License to Thrill

By Reg P. Wydeven August 28, 2010

George Lucas is simply a genius. Not only did he create the incredible 'Star Wars' universe, he had the foresight and vision to secure the licensing and marketing rights to his movies through his company, Lucasfilm Ltd. That means that for every 'Star Wars' DVD or piece of merchandise sold, George gets a portion of the sale proceeds. Apparently the royalties from the stuff I bought alone was enough to put a wing on Skywalker Ranch.

George has made hundreds of millions of dollars because of 'Star Wars'. As the license-holder for the rights to the sci-fi film franchise, George permits licensees to use the names and likenesses of 'Star Wars' characters in exchange for a payment, called the licensing fee. For example, Hasbro has to pay a licensing fee to George for each 'Star Wars' action figure made and Hallmark has to pay a fee for each Christmas ornament made.

One of the latest licensees George has allowed to dip its toe into the 'Star Wars' pool is Verizon Wireless. The telecommunications giant has been given the licensing rights to use the word "Droid" to describe all of its phones that are compatible with the Google Android software, the biggest competitor to the iPhone. Some of the models utilizing the marketing campaign include the Motorola Droid, the HTC Droid Eris, and the HTC Droid.

Of course, the term "Droid" is used to describe the robots from the 'Star Wars' universe, such as R2-D2 and C-3PO. Clearly Verizon wants consumers to think of the advanced sentient robots from 'Star Wars' when marketing their Droid phones.

Because licensing rights can be so lucrative, license holders are very protective of their rights. George Lucas has also been known to strike back.

Earlier this summer, Lucasfilm sent cease-and-desist letters to Wicked Lasers, a Hong Kong-based laser company, demanding that it stop manufacturing the latest model in its Pro Arctic Laser series. Lucasfilm threatened legal action because it argued the laser too closely resembled a lightsaber, the iconic weapon wielded by Jedi Knights in the 'Star Wars' movies.

The cease-and-desist letter stated, "It is apparent from the design of the Pro Arctic Laser that it was intended to resemble the hilts of our lightsaber swords, which are protected by copyright." Lucasfilm sensed a disturbance in the Force after many tech blogs compared the laser to a lightsaber. Gizmodo called the laser "a real life lightsaber," while The Daily Tech called it "perhaps the first consumer laser weapon" and said it "comes in sleek packaging that looks, unsurprisingly like a lightsaber."

Accordingly, Lucasfilm's letter claimed, "These references make it clear that the public is being led to believe that the Pro Arctic Laser is an official lightsaber device and/or copied from our design."

After receiving the letter, Wicked made several statements to the media insisting that its laser was not intended to resemble a lightsaber and was not marketed as either a lightsaber or having any connection with 'Star Wars' or Lucasfilm. Because of this, Lucasfilm actually backed off, but did ask Wicked to put a disclaimer on its website indicating that its products have no relationship with 'Star Wars.'

Lucasfilm sent another letter to Wicked stating that due to its efforts, the potential for confusing its laser with a lightsaber is "significantly reduced."

Fortunately, both parties were able to avoid the Dark Side of litigation.

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