

MASCOT MADNESS:

Are Characters in Times Square Violating Trademark Law?

by
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I. INTRODUCTION

In recent years, New York City's Times Square has become overrun with life-sized cartoon characters and superheroes. The costumed performers - often undocumented immigrants - wander the streets dressed in costumes, posing for pictures with tourists and demanding money in return. Their solicitations are often aggressive. Refusals to pay have often escalated into violent, even criminal encounters.

The activity in Times Square has also raised trademark issues. [1] The First Amendment generally protects the costumed performers' right to dress up like characters in public. [2] The First Amendment also protects the costumed performers, so long as they ask for "donations" and "tips." [3] However, copyright and trademark owners, such as The Walt Disney Company ("Disney") and Sesame Workshop, among others, have a legitimate interest in protecting their intellectual property. [4] Such interests include their rights to terminate unlicensed use and to protect against consumer confusion and trademark dilution. [5]

Courts have not yet addressed whether or not the costumed performers have infringed on trademarked characters. This article explores related case law to determine whether or not the

performers' solicitations constitute trademark infringement, and the substance of the performers' defenses to infringement if it exists.

II. BACKGROUND

In 2009, the Bloomberg administration closed off parts of Times Square to car traffic, making way for pedestrian plazas. [6] Times Square has since developed a penchant for the theater. Costumed performers dressed as children's favorite cartoon characters and superheroes frequent the crowded streets, posing for pictures with tourists. The most popular characters include Elmo, Cookie Monster, Mickey and Minnie Mouse. [7] Approximately eighty characters can be found in Times Square on any given afternoon. [8] While the performers are permitted to collect donations, they may not demand money. [9] Oftentimes, interactions between unknowing tourists and costumed performers escalate into situations that cause concern for character trademark owners. [10]

In January 2014, a 44-year-old man dressed as Woody from the movie "Toy Story" was arrested for sexually abusing two women. [11] He was charged for three counts of forcible touching and three counts of third-degree sex abuse. [12]

Later that year, a 25-year-old man dressed as Spider-Man was arrested for assaulting a police officer, resisting arrest, criminal mischief, and disorderly conduct. [13] The Spider-Man character refused to accept \$1 from a woman as payment in exchange for a photograph. [14] The police officer stepped forward and informed the woman that she could give whatever amount of money she wanted. [15] After shouting expletives at the officer and failing to provide identification, the Spider-Man punched the officer in the face. [16] Another Spider-Man was

convicted for harassment after punching a woman and knocking her to the ground in 2013. [17]

The woman had refused to tip him for a photograph and tossed snow at him. [18]

In 2013, a 33-year-old man dressed as Cookie Monster shoved a 2-year-old child after the child's parents refused to pay him \$2 for posing for a photograph. [19] The man was arrested and charged with reckless endangerment and acting in a manner injurious to a minor. [20] Another Sesame Street character, Elmo, was arrested in front of the Toys "R" Us store in Times Square in 2012. [21] Adam Sandler, the infamous "Anti-Semitic Elmo" whose rants have been captured multiple times on YouTube, was charged with disorderly conduct and resisting arrest. [22]

Such events have spurred trademark owners to take action toward addressing the incidents. In July 2014, Sesame Workshop, the non-profit that owns the rights to Elmo, Cookie Monster, among others, issued a statement to address the costumed performers, stating it "has not authorized the appearance of any Sesame Street costumed characters on public streets in any city. We care about our fans and the image of our brand and, like everyone else, we care about public safety on our streets." [23]

Disney, on the other hand, has lobbied for a legislative solution. A spokeswoman for Disney, Zenia Mucha, stated that "[the company has] been for years working with previous and current administrations as well as the city council trying to get legislation passed that would require registration and identification of these costumed characters." [24]

Trademark owners like Sesame Workshop and Disney may enforce their intellectual property rights in a variety of ways, including registering their marks, marking their products, employing trademark watch services, implementing trademark audit programs, and sending cease-and-desist letters to infringers. [25]

However, trademark watch services and audit programs in this context are superfluous.

[26] Trademark owners are aware that infringing conduct occurs in Times Square. The trademark owners have also already taken necessary precautionary measures in protecting their marks, including registration and marking. [27] Moreover, trademark owners often do not know the identities of the alleged infringers. Although trademark owners know infringement occurs, there is no feasible method for licensors to regulate the characters. [28]

In response, New York City Council Member Andy King introduced legislation in 2014, aimed directly at regulating the "costumed individuals in Times Square. [29] If implemented, Mr. King's proposed bill would create an effective, comprehensive licensing regime to regulate the solicitation of costumed individuals in public spaces. [30] First, the law requires costumed individuals to obtain a license from the city before engaging in solicitation in public spaces. [31] Second, it imposes restrictions on the location and manner of solicitation. [32]

The law does not specifically address officially licensed characters. [33] Instead, it creates a separate licensing system that regulates "costumed individuals." [34] "Costumed individuals" are broadly defined as "any person wearing a costume." [35] For the purpose of soliciting in return for posing for photographs, or otherwise interacting in public spaces, costumed individuals must file an application for a license and pay a fingerprinting fee. [36] The commissioner may approve or deny the application. [37] If the costumed individual's application is approved, she must conspicuously display the license and exhibit the license to any police officer or other authorized persons upon request. [38]

§20-548 prescribes restrictions on the costumed individuals' licensed activity. The licensee may not solicit in an aggressive manner. [39] Such solicitation included conduct that is either intended to or is likely to cause a reasonable person to fear bodily harm to herself, another,

or her property, (ii) intimidate her into giving the licensee money or other valuables, or (iii) cause her to suffer unreasonable inconvenience, annoyance, or alarm. [40] Moreover, a costumed individual is prohibited from blocking or interfering with the passage of pedestrians or vehicles, using violent or threatening gestures, and intentionally touching or causing physical contact to another person without her consent. [41]

Any costumed individual who fails to obtain a license before engaging in solicitation shall be guilty of a misdemeanor. [42] The unlicensed individual may pay a fine ranging from \$100-\$1,000, face imprisonment not exceeding three months, or both. [43]

The threat of legal action has prompted a response from the costumed performers themselves. [44] The costumed performers and their supporters argue most of them are law-abiding, and that the proposed ordinance would restrict their ability to work and limit their ability to provide for their families. [45] In August 2014, La Fuente, a non-profit organization that advocates for immigrants, helped organize a group of non-unionized street performers, New York City Artists United for a Smile ("NYCAUS"). [46] NYCAUS voluntarily began drafting rules for affiliated performers to follow, including rules on how to interact with tourists. [47] The Executive Director of La Fuente, Lucia Gomez, stated that such legislation would wrongly privatize public space, and would not increase safety. [48] Instead, Gonzalez has asked city officials to work with the performers to find a solution to protect the public and performers' rights. [49]

As of November 9, 2015, the bill remains laid over in the Committee of Consumer Affairs. [50] In addition, trademark owners have not taken definitive action towards regulating the costumed performers.

III. TRADEMARK INFRINGEMENT: ESTABLISHING LIKELIHOOD OF CONFUSION UNDER § 43(A) OF THE LANHAM ACT

The costumed performers of Times Square may potentially be liable for civil damages under the Lanham Act, the primary federal trademark statute, which prohibits trademark infringement and trademark dilution. [51] § 43(a) of the Lanham Act encompasses a broad spectrum of marks, including characters, which the public directly associates with the plaintiff. [52] An "ingredient" of a product that symbolizes the plaintiff in the public mind is protectable. [53]

Protectable "ingredients" include physical appearances and costumes of entertainment characters. [54] Therefore, a person who uses a trademark in commerce which is likely to cause confusion as to the origin, sponsorship, or approval of his or her services, or misrepresents the origin of his or her goods in commercial advertising or promotion is liable under § 43(A) of the Lanham Act. [55]

Courts generally prefer not to extend trademark protection to the visual appearance of characters. [56] However, characters are often protected if they act as an indication of origin. [57].

In *In re DC Comics, Inc.*, the US Court of Customs and Patent Appeals reversed the US Patent and Trademark Office Trademark Trial and Appeal Board's decision, finding that artistic renditions of Superman, Batman, and Joker could serve as a trademark for a "somewhat cruder" doll of the same fictitious characters. [58] The court reasoned that "whatever information a drawing of Superman or Batman or Joker might convey to the average prospective purchaser regarding a doll resembling one of the related fictional characters is wholly dependent on

appellant's efforts to associate each character in the public's awareness with numerous attributes, *including a single source of sponsorship.*" (emphasis added). [59]

Determining whether a trademark infringement exists is a question of fact. [60] To establish a claim for trademark infringement, the trademark owners must prove: 1) ownership of the trademark at issue; (2) use by defendant, in commerce, without authorization, of the plaintiff's mark; and (3) that defendant's use of the mark is likely to cause confusion. [61]

1. **Trademark Ownership**

The licensors own valid trademarks in its characters' images. [62]

2. **Use in Commerce**

Trademarks function as indicators of the source of goods or services, even if the source is unknown. [63] A defendant's use of a trademark in commerce is defined as the bona fide use of the mark in the ordinary course of trade. [64] A mark may be used in commerce when it is used or displayed in the *advertising of services* rendered in commerce (emphasis added). [65] To determine the type of use, a court must consider factors including "any evidence that consumers have actually inferred a connection between the defendant's product and the trademark owner." [66]

Courts distinguish between trademark use and functional use. [67] When a trademark is a functional feature, the trademark cannot be enforced. [68] A mark is functional when it is essential to the use of the product or affects its cost or quality. [69]

Here, the costumed performers engage in solicitations for the purpose of receiving "tips" and "donations." [70] The characters' posing for pictures is a service to the public. [71]

Advertising services rendered in commerce constitutes a trademark use. [72] Therefore, courts would likely find their solicitations constitute advertising for such services. [73]

However, the trademark use must be rendered in commerce. [74] "Commerce" refers to "all commerce which may lawfully be regulated by Congress." [75] The US Code merely defines commerce as "trade or commerce." [76] Black's Law Dictionary defines commerce as "the exchange of goods and services." [77] Persons who take pictures with the costumed performers are not obligated to pay for their services. [78] Therefore, the "exchange" of goods and services may not occur at all during the characters' solicitations. [79] However, characters that aggressively pursue and receive donations and tips do, in fact, engage in the exchange of goods and services. [80] Courts may consider panhandling as an exchange, and therefore sufficient evidence of trademark use in commerce. [81]

Assuming the costumed performers' panhandling constitute advertising services rendered in commerce, courts must next determine whether Congress may lawfully regulate such exchanges. [82] Panhandling ordinances are often left to the discretion of the state and/or municipality governments, including New York. [83] However, 15 U.S.C. § 1127 merely requires that the trademark use be used in commerce that Congress *may* regulate. That Congress does not regulate panhandling does not imply Congress may not regulate panhandling. [84] If municipal governments may enact constitutional panhandling ordinances, Congress may also enact such laws. [85] It follows that the costumed performers' solicitations would constitute a *prima facie* trademark use in commerce. [86]

A. Aesthetic Functional Use Defense

The functionality doctrine is applied most often in trade dress cases. [87] In such cases, a mark is primarily considered functional when it is a physical feature. [88]

However, the Ninth Circuit adopted the aesthetic functionality doctrine in *International Order of Job's Daughters v. Lindeburg & Co.* [89] In this case, a young woman's fraternal organization sued a jeweler for trademark infringement arising out of its manufacture and sale of jewelry bearing the Job's Daughters insignia. [90] The court reasoned that "[t]he insignia were a prominent feature of each item so as to be visible to others when worn, allowing the wearer to publicly express her allegiance to the organization." [91] Customers did not purchase the insignia because they believed the organization produced, sponsored, or endorsed the jewelry. [92] Instead, they purchased the insignia for its value as a symbol. [93] The court determined the name and emblem were functional components of the product, not trademarks. [94] Therefore, the jeweler's use of Job's Daughters' valid trademark was not an infringing trademark use. [95]

The court in *Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, further developed the aesthetic functionality doctrine by setting forward a two-part test. [96] First, the court must determine whether the non-trademark function of the mark is essential to the use or purpose of the product, or affects its cost or quality. [97] Second, the court must determine if "protection of the feature as a trademark would impose a significant non-reputation-related competitive disadvantage." [98] If it poses such a disadvantage, it is deemed aesthetically functional and does not trigger liability for infringement. [99]

Ultimately, the court must determine whether the use of the mark has a source-identifying function, which is not protectable, or a "reputation-related" function, which is protectable under the aesthetic function doctrine and therefore not a trademark use. [100] In *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, a merchandise licensor brought a trademark claim against its competitor for

infringing its "Betty Boop" cartoon character. [101] The court held that the defendant's use of the words "Betty Boop" was aesthetically functional, and therefore not a trademark use. [102] Like in *Job's Daughters*, the Court found that the defendant's use of the mark did not identify a source. [103] For this reason, the court held that barring the defendant from using the words would "impose a significant non-reputation-related competitive disadvantage." [104]

The costumed performers could argue the aesthetic functionality doctrine precludes a finding of trademark infringement. [105] The non-functional purpose of the trademarked literary characters is to entice others to pose for pictures. [106] The literary images themselves are essential to their use of the costumes, and are therefore functional. [107] Moreover, the performers could argue protection of the marks impose a significant non-reputation related competitive disadvantage. [108] A prohibition on this form of panhandling would also constitute a prohibition on their pursuit of livelihood. [109]

The question of whether the trademarks serve a source-identifying function, or reputation-related function is more elusive. [110] The marks may serve both purposes. [111] Standing alone, the literary images are certainly valuable. [112] Tourists may take pictures, and therefore utilize the characters' services, for the purpose of expressing their affinity for the characters. [113] Therefore, the trademarks would serve a reputation-related function. [114] However, tourists may also believe companies like Disney and Sesame Workshop have authorized the life-sized characters to take pictures. [115] They may feel less inclined to take pictures with the characters if they know Disney and Sesame Workshop have not explicitly sponsored the characters. [116] Therefore, the aesthetic functionality defense may not be a valid defense. [117]

B. Fair Use Defense

Alternatively, the Lanham Act provides that fair use is another defense to trademark infringement. “Fair use” is defined as “the use, otherwise than as a mark, ... of a term [] which is descriptive of and used fairly and in good faith only to describe the goods or services of [the] party.” [118] To determine whether a use is “otherwise than as a mark,” courts examine several factors, including “whether the term is used as a ‘symbol to attract public attention’ [and] whether the allegedly infringing user undertook ‘precautionary measures such as labeling or other devices designed to minimize the risk that the term will be understood in its trademark sense.’” [119] In *Fleisher Studios*, the court reasoned the words “Betty Boop” were not used as symbols. [120] Instead, they comprised the exact name of the character. [121] Therefore, the words did not identify the source of goods. [122] Finally, the court determined that no jury could conclude the defendants used the words “Betty Boop” in bad faith. [123] The defendants did not use the mark as a source-identifier. [124] Moreover, the defendants took the precautionary measure of indicating themselves as the source of their goods. [125] They did not use the mark intending to capitalize on the plaintiff’s good will. [126] Therefore, as a matter of law, the defendants used the words “Betty Boop” “otherwise than as a mark.” [127]

Although the costumed performers may argue their trademark use is “otherwise than as a mark,” they are unlikely to prevail under a general fair use defense. [128] The performers use their costumes to attract public attention to the specific fictional characters themselves. [129] This evidences intent to capitalize on the trademark owners’ good will. [130] Furthermore, the performers are unlikely to provide evidence that they employed precautionary measures to avoid confusion. [131] In fact, the performers are more likely to demonstrate specific intent to use the

marks to induce persons into believing they are the characters that are allegedly infringed upon.

[132] Therefore, the fair use defense may not be applicable. [133]

3. Likelihood of Confusion

Assuming the plaintiff has established that the defendant has used its mark in commerce, and the defendant cannot rely on a functionality or fair use defense, the courts must next examine the likelihood of confusion. [134] A mark "is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person." [135] Courts use the standard of a typical buyer exercising ordinary caution. [136] The marks are examined as they are encountered in the marketplace. [137]

Courts have held that the public's belief that the mark's owner sponsored or approved the trademark use sufficiently satisfies the confusion requirement. [138] However, courts generally examine eight factors to determine the likelihood of confusion in a trademark infringement case: (1) the strength of the marks; (2) relatedness of the services; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels; (6) degree of consumer care; (7) defendant's intent; and (8) likelihood of expansion. [139]

Similarities between the marks weigh more heavily in the plaintiff's favor than differences. [140] The balance also tips in favor of the plaintiff when the services are complementary, sold to the same class of buyers, or the services are similar in use or function. [141] However, if the allegedly infringing services are related, but not competitive to those of the trademark owner, the court must consider other factors to determine whether a likelihood of confusion exists. [142]

Bad faith, while less probative of demonstrating a likelihood of confusion, may also be given considerable weight. [143] Courts may consider whether the defendant intended to capitalize on plaintiff's good will. [144] Furthermore, when the defendant knowingly adopts a mark similar to another's, the court may presume that the defendant can accomplish his purpose of deceiving the public. [145]

For instance, the court may consider the defendant's purposeful intent an affirmative act of bad faith. [146] In *Lone Ranger*, the plaintiff owned the trademark to the fictional Lone Ranger character. [147] The plaintiff had built up immense public good and a business of great value. [148] The plaintiff only authorized the appearance of a person as "the Lone Ranger" on important occasions, and only under the plaintiff's direct supervision and control. [149] The defendant used the name "The Lone Star Ranger" and dressed as "an exact facsimile of the Lone Ranger in the copyrighted prints." [150] The defendant advertised its rodeo shows in various newspapers, confusing the public into believing he was appearing as "the Lone Ranger" in an attempt to pass off his show as having some connection to the plaintiff. [151] The court permanently enjoined the defendant from "imitating any or all of the distinctive and dominant characteristics of "The Lone Ranger" program," and from "impersonating, acting, performing, dramatizing or otherwise portraying any or all of the distinctive garb and characteristics of "The Lone Ranger." [152]

In *Job's Daughters*, the court considered additional evidence that contributed to a finding that Job's Daughter failed to prove likelihood of confusion. [153] First, the defendant never designated the merchandise as "official." [154] It did not affirmatively indicate sponsorship. [155] Job's Daughters did not show a single instance in which a customer was misled about the origin, sponsorship, or endorsement of the defendant's jewelry. [156] It never received

complaints about the defendant's wares. [157] Finally, many other jewelers sold unlicensed Job's Daughters jewelry. [158] This implied that consumers did not ordinarily purchase fraternal jewelry exclusively from "official sources." [159]

A. Strength of Marks

The trademarks of characters in Times Square are strong and have established secondary meaning. Therefore, this factor weighs in favor of the trademark owners.

B. Relatedness of Services

Like in *Lone Ranger*, trademark owners often employ individuals to dress up as characters for special events, such as the Macy's Thanksgiving Day Parade, or in theme parks under their direct supervision. [160] Although the trademark owners' services do not include soliciting money, their licensed characters often pose for photographs. Therefore, this factor weighs in favor of the trademark owners. [161]

C. Similarity of Marks

Assuming the Times Square characters' costumes are licensed, the trademarks are similar. Even if the costumes were not licensed, the characters clearly intend for tourists to perceive them as the trademarked characters. [162] Therefore, this factor weighs in favor of the trademark owners. [163]

D. Evidence of Actual Confusion

The trademark owners should conduct surveys of tourists to prove evidence of actual confusion. This factor will weigh in favor of the trademark owners only if evidence demonstrates tourists believe the trademark owners employed, sponsored, or approved of the characters' services.

E. Marketing Channels

The trademark owners' characters only pose for photographs in environments the trademark owners explicitly supervise or authorize, such as in parades and theme parks. [164] Such environments do not constitute the same marketing channels as the public streets of New York City. [165] Therefore, this factor weighs in favor of the Times Square characters. [166]

F. Degree of Consumer Care

The court should use a standard analogous to that of a typical buyer exercising ordinary caution. [167] Here, the court should consider a typical tourist with ordinary knowledge of the trademarked characters who exercise ordinary caution. [168] Surveys that evidence actual confusion may contribute to a finding that this factor weighs in favor of the trademark owners. [169]

G. Defendant's Intent

Like in *Lone Ranger*, the Times Square characters attempt to confuse the public into believing they are the trademarked characters in an attempt to pass off their services as having some connection to the trademark owners. [170] The characters have a conscious choice in dressing as either trademarked or generic characters. For instance, Mickey Mouse clearly attracts

more attention than a generic mouse costume. [171] Such considerations demonstrate that the Times Square characters have deliberately intended to free-ride off of the trademark owners' good will. [172] Therefore, this factor weighs in favor of the trademark owners. [173]

H. Likelihood of Expansion

The Times Square characters are unlikely to expand beyond Times Square. [174] Times Square's pedestrian plazas and the lack of traffic surrounding them permit characters to panhandle effectively. [175] However, New York City's local ordinances prohibit panhandling in specified public places. [176] Very few tourist attractions that provide considerable space for panhandlers exist elsewhere.

On the other hand, allowing Times Square characters to continue panhandling may contribute to a perception that their actions are legitimate. It may also encourage other individuals to panhandle outside New York City. Therefore, this factor weighs in favor of the Times Square characters unless trademark owners provide evidence suggesting otherwise.

VII. CONCLUSION

Trademark owners have great incentives to protect characters in an effort to maintain their good will. The trademark owners of characters in Times Square may have a valid claim of trademark infringement against the costumed performers. However, the performers may also claim aesthetic functionality in its defense.

Currently, neither trademark owners nor the costumed performers appear willing to seek a judicial solution to enforce their rights. Enacting New York City Council Member Andy King's

proposed ordinance would simultaneously protect trademark owners' characters and address any potentially unsavory encounters between tourists and costumed performers'. Therefore, such legislation may ultimately be the fairest and most efficient compromise between litigation and unregulated infringement.

ENDNOTES

[1]. The boundary between copyright and trademark use often is not clear. This article focuses exclusively on trademark infringement. See Michael Todd Helfand, *When Mickey Mouse Is As Strong As Superman: The Convergence of Intellectual Property Laws to Protect Fictional Literary and Pictorial Characters*, 44 STAN. L. REV. 623, 667 (1992) ("Hard questions remain concerning the boundaries of copyright uses and trademark uses. Some uses may easily be defined as either copyright or trademark uses. A character in a new story is clearly a copyright use. A single representation of a character placed upon labels, tags, or packaging used to market a product or service not directly related to the character is clearly a trademark use.")

[2]. N.Y. Comp. Codes R. & Regs. tit. 11, § 73.9.

[3]. See *Schaumburg v. Citizens for a Better Environment*, 444 U.S. 620, 629 (1980); *People v. Barton*, 8 N.Y.3d 70, 79 (2006).

[4]. See Helfand, *supra* note 1 at 627.

[5]. See *id.*

[6]. Michael M. Grynbaum & Matt Flegenheimer, *Mayor de Blasio Raises Prospect of Removing Times Square Pedestrian Plazas*, N.Y. TIMES, Aug. 20, 2015, available at

<http://www.nytimes.com/2015/08/21/nyregion/mayor-de-blasio-raises-prospect-of-removing-times-square-pedestrian-plazas.html>.

[7]. Andrew Lapin, *Times Square's unlicensed Elmos spell headaches for Sesame Workshop*, CURRENT.ORG, Sept. 5, 2014, available at <http://current.org/2014/09/times-squares-unlicensed-elmos-spell-headaches-for-sesame-workshop/>.

[8]. Curtis Skinner, *Times Square Cartoon Characters Might Be Banned After Rash of Violence*, BUSINESS INSIDER, Jul. 9, 2014, available at <http://www.businessinsider.com/r-ny-lawmakers-set-to-clamp-down-on-times-squares-caped-crusaders-2014-09/currency/desperate-characters-2>.

[9]. J. David Goodman, *Man Dressed as Spider-Man Is Arrested After Scuffle With Police in Times Square*, N.Y. TIMES, Jul. 27, 2014, available at http://www.nytimes.com/2014/07/28/nyregion/man-dressed-as-spider-man-is-arrested-after-scuffle-with-police-in-times-square.html?src=twr&_r=0.

[10]. *See id.*

[11]. Elizabeth Landers, *Times Square group to seek regulation of costumed characters*, CNN.COM, Jan. 10, 2014, available at <http://www.cnn.com/2014/01/10/us/times-square-toy-story-sex-assault/>.

[12]. *Id.*

[13]. Goodman, *supra* note 9.

[14]. *Id.*

[15]. *Id.*

[16]. *Id.*

[17]. *Costumed Spider-Man convicted of harassment in NYC*, CBSNEWS.COM, Jun. 19, 2014, available at <http://www.cbsnews.com/news/costumed-spider-man-convicted-of-harassment-in-new-york-city/>.

[18]. *Id.*

[19]. Lawrence Crook, *NYPD: For this 'Cookie Monster,' it was 'Me want money!'*, CNN.COM, Apr. 10, 2013, available at <http://www.cnn.com/2013/04/08/us/new-york-mad-cookie-monster/>.

[20]. *Id.*

[21]. Michael Wilson, *NYPD: Ranting Elmo Returns and Is Arrested in Times Square*, N.Y.

TIMES, Sep. 19, 2012, available at <http://cityroom.blogs.nytimes.com/2012/09/19/ranting-elmo-returns-and-is-arrested-in-times-square/>.

[22]. *See id.*

[23]. Laila Kearney, 'Sesame Street' aims to teach lesson to Times Square Elmo, REUTERS.COM,

Jul. 29, 2014, available at <http://www.reuters.com/article/2014/07/29/us-usa-sesame-street-new-york-idUSKBN0FY24D20140729>.

[24]. Aaron Smith, *NYPD to Disney and Marvel: Get Minnie Mouse and Spider Man out of*

Times Square, CNN.COM, Aug. 28, 2013, available at

<http://money.cnn.com/2015/08/28/news/companies/nypd-disney-marvel/>.

[25]. *See generally* Malla Pollack, Corporate Counsel's Guide to Trademark Law § 7:1-7:19

(2015).

[26]. *See id.*

[27]. *See id.*

[28]. *See id.*

[29]. *See* N.Y.C. Code Tit. 20, Ch. 2, Subch. 33 (proposed September 10, 2014, available at

<http://legistar.council.nyc.gov/ViewReport.ashx?M=R&N=Text&GID=61&ID=1805756&GUID=5748CF1B-B2CD-40D4-BC1E-8BC5A2DF914F&Title=Legislation+Text>).

[30]. *See id.*

[31]. N.Y.C. Code § 20-541.

[32]. N.Y.C. Code § 20-548.

[33]. *See* N.Y.C. Code § 20-540(b).

[34]. *See id.*

[35]. *Id.*

[36]. N.Y.C. Code § 20-541; § 20-543.

[37]. N.Y.C. Code § 20-544.

[38]. N.Y.C. Code § 20-546.

[39]. *Id.*

[40]. N.Y.C. Code § 20-540(e)(1).

[41]. N.Y.C. Code § 20-540(e)(2)-(4).

[42]. N.Y.C. Code § 20-551.

[43]. *Id.*

[44]. Laila Kearney, *New York City cracks down on Elmo, other Times Square costumed characters*, LAFUENTEINC.ORG, Sep. 19, 2014, available at

<http://www.lafuenteinc.org/index.php/press/136-new-york-city-cracks-down-on-elmo-other-times-square-costumed-characters>.

[45]. *Id.*

[46]. Lapin, *supra* note 7.

[47]. *Id.*

[48]. Kearney, *supra* note 44.

[49]. *Id.*

[50]. *See Legislation Details*, New York City Council,

<http://legistar.council.nyc.gov/LegislationDetail.aspx?ID=1903343&GUID=5A45C651-7373-4589-86B4-F77DD0FD5CFC>.

[51]. *See* 15 U.S.C. § 1125.

[52]. See *Perfect Fit Industries Inc. v. Acme Quilting Co.*, 618 F.2d 950 (2nd Cir. 1980); *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2nd Cir. 1979).

[53]. See *DC Comics, Inc. v. Filmtation Associates*, 486 F. Supp. 1273, 1277 (S.D.N.Y. 1980)].

[54]. See *id.*

[55]. See 15 U.S.C. § 1125(a)(1)]

[56]. Kathryn M. Foley, Protecting Fictional Characters: Defining the Elusive Trademark-Copyright Divide, 41 CONN. L. REV. 921, 945 (2009).

[57]. *Walt Disney Prods. v. Air Pirates*, 345 F. Supp. 108, 113 (N.D. Cal. 1972), *aff'd in part and rev'd in part*, 581 F.2d 751 (9th Cir. 1978) (holding "that the depiction of each character as it has been developed by the plaintiff has achieved a high degree of 'recognition' or 'identification'"); *Warner Bros., Inc. v. Am. Broadcasting Co.*, 720 F.2d 231, 246 (2d Cir. 1983) (finding that "the image of a cartoon character and some indicia of that character can function as a trademark to identify the source of a work of entertainment."); *DC Comics, Inc. v. Unlimited Monkey Bus., Inc.*, 598 F. Supp. 110, 115-16 (D.C. Ga. 1984) (reasoning that DC Comics' marks were distinctive by virtue of their universal recognition).

[58]. See *In re DC Comics, Inc.*, 689 F.2d 1042, 1043 (C.C.P.A. 1982).

[59]. *Id.* at 1044.

[60]. See 15 U.S.C. § 1114(a).

[61]. See *id.*

[62]. *Id.*

[63]. See 15 U.S.C. § 1127.

[64]. See *id.*

[65]. See *id.*

[66]. *See International Order of Job's Daughters v. Lindeburg & Co.*, 633 F.2d 912, 919 (9th Cir.1980).

[67]. *See Au-Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1072 (9th Cir. 2006).

[68]. *Sega Enter. Ltd. v. Accolade Inc.*, 977 F.2d 1510 (9th Cir. 1992).

[69]. *See Au-Tomotive Gold* 457 F.3d at 1072.

[70]. *See* J. David Goodman, *supra* note 9.

[71]. *See* 15 U.S.C. § 1127.

[72]. *See id.*

[73]. *See id.*

[74]. 15 U.S.C. § 1114(a).

[75]. 15 U.S.C. § 1127.

[76]. *See* 15 U.S.C. § 12.

[77]. "Commerce," Black's Law Dictionary (10th ed. 2014).

[78]. *See id.*

[79]. *See id.*

[80]. *See id.*

[81]. *See id.*

[82]. *See* 15 U.S.C. § 1114(a).

[83]. *See* N.Y., Code § 10-136.

[84]. *See id.*

[85]. *See id.*

[86]. *See id.*

[87]. See *Dynamic Designs Distribution Inc. v. Nalin Mfg., LLC*, 2014 WL 1576381 (M.D. Fla. 2014); *Frito-Lay North America, Inc. v. Medallion Foods, Inc.*, 2013 WL 74605 (E.D. Tex. 2013).

[88]. See generally *Dynamic Designs*, 2014 WL 1576381; *Frito-Lay*, 2013 WL 74605.

[89]. 633 F.2d 912.

[90]. *Id.* at 914.

[91]. *Id.*

[92]. See *id.*

[93]. See *id.*

[94]. See *id.*

[95]. See *id.*

[96]. See 457 F.3d at 1072.

[97]. See *id.*

[98]. *Id.*

[99]. See *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 925 F. Supp. 2d 1067, 1074 (C.D. Cal. 2012).

[100]. *Id.*

[101]. *Id.*

[102]. See *id.* at 1075.

[103]. See *id.*

[104]. See *id.*

[105]. See *Fleischer Studios*, 925 F. Supp. 2d at 1074.

[106]. See *Au-Tomotive Gold*, 457 F.3d at 1072.

[107]. *See id.*

[108]. *See Fleischer Studios*, 925 F. Supp. 2d at 1074.

[109]. *See id.*

[110]. *See id.*

[111]. *See id.*

[112]. *See Job's Daughters*, 633 F.2d at 914.

[113]. *See id.*

[114]. *See id.*

[115]. *See* 15 U.S.C. § 1125(a)(1)(A).

[116]. *See id.*

[117]. *See id.*

[118]. 15 U.S.C. § 1115(b)(4).

[119]. *Fleischer Studios*, 925 F. Supp. 2d at 1076, citing *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1040 (9th Cir. 2010).

[120]. *See id.*

[121]. *Id.*

[122]. *See id.*

[123]. *See id.*

[124]. *Id.*

[125]. *Id.*

[126]. *Id.*

[127]. *See id.*

[128]. *See Fleischer Studios*, 925 F. Supp. 2d at 1076.

[129]. *See id.*

[130]. *See id.*

[131]. *See id.*

[132]. *See id.*

[133]. *See id.*

[134]. *See AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 353 (9th Cir. 1979).

[135]. 15 U.S.C. § 1125(a)(1)(A).

[136]. *See AMF*, 599 F.2d at 353.

[137]. *Id.* at 351.

[138]. *See Warner Bros., Inc. v. Gay Toys*, 658 F.2d 76, 78 (2d Cir. 1981); *Dallas Cowboys*, 604 F.2d 200 at 204-205.

[139]. *See* 15 U.S.C. § 1114(1)(a); *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979).

[140]. *AMF*, 599 F.2d at 351.

[141]. *Id.* at 350.

[142]. *See id.* at 348.

[143]. *See AMF*, 599 F.2d at 354.

[144]. *See Fortune Dynamic*, 618 F.3d at 1043.

[145]. *See Fleischmann Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 157-58; *see also Lone Ranger, Inc. v. Currey*, 79 F. Supp. 190, 196 (M.D. Pa. 1948) (stating that a "fraudulent intention or bad faith will be inferred where the junior appropriator has knowledge of plaintiff's trade mark, trade name, or trade symbols and nevertheless deliberately copies such mark, or name or symbols).

[146]. *See Lone Ranger*, 79 F. Supp. at 193; *see also Warner Bros. v. Gay Toys, Inc.*, 658 F.2d at 78 (enjoining the defendant, who conceded it specifically attempted to exploit the market created by Warner Bros.' efforts from manufacturing infringing toy cars).

[147]. *Id.*

[148]. *Id.*

[149]. *Id.*

[150]. *Id.* at 194.

[151]. *Id.*

[152]. *Id.* at 195.

[153]. *See* 633 F.2d at 920.

[154]. *Id.*

[155]. *Id.*

[156]. *Id.*

[157]. *Id.*

[158]. *Id.*

[159]. *See id.*

[160]. *See Lone Ranger*, 79 F. Supp. at 194; Patricia Sheppard, *Macy's Thanksgiving Day Parade: A Disney Tradition*, The Walt Disney Company, November, 23, 2012, *available at* [https://thewaltdisneycompany.com/blog/macys-thanksgiving-day-parade-disney-tradition](https://thewaltdisneycompany.com/blog/macys-thanksgiving-day-parade-disney-tradition;); *Entertainment*, The Walt Disney Company, *available at* <https://disneyworld.disney.go.com/entertainment/#/character-experiences/>.

[161]. *See Lone Ranger*, 79 F. Supp. at 194.

[162]. *See id.*

[163]. *See id.*

[164]. Patricia Sheppard, *supra* note 160; *Entertainment*, *supra* note 160.

[165]. *See AMF*, 599 F.2d at 351.

[166]. *See id.*

[167]. *See AMF*, 599 F.2d at 353.

[168]. *See id.*

[169]. *See id.*

[170]. *See* 79 F. Supp. at 193.

[171].

[172]. *See Lone Ranger*, 79 F. Supp. at 193.

[173]. *See id.*

[174]. *See* Grynbaum & Flegenheimer, *supra* note 6.

[175]. *See id.*

[176]. *See* N.Y., Code § 10-136.