, 510 U.S. 569 (1994). Furthermore, it has been argued that fan conventions cannot constitute copyright infringement, since "fair use and the First Amendment explicitly allow use of source-works for purposes of education, analysis, criticism[,] and discussion, even if [it is] within a commercial context." Email *from* Heidi Tandy (lawyer for Organization for Transformative Works) *to* Katrina Monica C. Gaw (Mar. 6, 2018) (on file with Author).

85. *Id.*

86. SANTIAGO, *supra* note 69, at 91.

87. Harper & Row Publishers, Inc. v. Nation Enterprises, 471 U.S. 539, 549 (1985) (citing HORACE G. BALL, LAW OF COPYRIGHT AND LITERARY PROPERTY 260 (1944)).

88. Rubin v. Boston Magazine Co., 645 F.2d 80, 83 (1st Cir. 1981) (citing Iowa State University Research Foundation, Inc. v. American Broadcasting Co., 621 F.2d 57, 60 (2d Cir. 1980)) (U.S.).

89. INTELL. PROP. CODE, § 185.1.

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market for or value of the copyrighted work.[90]

These four factors, however, are not exclusive, and should be viewed as integrated parts of a flexible examination.[91] These are the same four factors under US law.[92]

The first factor, dealing with the purpose and character of the use, considers two questions: (1) "whether the alleged infringing work is intended for commercial use or for non[-]profit purposes[;]"[93] and (2) whether the use is transformative, or involves the mere copying of the work of the author — or, as expounded upon by the US Supreme Court, "whether the new work merely 'supersedes the objects' of the original creation, ... or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message[.]"[94]

It is in this first factor where freely available fan works, such as fan fiction uploaded in platforms such as Archive of Our Own, are often argued to be fair use. It is pointed out that it is free — and hence, non-commercial[95] — and that fan labor will often involve the creation of some original and fresh ideas.[96] It is to be noted, however, that the US Supreme Court has held that commercial usage is only one element of fair use — hence acknowledging that even commercialized works may enjoy protection, and will not automatically be considered copyright infringement.[97]

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90. *Id.*

91. *Harper & Row Publishers, Inc.*, 471 U.S. at 549.

92. *See* Copyright Act of 1976, 17 U.S.C. § 107 (2008) (U.S.).

93. Meg Reid, *Harry Potter and the Copyright Act: Have the Courts Finally Waved a Magic Wand by Defining Fair Use for Secondary Authors?*, 16 JEFFREY S. MOORAD SPORTS L.J. 291, 299 (2009).

94. *Id.* (citing *Campbell*, 510 U.S. at 579).

95. Go, *supra* note 81, at 35.

96. *Id.* at 36.

97. *Campbell*, 510 U.S. at 576 & Perfect 10, Inc., v. Google, Inc., 416 F. Supp.2d 828, 846-47 (C.D. Cali. 2006) (U.S.).

The second factor deals with the nature of the copyrightable work, and is an acknowledgment that certain works are closer to the heart of copyright than others.[98] Hence, fair use would also depend on whether the core work being copied is one which is only marginally protected — for example, as has been held, "fair use is more likely to be found in factual works than fictional works."[99]

The third factor — the amount and substantiality of the portion used in relation to the copyrightable work — asks whether the quantity and value of the materials used are reasonable in relation to the purpose of copying.[100] A commercialized encyclopedia compiled by a fan of excerpts, facts, and tidbits from his or her favorite book series has been held to be more copying than is reasonably necessary — a level of taking that weighs against fair use, since the encyclopedia only compiles, in rearranged form, key details thought up by the original author.[101]

The fourth factor, dealing with the potential market for or value of the work, asks whether the proliferation of the work may lead to market harm for the work of the original author.[102] Essentially, this factor looks into "whether the defendant's work will diminish or prejudice the potential sale of the original [author's] work."[103]

3. Why Trademark and Copyright Infringement Matters to Mega Media Franchises

IP infringement deprives an IP owner "of some of the economic value of his [or her] goods, even to the point of making the goods virtually worthless."[104] It can also "reduce incentives to invest in the development and accumulation of IP goods[.]"[105] In the context of IP, permission to do

98. Leibovitz v. Paramount Pictures Corporation, 137 F.3d 109, 115 (2d Cir. 1998) (U.S.).

99. Stewart v. Abend, 495 U.S. 207, 237 (1990).

100. Blanch v. Koons, 467 F.3d 244, 257–59 (2d Cir. 2006) (U.S.).

101. *See Warner Bros. Entertainment Inc.*, 575 F. Supp.2d at 545–48.

102. *Id.* at 549.

103. Meeropol v. Nizer, 560 F.2d 1061, 1070 (2d Cir. 1977) (citing Marvin Worth Productions v. Superior Films Corp., 319 F. Supp. 1266, 1274 (S.D.N.Y. 1970) (U.S.)).

104. Irina D. Manta, *The Puzzle of Criminal Sanctions for Intellectual Property Infringement*, 24 HARV. J. L. & TECH. 469, 479 (2011).

105. *Id.*

something by the granting party "is a grant, by the owner of the property, to another (the licensee) of this right to use the licensed rights free of suit by the property owner, pursuant to certain terms and conditions and subject to certain limitations."[106] Most mega media franchises make their earnings by selling to manufacturers the license to create related products. The Star Wars brand, for example, earns more from its licensing agreements than it does from its movies.[107] In fact, since the first of the Star Wars films was released in 1977, the franchise has brought retailers more than $32 billion in merchandising sales alone, with these numbers increasing by at least $1.5 billion annually,[108] on top of the $4.5 billion the first six Star Wars movies have already earned.[109] IP owners are thus able to maximize wealth earned by licensing their properties to another party, so that the latter can use it to create other goods and services.[110] This, evidently, is not the setup used by most fans when they produce works based on the IP of their favorite movie or book franchise — hence, IP owners will not earn anything from allowing prosumers to create fan labor. More than the lack of profit, however, is the possible liability that may arise for IP owners in relation to fan-made works. Allowing prosumers to create fan-made t-shirts, toys, and other memorabilia may actually compel the franchise owner to sue, if the licensing agreement provides that it is the franchisor that is tasked with enforcing IP rights of the licensee in relation to the agreement between them.[111] Otherwise, the

106. ALEXANDER I. POLTORAK & PAUL J. LERNER, ESSENTIALS OF LICENSING INTELLECTUAL PROPERTY 1 (2004).

107. When Star Wars: The Force Awakens was set to be released in theaters in 2015, it was estimated that it would earn as much as $500 million in its opening weekend, but its merchandise would generate about $3 billion in sales in 2015, and $5 billion over the next 12 months. Natalie Robehmed, *For Disney, Biggest Payday On Star Wars Won't Be At The Box Office*, FORBES, Dec. 16, 2015, *available at* https://www.forbes.com/sites/natalierobehmed/2015/12/16/how-disneys-star-wars-merchandise-is-set-to-make-billions (last accessed May 4, 2018).

108. Telegraph Reporters, '*Look at the size of that thing!*': *How Star Wars makes its billions*, TELEGRAPH, May 4, 2016, *available at* https://www.telegraph.co.uk/films/2016/05/04/look-at-the-size-of-that-thing-how-star-wars-makes-its-billions (last accessed May 4, 2018).

109. *Id.*

110. POLTORAK & LERNER, *supra* note 106, at xv.

111. Paul R. Morico, Considerations in Drafting Settlement and License Agreements — Part I at 6, *available at* http://www.bakerbotts.com/ideas/publications/2016/02/drafting-settlement-and-license-agreements (last accessed May 4, 2018). As opined by Paul R. Morico,

franchisor and owner of the rights to a brand may be breaching the licensing agreement.[112] Hence, when Fox Entertainment, owner of the rights to TV show, Firefly, inked a deal with licensed retailer Ripple Junction so that the latter could make merchandise based on the show's characters, Fox Entertainment started to crack down on fan-made merchandise, particularly on those which simulated a yellow-red bonnet worn by a character in the show.[113]

There is also the concern that the IP owner will be seen by law to have consented to the proliferation of works infringing on their IP. For example, under copyright law, infringement occurs when the copying of a creative work is *without authorization or permission from the original author.*[114] Hence, if an author has, expressly or impliedly, consented to the use of his or her copyright, then he or she may be precluded from contesting that a prosumer's work constitutes infringement.[115] The chamber of secrets open, and the resulting floodgates may make it hard for said IP content owners to protect their own rights in the future.

This was J.K. Rowling's concern in the case of *Warner Bros. Entertainment Inc. v. RDR Books*,[116] where she sued her longtime super fan, Steve Vander Ark, for attempting to publish a Harry Potter lexicon — essentially, a Harry Potter encyclopedia.[117] Initially, the lexicon was actually

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> [t]wo [ ] important clauses in license agreements are the enforcement and maintenance provisions. The enforcement provision sets forth who has the rights and obligations to enforce the IP rights against third-party infringers. Sometimes[,] the licensor wishes to control enforcement of the IP rights[;] other times the licensor is willing to turn over that right or responsibility to the licensee. Typically, [ ] when the license is exclusive[,] the right of enforcement is turned over to the licensee. In many cases, especially where the licensor is not in the business, the licensee has a great interest in enforcing the IP rights.

Id.

112. *Id.*

113. Leah Yamshon, 'I almost got sued for knitting a Firefly hat': The legal risks of pop-culture fan art, *available at* https://www.pcworld.com/article/2044685/i-almost-got-sued-for-knitting-a-firefly-hat-the-legal-risks-of-pop-culture-fan-art.html (last accessed May 4, 2018).

114. SANTIAGO, *supra* note 69, at 70 (emphasis supplied).

115. McCardle, *supra* note 19.

116. Warner Bros. Entertainment Inc. v. RDR Books, 575 F. Supp.2d 513, 517-18 (S.D.N.Y. 2008) (U.S.).

117. *Id.* at 516.

a website, created and managed by Ark, which "collected and organized information from the Harry Potter books in one central source for fans to use for reference."[118] J.K. Rowling herself had praised the site, and said that she finds it useful also for recalling intricate details about the wizarding world.[119] Later, however, a publisher approached Ark and offered to publish a book based on various portions of the site,[120] which was a deal that did not sit well with J.K. Rowling.[121]

In the case, J.K. Rowling alleged that the lexicon, if published, would violate her copyright, as substantial parts of the site and subsequent book were just lifted from her works in the series and reorganized.[122] When asked if she was concerned that suing Ark would affect her relationship with fans who run websites, she remarked —

> Very definitely, that's part of my concerns about fans ... . [P]erhaps, naively, I was very keen to maintain an almost entirely hands-off approach to the online fandom where Harry Potter was concerned ... . The fan sites, the fan[-]created fan message boards[,] and the essays[,] and so on, they were all fun. I have never read online fan fiction. It is uncomfortable to see your world restated in that way. But, I never censored it or wanted to censor it. I let it all happen. So, what will happen if it is decided in court that by taking that approach, I effectively gave away copyright, I — well, I know what will happen. Other authors — I mean, other authors are already much more draconian than I am with their view of the Internet. Of course, other authors will look sideways at what happened to me and say I need to exercise more control. She was an idiot. She let it all go.[123]

The same problem of allowing use can arise in trademark infringement, where acquiescence is a defense that can be used in litigation.[124] The US

118. *Id.* at 520.

119. *Id.*

120. *Id.* at 523.

121. *Id.* at 524-25.

122. *Warner Bros. Entertainment Inc.*, 575 F. Supp.2d at 524-25.

123. Transcript of records, at 107 (*available at* https://cyberlaw.stanford.edu/files/blogs/Trial%20Transcript%20Day%201.txt (last accessed May 4, 2018)), *in Warner Bros. Entertainment Inc.*, 575 F. Supp.2d.

124. Thomas Kenneth Abraham v. Alphi Chi Omega, Case No. 12-10525, Dec. 6, 2012, at 19, *available at* http://www.ca5.uscourts.gov/opinions/pub/12/12-10525-CV0.wpd.pdf (last accessed May 4, 2018).

Supreme Court has held that significant delay in voicing objections against the use of one's trademark can bar actions for trademark infringement.[125]

B. The Public Relations Perspective: The Fellowship of Fandom and Its Benefits to Business

While it is true that copyright and trademark infringement create real concerns for IP owners, it is also true that active, participatory prosumers — and their culture of bringing communities together to share their love for their chosen franchise — are the best kinds of customers a business could have. As has been opined, "[f]or many consumer entertainment and media businesses, avid or loyal fans — who typically represent [10-20%] of a franchise's [customer] base — can drive [80%] or more of that franchise's overall business value."[126]

Indeed, there is something to be said about engaging fans and maintaining a positive relationship with them. Star Trek, a brand that has spawned both TV shows and films for more than 50 years, was kept alive by its rabid fans. The Star Trek original series was cancelled on TV in 1969 after only three seasons, and yet several films and shows still revolve around the Star Trek franchise decades later, including a film series reboot which began in 2009,[127] and a Star Trek Netflix series which premiered in 2017.[128] The success of the franchise is directly related to how well Star Trek fans — called "Trekkies" — form communities for discourse and create fan-made extensions to the universe through fan films, fan fiction, fan magazines, and more. Trekkie conventions are attended by thousands of people.[129] All of this enthusiasm is what has driven the creation of further content for Star

125. *Id. See also* Susan Neuberger Weller, Laches, Acquiescence, and Trademark Injunctions, *available at* https://www.copyrighttrademarkmatters.com/2013/05/22/laches-acquiescence-and-trademark-injunctions (last accessed May 4, 2018).

126. Christopher A.H. Vollmer, How to Make Entertainment and Media Businesses "Fan"-tastic, *available at* https://www.strategy-business.com/article/How-to-Make-Entertainment-and-Media-Businesses-Fan-tastic?gko=3a2bc (last accessed May 4, 2018).

127. Star Trek (Paramount Pictures, 2009) & Star Trek Into the Darkness (Paramount Pictures, 2013).

128. *See* Star Trek: Discovery (CBS Television Distribution, 2017).

129. Vollmer, *supra* note 126. The first widely-publicized convention, held in New York, drew an estimated crowd of 7,000. Paul L. Montgomery, '*Star Trekkies*' *Show Devotion*, LAKELAND LEDGER, Mar. 11, 1973, at 34.

Trek, which, in turn, has given monetary value to the brand — estimates to its worth are at $4 billion.[130]

Fans also buttress negative criticisms that are hurled at a particular franchise. Returning to the Star Trek example, the franchise has not received critical acclaim throughout its run, and has, on occasion, been panned by critics.[131] But when fans love the writers, producers, actors, and actresses that make up the over-all image of their beloved mega media franchise, these IP content owners have a bulletproof shield against their naysayers — a reliable, powerful system of self-promotion.[132] As Neil Gaiman, author of American Gods and other science fiction and fantasy books, once remarked, "I have at this point a critic-proof career. The fans already knew about the book."[133]

Hence, several mega media franchises actively cultivate a relationship with their fans. Sometimes, this meant letting go of some of their concerns as to IP infringement, in order to make way for bigger returns in the long run. As a recent example, Disney has been lenient with Instagram stores selling products that use IP owned by the House of Mouse.[134] This is true even if these stores already have 35,000 to 70,000 followers on the platform.[135] Disney has done the same for videos posted by fans on YouTube, which make use of images from Disney films such as Frozen (and which generate living incomes for their uploaders).[136] This approach demonstrates a shift in its treatment of fan labor on online platforms — "Although Disney once viewed YouTube with alarm, the company now seems to realize that fan-created content — even in cases where that content is generating revenue that is not captured by Disney — is cross-promotional marketing that money [cannot] buy."[137] Rebecca Tushnet makes the same

130. Jim Robertson, How Much is the Star Trek Franchise Worth For This Small Cap?, *available at* http://www.smallcapnetwork.com/How-Much-is-the-Star-Trek-Franchise-Worth-For-This-Small-Cap/s/via/52883/article/view/p/mid/1/id/396 (last accessed May 4, 2018).

131. Vollmer, *supra* note 126.

132. *Id.*

133. Dana Goodyear, *Kid Goth: Neil Gaiman's fantasies*, NEW YORKER, Jan. 25, 2010, *available at* https://www.newyorker.com/magazine/2010/01/25/kid-goth (last accessed May 4, 2018).

134. George-Parkin, *supra* note 47.

135. *Id.*

136. Leonard, *supra* note 16.

137. *Id.*

observation as to Disney, and its approach towards fan-made merchandise — "Disney has actually substantially changed its enforcement practices," and while the company is still not interested "in letting anyone build a multimillion-dollar business, [ ] they are much more understanding of the role that fan engagement plays."[138]

Then, there is the possible backlash that an IP content owner faces from fans when it attempts to clamp down on fan-produced content and fan activities.[139] As earlier mentioned, Pokémon Company International once sued a fan for organizing a Pokémon-themed party and charging a small admission fee, alleging copyright infringement.[140] Ramar Larkin Jones, one of the organizers of the Pokémon-themed party and a self-professed mega fan of the franchise, started a GoFundMe page to help him raise money he needed to pay the company, and various funders of his endeavor commented, "What happened to you was awful. I will never buy [legitimate] [P]okémon merchandise again[;]" "This is the biggest joke ever. Is there [any way] we could make a petition to have the Pokémon Company [International] retract their demand? If they are treating their fans like this, then we [should not] be fans anymore[;]" and, "Way to treat your fans. Companies should encourage not-for-profit fan fun that simply promotes their product. They should want happy fans, excited fans, and any little bit of free [ ]positive[ ] publicity they can get. Unfortunately, they [do not] think with reason. And now, they get some negative publicity."[141] Steven Schlackman sums up the sentiment by stating that, while Pokémon Company International did have the right to go after the party's organizers from a legal perspective, it was not necessary for the company "to sue people just because [it] can."[142] He further opined that "[t]here are other ways of handling infringements that [do not] involve suing your biggest fans."[143]

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138. George-Parkin, *supra* note 47. Rebecca Tushnet is a professor of Intellectual Property law at Georgetown University Law Center and Harvard Law School.

139. Schlackman, *supra* note 9.

140. *Id.*

141. Ramar Larkin Jones, Fan being sued by Pokemon, *available at* https://www.gofundme.com/ng5f2ukk (last accessed May 4, 2018).

142. Schlackman, *supra* note 9. Steven Schlackman is a registered patent attorney, and has a practice which focuses on IP in the art, technology, and life science sectors. He is the editor of the Art Law Journal, a site which reports on the intersection between art and the law, and has his own IP Practice in Miami. *Id.*

143. *Id.*

Thus far, the Essay has explored how fan works can result in infringement, and, at the same time, how nurturing fan communities and cultivating fan relationships can be very important for franchises engaged in entertainment media. The next Part will cull lessons learned from the experiences of both fans and media franchise owners to create a model that will aid the latter in determining when fan-made works should be encouraged, and when these should be stopped due to IP infringement.

IV. ACHIEVING THE BALANCE: CREATING THE MODEL FOR APPROACHING FAN-MADE WORKS

Based on the considerations discussed throughout this Essay, there are various interests that overlap when one endeavors to balance the competing forces of encouraging fan engagement and protecting IP rights. This Part of the Essay attempts to create a model based on what has so far been discussed, by first determining what aspects of fan labor and prosumer creativity are good and bad from the perspective of the IP owner, taking into account both business and legal matters. It will harmonize the "bad" aspects of fan labor with the "good" side, which can balance it out. The Essay will then hopefully be able to pit these opposing forces and help understand where a good middle ground can be found between the IP content owner and its fans.

A. The Dark and the Light: Delineating the Good and Bad in Fanfare

One valid concern of IP content owners is the proliferation of content that is antithetical to the image, themes, and over-all reputation of the brand. For example, J.K. Rowling has expressed concern over the proliferation of sexually explicit fan fiction for the Harry Potter series,[144] since the intended audience of her works is children. From the perspective of promoting this particular brand image, this kind of fan work can be a concern, especially if

144. Natasha Walter, *Works in progress*, GUARDIAN, Oct. 27, 2004, *available at* https://www.theguardian.com/books/2004/oct/27/technology.news (last accessed May 4, 2018). Cease-and-desist letters have been sent by representatives of J.K. Rowling to Harry Potter fan fiction websites dedicated to archiving sexually explicit fan fiction. Ariana Eunjung Cha, *Plagiarism or high art? Fan fiction creating friction*, WASH. POST, June 25, 2003, *available at* http://articles.chicagotribune.com/2003-06-25/features/0306240387_1_fan-fiction-rowling-harry-potter (last accessed May 4, 2018).

websites in which these works are featured do not have adult content filtering mechanisms, such as age disclaimer pages.[145]

There are, on the other hand, prosumer works that are clearly made to align with the brand's image and overall content. Disney fans' love for making Disney-themed clothing is a demonstration of this. Disney theme parks have a rule that adults past the age of 14 cannot dress in Disney character costumes, as park guests may confuse them for Disney's real characters.[146] Enterprising Disney fans, however, found a creative way to skirt around this regulation by going to Disneyland wearing clothes that make reference to their favorite character using specially-themed clothing instead. Some fans, for example, will don the same shades of white, yellow, and red that Minnie Mouse traditionally wears. Some buy, from fellow fans selling their creative wares in online stores, Disney-themed bracelets, clutch bags, jumpers, sweaters, and more, donning these specifically to pay tribute to their favorite Disney character.[147] The practice has become so popular that the fans have coined a term for the idea — "Disneybounding" — and post photos on blogs and social media platforms like Instagram and Tumblr, where Disney fan communities thrive.[148] The idea of embodying one's favorite character for a fun experience and for the sake of living out childhood dreams aligns with the Disney theme park's company statement, which states that the Walt Disney Parks and Resorts are places "where dreams come true."[149] At the same time, Disneybounding encourages going to Disneyland with friends and family, dressed in a whole set of characters,

145. An age disclaimer page is a page on a website prior to the homepage which asks for the age or birthdate of the site's visitor, and warns that content featuring mature themes are featured in the site. Brenda Barron, How to add Adults-Only Age Verification to Your WordPress Site, *available at* https://premium.wpmudev.org/blog/age-verification-restrictions (last accessed May 4, 2018).

146. Kirsten Acuna, Grown-ups aren't allowed to dress up as princesses at Disney parks — here's why, *available at* http://www.thisisinsider.com/adults-cant-wear-costumes-disney-parks-2017-8 (last accessed May 4, 2018).

147. George-Parkin, *supra* note 47.

148. *See, e.g.*, Pinterest, Disneybound, *available at* https://www.pinterest.com/pin/968274607183680 57/?autologin=true (last accessed May 4, 2018). The hashtag "#disneyboundchallenge (24,508 posts) and #disneybounding (114,292 posts) are also active on Instagram.

149. Walt Disney Parks and Resorts, About, *available at* https://aboutdisneyparks.com/about (last accessed May 4, 2018).

like the whole roster of Winnie the Pooh characters, or as Frozen sisters, Anna and Elsa, harmonizing again with Disney's family-friendly image.[150]

This leads to the second concern that media businesses have — infringement. It is clear that taking the face of Ariel, from the popular animated film The Little Mermaid, on a t-shirt is trademark and copyright infringement. But is putting the words "But Daddy, I love him!"[151] on a white shirt above a red-haired girl, surrounded by seashells, infringement as well? Liability for trademark infringement is unlikely, since the shirt does not purport to be a Disney product and is actually designed to pay tribute to the Disney movie in a way that only die-hard Disney fans would know. Further, as the work of a fan becomes more original, it becomes more debatable whether or not the fan-made design is actually copyright infringement.

In the context of infringement, there is also the element of commercialization — how much money is the fan making off of the endeavor, and how much has he or she exploited the brand?

Themed restaurants run by fans are highly debatable in this regard. These fans run a full-scale business that is heavily reliant on the fame of the franchise they love to draw customers. Hence, several commentators have submitted that this is likely trademark infringement, particularly when the franchise's official logos, character symbols, and trade dress are used.[152] Trade

150. In fact, moms love to blog about Disneybounding with family. *See, e.g.*, Lisa Cameron, Ideas for Disney Bounding as a Family, *available at* https://adventuresinfamilyhood.com/2015/08/ideas-for-disney-bounding-as-family.html (last accessed May 4, 2018) & Sarah Gilliland, Disneybounding: What is it and why is it so much fun?, *available at* https://www.travelingmom.com/top-destinations-disney/disneybounding (last accessed May 4, 2018).

151. This line is from The Little Mermaid film. The shirt is available for sale in a fan-made movie theme store called The Lost Bros., earlier mentioned in this paper. The Lost Bros Co., "But Daddy, I love him!" t-shirt, *available at* https://lostbrostradingco.com/collections/find-a-sale/products/but-daddy-tee (last accessed May 4, 2018).

152. *See, e.g.*, Lianne Tan, Copyright, Trade Marks and Themed Cafés, *available at* https://legalvision.com.au/copyright-trade-marks-and-character-themed-cafes/ (last accessed May 4, 2018); Whitney Filloon, The Risky Business of Running a Pop Culture-Themed Restaurant, *available at* https://www.eater.com/2017/3/7/14835550/pop-culture-themed-restaurant (last accessed May 4, 2018); & Kiran George, When Central Perk Came to Town: The Legality of a TV Show Themed Restaurant, *available at* https://spicyip.com/2016/09/when-

dress refers to "the distinctive overall appearance of a business, and in some cases of a product, and generally includes one or more trademarks and service marks in the form of symbols, slogans[,] and logos."[153] Hence, when themed restaurants design their establishments to look like the Hogwarts castle, or a particular throne room from the Game of Thrones, trademark infringement, by way of infringing on trade dress, could be involved. And when a café directly uses the name of a beloved TV show, calling itself the F.R.I.E.N.D.S café, there is also a likely case for trademark infringement.[154] Copyright infringement concerns will also arise — for example, if the intent was to really copy how the set of a show looks down to the tee, then there is no originality involved that could be used as a defense to copyright infringement.[155]

Extreme infringement also took place in the Harry Potter lexicon issue — in the *Warner Bros. Entertainment Inc.* case, Ark and RDR Books set up a fair use defense;[156] the court, however, found that various parts of the Harry Potter lexicon that Ark intended to publish were lifted verbatim from the Harry Potter books themselves, with no original input except for organization into A-Z encyclopedic form.[157] It also found that the work caused potential market harm, since J.K. Rowling herself intended to publish companion books and an encyclopedia for Harry Potter in the future — a fact that many fans are well-aware of, as she has expressed this intent several times.[158]

On most occasions, fans will not engage in endeavors so extreme as that of Ark's. More often than not, when fans produce their own art works, merchandise, and other fan labor, they "do not do it for profit — but out of love for their film, TV show, or a media franchise."[159] In fact, there is such a thing as a gift culture in the world of fandom — fans who essentially believe that producing fan fiction and fan art, among others, is actually about gift

central-perk-came-to-town-the-legality-of-a-tv-show-themed-restaurant.html (last accessed May 4, 2018).

153. IDRIS, *supra* note 24, at 149.

154. George, *supra* note 152.

155. *Id.*

156. *Warner Bros. Entertainment Inc.*, 575 F. Supp.2d at 524-28.

157. *Id.* at 548.

158. *Id.* at 549.

159. HARRY M. BENSHOFF, FILM AND TELEVISION ANALYSIS: AN INTRODUCTION TO METHODS, THEORIES, AND APPROACHES 228 (2016).

production, and it is part of the culture for fans to write pieces of fan fiction and dedicate them to one another.[160] In these cases, a fair use argument is more easily mounted, because the commercialization factor is taken out of the table. This is especially true if the fan labor concerned consists of what would qualify as discourse or parodies focusing on their beloved franchise.[161] For example, videos or essays featuring analysis of themes in a Star Wars film is fair use, and Harry Potter puppet pals are parodies of the series' characters, in miniature puppet form.

This leads to the next area of concern for IP owners — the practicality of enforcing particular IP rights. Evidently, litigation will lead to costs, which will not always be commensurate to what can be recovered, or to the extent of infringement that a fan commits. Pokémon Company International's pursuit against Ramar Larkin Jones and Ruckus Productions (Jones) once again comes to mind. Jones was sued for throwing a Pokémon-themed party, making use of popular Pokémon characters such as Pikachu on Facebook promotional ads, and using the characters during the party as well.[162] His case with Pokémon Company International was ultimately settled for the sum of $4,000 — negotiated down from an initial $5,200.[163] This is a small sum for all the trouble of pursuing Jones in court, particularly after considering that Jones had only charged a $2 entry fee which he claimed only covered costs for the event.[164] Furthermore, he had cancelled the party after being sent a cease-and-desist letter, but an injunction was still filed against him in court.[165] Meanwhile, Jones' creation of a GoFundMe page, and the spread of this news, led to some negative comments about

160. Tisha Turk, *Fan work: Labor, worth, and participation in fandom's gift economy*, TRANSFORMATIVE WORKS & CULTURES, ¶ 1.2, Mar. 2014. Some fans call this process a "fic exchange." *See, e.g.*, Supernatural Wiki, Fanfic challenges & exchanges, *available at* http://www.supernaturalwiki.com/index.php?title=Fanfic_challenges_%26_exchanges (last accessed May 4, 2018).

161. Tandy, *supra* note 84.

162. The Pokémon Company International, Inc. v. Jones, Case No. 2:15-cv-01372-Document 20 (W.D. Wash. 2016) (U.S.).

163. Jason Koebler, A Broke Fan Owes $5,400 for Trying to Throw a Pokémon Themed Party, *available at* https://motherboard.vice.com/en_us/article/4xadyj/a-broke-fan-owes-5400-for-trying-to-throw-a-pokemon-themed-party (last accessed May 4, 2018).

164. *The Pokémon Company International, Inc.*, Case No. 2:15-cv-01372-Document 20, ¶ 13.

165. Koebler, *supra* note 163.

Pokémon Company International.[166] This example shows that there are more than just lawyer's bills that should concern the IP owner — it must also concern itself with possible backlash from fans.

The Pokémon example is to be juxtaposed with the strategy of Disney — where fan-produced works, even when commercialized, are more leniently dealt with by the company. Returning to the example of "Disneybounding," Disney has let companies that produce fan-made merchandise go, for the large part, and stores run by fans that earn money largely by selling themed shirts and wares to fellow fans have been let off the hook. As Hilary George-Parkin observes, this move of leniency on the part of Disney is actually a strategic business move —

> [W]hile Disney may not see the $25 a fan spends on a [t]-shirt from an independent seller, that same fan may be inspired to wear it to Disney World (admission price: $181.05 during regular season), stay at a Disney hotel (average nightly rate: $388), and buy food and official [merchandise] in the parks while [they are] there. Overall, parks and resorts make up a larger share of Disney's overall revenue than the company's consumer products segment — $17 billion compared to $5.5 billion in 2016 — and much of the fan-made merchandise is specifically geared toward the park-bound customer.[167]

Hence, IP owners must not only consider IP enforcement from the standpoint of protecting the IP they own; they must also somehow consider whether taking a more lenient approach to prosumers actually translates to financial benefits for them, more so than filing a lawsuit would.

IP owners must also consider licensing agreements that they have entered into, and whether these agreements require them to strictly enforce their rights in relation to certain forms of fan merchandise. Returning to the Firefly example, Fox Entertainment stopped fans from making and selling yellow-red knitted hats that represented the TV series, largely because its deal with a licensor included making these same hats and selling them to the public.[168]

One other valid concern is that fan-made work is not actually produced by "fans" — rather, they are made by non-fans, masquerading as fans, in order to make a buck. The problem with this scenario is that, sometimes, work done by non-fans does not properly reflect what is featured in the

166. *Id.*

167. George-Parkin, *supra* note 47.

168. Yamshon, *supra* note 113.

relevant book, film, or TV show — turning off other fans, and misrepresenting key parts of the franchise's universe. For example, Harry Potter fans Ayn Rand I. Parel and Katsie Llave shared how they once watched a John Williams-themed concert, in which the full Harry Potter suite, among other hits by John Williams, was to be played.[169] Prior to the Harry Potter segment of the show, a man appeared impersonating Dumbledore, bumbling up various key elements of the Potterverse — "He was acting as Dumbledore, and [yet] he said 'The Grand Hall' instead of 'The Great Hall.'"[170] It was an experience which helped Parel and Llave realize why IP owners must protect their brand. Llave commented further on this issue — "Warner Brothers should be protective of the Harry Potter brand. Even I[,] as a fan[,] do not want just anybody doing fan work. I want someone who loves the fandom as much as I do."[171] Parel agreed and said, "If I am paying for an experience, it should be as authentic as possible."[172] Hence, even fans of franchises prefer to hear authentic voices who share the same love they do for the franchise, and will not take warmly to insincerity in enthusiasm for their preferred brand.

This demonstrated authenticity is visible in many fan works that are stifled. Returning to the Firefly knitted hats, fans of the series had been knitting these by hand for an entire decade for their beloved show before Fox Entertainment signed their licensing agreement with Ripple Junction to mass produce the same wares.[173] It was a hat worn by Jayne Cobb, one of the characters in the show, on an unaired episode of Firefly, and fans of the series would wear the hats in conventions to identify one another among the crowds of other fans who were into their own films or shows.[174] In many ways, these hats and other forms of fan labor created by prosumers is what kept the Firefly brand alive and valuable to its IP owner. Firefly itself was cancelled after less than one season, and an underground community of fans kept the flame on the show alive until it had gained a cult following — and their continued enthusiasm was discovered by Fox Entertainment.[175] Although complications in that relationship later arose after Fox Entertainment signed the licensing agreement, it is clear that the fans who

169. Interview *with* Ayn Rand I. Parel & Katsie Llave, *supra* note 35.

170. *Id.*

171. *Id.*

172. *Id.*

173. Yamshon, *supra* note 113.

174. *Id.*

175. *Id.*

made the knitted hats were genuine in their love for the show, and, at the same time, they are likely the reason why Firefly has remained a sellable brand name despite only being on air for a short while. Portkey Events, which makes Harry Potter-themed events in the Philippines, is also an example of genuine fan enthusiasm. In all their events, they try to make sure that their use of elements of the Wizarding World of Harry Potter is authentic — from throwing events like the Yule Ball, to their Harry Potter Halloween event featuring almost the whole range of the series' cast of characters.[176] Their passion is much appreciated by fans, as demonstrated by the enthusiastic response of fellow fans to their work — their events have been jam-packed with fans, and their events page has 15,800 likes as of this writing.[177]

Along with this manifestation of their enthusiasm for the Harry Potter brand is an understanding and respect of the IP rights of Warner Brothers and J.K. Rowling. As Parel, part owner of Portkey Events, shared —

> We [do not] want to profit from making Harry Potter experiences, and we did not disguise ourselves as Warner Brothers. On our part, we had to consciously make sure we did not violate any trademark or copyright laws. ... The challenge for us was how to bring the experience of being in Harry Potter's world as close as possible without using the actual assets. We [did not] use the Harry Potter logo with the official font. We tried to be very careful with how we named events, though it is obvious that these are Harry Potter events. We also made our own designs and graphics for events instead of lifting from the Harry Potter films.[178]

Parel even shared that the company tried to reach out to other fans of the Potter franchise, such as the organizers of the biggest Harry Potter convention in the US, Leaky Con, about how to take steps to make their events legal, although the organizers never replied; they also looked for guidelines online but found none.[179] Llave, another co-owner of Portkey Events, remarked, "There are fans who want to do more [to legitimize their business] but who [do not] know who to contact. There are no clear instructions on how to request for licensing opportunities, or what websites to check for guidelines. There should be a bridge to that gap so that fans

176. Interview *with* Ayn Rand I. Parel & Katsie Llave, *supra* note 35.

177. Portkey Events, Inc., Home page, FACEBOOK, *available at* https://www.facebook.com/PortkeyEvents (last accessed May 4, 2018).

178. Interview *with* Ayn Rand I. Parel & Katsie Llave, *supra* note 35.

179. *Id.*

know the rules with [regard to the IP owner's IP.]"[180] Their experience shows that some prosumers are willing to work within regulations that are handed to them by the official IP owners, and will make sure that their fan labor respects their beloved franchise, and that fans respect not only the world of its fictional characters, but also, the makers of that fictional universe.

B. Balance to the Force: A Model

Given all these considerations, the Author has created a model which attempts to balance both the good and the bad side of fan enthusiasm and prosumer culture. The model encapsulates, as much as possible, all factors that may come into play in decision-making in relation to whether to enforce IP rights against a particular prosumer. It does so by providing for four key factors which IP brands must look into in a prosumer's creation: first, how it aligns with the brand's image and reputation; second, the extent of the fan's infringement of the IP owner's rights; third, the practicality of enforcing given the particular factual circumstances; and, fourth, whether the fan is genuine in his or her passion and enthusiasm. There is a "dark side" to each of these factors — in other words, when a fan goes too far in a negative way — and a "light side," as when the prosumer's fan labor complements the brand, and actually contributes to its promotion overall. It is submitted that it is these factors that IP owners should consider in trying to balance out a business strategy in relation to how to deal with fan labor. And while no bright-line test is created, taking all these considerations together and integrating both legal and business-related concerns will help IP owners when faced with the question of whether or not they should run after a particular fan, or when they should relax, and let it go. This model is summarized in the table below.

180. *Id.*

THE DARK SIDE	BALANCE	THE LIGHT SIDE
Content produced by the fan does not align with the brand's image	Brand image and reputational concerns	Intent to align with brand image is demonstrated
Clear intent to exploit IP; Extent of commercialization is substantial	Magnitude of infringement	Intent to exploit is not evident; Extent of commercialization is insubstantial, or there is no commercialization at all
Fan's exploitation of IP is so blatant that failure to enforce will lead to damage to the IP owner's brand; Failure to enforce would be a breach of the IP owner's obligations elsewhere	Practicalities of enforcement	Financial and reputational benefits of fan engagement show more promise than possible benefits recoverable through litigation; or, Fan infringement is less than costs of enforcement
Lack of authenticity on the part of the "fan"	Genuineness of fan's enthusiasm	Passion for IP involved

Table 1. The Force Model: Parameters for Balancing the Force of Fandom

The first level of the model is concerned with brand image and reputation. The dark side of this, in relation to fan labor, is when the fan's creations do not align with the brand's image, and, hence, may cause legitimate concerns when they are allowed to proliferate. On the opposite end of the spectrum is when prosumer creations do align with the IP owner's vision, mission, and goals for the particular brand in question.

The second level deals with the magnitude of the fan's infringement — just how much is copied off of the original material of the IP owner? If there is extensive commercialization, coupled with clear and blatant exploitation, then the fan's work is an issue. But if the fan is not benefiting commercially from the endeavor, or earns very minimally, and has demonstrated respect for the IP owners' rights — by, for example, limiting direct use of logos and characters in their products and getting creative about demonstrating their love for the franchise — there is less reason to pursue the fan. There is even less incentive to run after a fan whose work is truly creative, so as to have passed the threshold of originality — the work may be so transformative that

it qualifies for the defense of fair use, thus rendering useless an attempt to pursue the prosumer in court.

The third level looks into the practicalities of enforcing one's rights — the related litigation costs, possible backlash arising from the enforcement, and the like. In relation to the second level dealing with the magnitude of infringement, if the IP infringement is so blatant and extensive, and if the fan intends to commercialize this infringing work, there are bigger reasons to clamp down on said fan's activity. Further, if the IP owner has an existing licensing agreement with a licensee, and the products produced by the fan are directly what the licensee produces, then enforcement may be a practical necessity to avoid breaching an obligation owed to the licensee. On the other hand, for the lighter side, when a fan's infringement is only minimal or the gains from litigation are so small that the costs of hiring a lawyer may be higher than the gains that will be achieved, then an IP owner has reason to let the prosumer be. Then, of course, it is also important to consider, as regards this aspect, if letting the prosumer thrive and allowing him or her to form his or her own community of fans of the franchise will actually be more beneficial overall than clamping down on the fan's activities.

Finally, there is the level of the fan's enthusiasm, and its authenticity — how much does this fan love the brand, and what has that passion contributed to the fan community, and, corollary, to the brand itself? Have more fans been drawn in thanks to the work of a particular prosumer? On the dark side, a person who claims to be a fan may simply be exploiting the brand for the sake of earning profits from other fans, a practice even fans frown upon. But if the fan's primary goal is not to commercialize, but to appreciate, and to express love in a participatory way, then the fan's actions can perhaps be more justified.

An IP owner must consider all these levels of the force of fandom prior to pursuing a particular prosumer. Not all fan-made work is bad for a business, but not all of it is good either. The ideal approach is to choose one's battles, and learn when it is more proper to accept and even embrace creations of fan communities, and when clamping down is necessary, given the circumstances. While analysis will still be made on a case-to-case basis, this model provides guidelines for IP owners and will outline for them a way to determine, from a management perspective, what is best for the franchise overall.

V. CONCLUSION AND RECOMMENDATIONS

Fan engagement is a key part of promoting a business for a mega media franchise. Fans and their love for a work are what increases brand value,

what ensures ticket sales, and what keeps possible deals and licensing agreements with other companies alive. But in an effort to demonstrate their passion for their beloved universe, fans also engage in activities that constitute IP infringement, thus affecting brand value in many ways. This Essay has attempted to show not only that fan labor can be good for a business, but also, that understanding the dark and light side of prosumer creations can be a vital IP management strategy. With an understanding of The Force Model, IP owners can develop a balanced approach to dealing with the mega force that is fandom — one where positive manifestations of a fan's passion are accepted, and even rewarded, while fan activity which leads to the devaluation of the IP assets is stifled.

The Essay concludes with two recommendations for IP owners, which they may choose to pursue in relation to fan labor, and which are drawn from the experiences of other mega media franchises.

One recommendation is in relation to Portkey Events. The company had actually received a cease-and-desist letter from Warner Brothers at first, but when they called up the lawyers to ask for specifics, they were offered a surprising alternative — a possible licensing agreement with Warner Brothers. The IP owner had been impressed by the authenticity of the Harry Potter events they created, and their growing fan following. In relation to this, Parel remarked that partnering with fans was a good way to increase fan engagement, while, at the same time, protecting IP assets. She stated, "The fans have the passion, [understand] the canon, [have] knowledge of the fan base, the market, and the [IP owner's] customers. Meanwhile, [the IP owner] has the rights to the assets. So, if the [IP owner gives the fans] the assets, the fans can take care [of] everything else."[181] Other companies have also taken on this approach, and have licensed stores that were previously selling unofficial fan merchandise. Disney has licensed Cakeworthy — a Disney-themed online clothing store put up by two fans — and now, the company sells flannel shirts, bags, and other items with Star Wars characters and the Disney princesses on them, among others, in a completely legal way.[182] Another example is that of the LEGO Group, which has, in many ways, decided to co-opt the work of fans, by allowing fans to be part of the magic behind its products.[183] LEGO has several adult fans, called the AFOLs

181. *Id.*

182. *See* Cakeworthy, We are Officially Licensed, *available at* https://www.cakeworthystore.com/blogs/news/we-are-officially-licensed (last accessed May 4, 2018).

183. Dan Hunter & Julian Thomas, *Lego's system of play meets intellectual property: from the engineered object to digital media, in* RESEARCH HANDBOOK ON

(adult fans of LEGO).[184] In 1998, when LEGO introduced Mindstorms, a popular robotics kit, an AFOL who was a graduate student from Stanford reverse-engineered the product's secret microprocessor controller and posted details of it online, for all other AFOLs to see.[185] The company decided not to sue, and, in addition, began to take on a more open source approach to the improvement of the Mindstorms product.[186] For succeeding reiterations of Mindstorms, the company hired user panels composed of AFOLs at the early stages of the development of the product, to critique, review, and add their insights to it.[187] Overall, the approach has led to a better relationship with fans.[188]

The second recommendation is also inspired by the LEGO Group. The company has promulgated guidelines that address matters like limitations on sales of t-shirts bearing LEGO Group IP assets at conventions, including use of the LEGO name and logo, in an effort to protect its trademarks and other IP while allowing fans to have their fun.[189] Some fan clubs have had to change their fan names in conjunction with the guidelines.[190] But even fans agree that such an approach is reasonable, and would likely be respected — "I think most fans would not mind having guidelines; fans are actually willing to protect the brand [they love,] if they are given the opportunity to do so."[191]

Throughout this Essay, the Author has striven to determine how best to balance the interest of both fans and IP owners in relation to beloved films, TV shows, and books. It has created The Force Model — an attempt to encapsulate all considerations that must be taken into account when choosing to enforce IP rights against fans, and how to determine when fan labor teeters too far into the dark side for the comfort of IP owners, and when it leans towards the light. In the end, the Author concludes that a balanced approach to the force of fandom is the best way forward — one

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INTELLECTUAL PROPERTY IN MEDIA AND ENTERTAINMENT 335 (Megan Richardson & Sam Ricketson eds., 2017).

184. *Id.*

185. *Id.* at 340.

186. *Id.*

187. *Id.*

188. *Id.*

189. IP Legal Forum, *supra* note 50.

190. *Id.*

191. Interview *with* Ayn Rand I. Parel & Katsie Llave, *supra* note 35.

where fan labor is not dealt with using a blanket approach, and IP enforcement tactics against fans are strategically pursued. It is also an approach which espouses co-opting fan labor when doing so would better align with the business objectives of IP owners. After all, as has been opined, "the 'winners' in the 'current media revolution' will be those cultural producers who attempt to offset polarizing issues over [IP] rights by recognizing the economic and political imperative of collaboration with active fan consumers." [192] When fan engagement is harmonized with strategic IP protection and enforcement, the possibilities for both fans and IP owners can stretch endlessly — to infinity and beyond.

192. Shefrin, *supra* note 29, at 273.