Disney Faces Rights Issues Over Marvel

Los Angeles — Walt Disney’s proposed $4 billion acquisition of Marvel Entertainment may come with a headache: newly filed claims challenging Marvel’s long-term rights to some of its superhero characters.

Heirs to the comic book artist Jack Kirby, a creator of characters and stories behind Marvel mainstays like “X-Men” and “Fantastic Four,” last week sent 45 notices of copyright termination to Marvel and Disney, as well as Paramount Pictures, Sony Pictures, 20th Century Fox, Universal

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Pictures, and other companies that have been using the characters.

The notices expressed an intent to regain copyrights to some of Mr. Kirby's creations as early as 2014, according to a statement disclosed on Sunday by Toberoff & Associates, a law firm in Los Angeles that helped win a court ruling last year returning a share of the copyright in Superman to heirs of one of the character's creators, Jerome Siegel.

Reached by telephone on Sunday, Marc Toberoff, the firm's founding partner, declined to elaborate on his firm's statement. A spokeswoman for Marvel had no comment.

Disney said in a statement, “the notices involved are an attempt to terminate rights 7 to 10 years from now, and involve claims that were fully considered in the acquisition.” Fox, Sony, Paramount and Universal had no comment.

Marvel's management agreed to sell the company to Disney last month, though the deal still requires the approval of Marvel's shareholders.

Even before the Kirby family sent its notices, Disney was facing criticism from some Wall Street analysts who expressed concern that Marvel's complex web of copyright agreements might prevent Disney from capitalizing on some Marvel assets.

Sony has the film rights to Spider-Man in perpetuity, for instance, while Fox has the rights to X-Men and Fantastic Four. Paramount has a distribution agreement for a few movies that Marvel is producing on its own, including a second "Iron Man" film.

Hasbro has rights to produce certain toys, and Universal holds Florida theme park rights to Spider-Man and the Incredible Hulk, among other characters.

Mr. Kirby, who died in 1994, worked with the writer and editor Stan Lee to create many of the characters that in the last decade have become especially valuable to Hollywood. Mr. Kirby was involved with the Incredible Hulk, the Mighty Thor, Iron Man and the Avengers, among other characters that have been adapted for the screen since his death.

The window for serving notice of termination on the oldest of the properties opened several years ago, and will remain open for some time under copyright law. But Disney's pending purchase of Marvel has given anyone with possible Marvel claims more reason to pose a challenge.

Under copyright law, the author or his heirs can begin a process to regain copyrights for a period of time after the original grant. If Mr. Kirby's four children were to gain the copyright to a character Mr. Kirby helped create, they might become entitled to a share of profits from films or other properties using it.

They might also find themselves able to sell rights to certain characters without consent from Marvel, Disney or the various studios that have licensed the Marvel properties for their hit films.

In July, a federal judge in Los Angeles ruled that Warner Brothers and its DC Comics unit had not violated rights of the Siegel heirs in handling internal transactions related to Superman. But an earlier ruling had granted the heirs a return of their share in the copyright.

Copyright matters have become increasingly tangled for Hollywood, as it continues to trade on characters and stories that were created decades ago but are now subject to
deadlines and expiration dates under federal copyright law.