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Commercial Speech, Commercial Use, and the Intellectual Property Quagmire

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COMMERCIAL SPEECH, COMMERCIAL USE, AND THE INTELLECTUAL PROPERTY QUAGMIRE†

Jennifer E. Rothman*

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INTRODUCTION

The commercial speech doctrine in First Amendment jurisprudence has frequently been criticized and is recognized as a contested, problematic, and shifting landscape. Despite the critique within constitutional law scholarship more broadly, intellectual property (“IP”) law has not only embraced the differential treatment of commercial speech, but also has done so in ways that disfavor a much broader swath of speech than traditional commercial speech doctrine allows. The different bodies of IP law each define what is meant by “commercial” differently, and even within the same area of IP law there is confusion as to what role commerciality should play. Such disparities not only create doctrinal confusion and incoherence, but also demonstrate that distinctions between commercial and noncommercial speech are challenging to make and often difficult to justify, especially when broadened to distinctions between commercial and noncommercial uses—a distinction that usually turns on whether uses are made for financial gain. Thus far, IP laws and IP scholarship have provided no developed framework to answer the most basic questions of when commerciality matters for establishing rights or liability, nor any normative basis for distinguishing uses on
those grounds. This project is the first step in addressing this troubled state of affairs.

Several recent disputes highlight the challenging questions of whether we should treat commercial uses differently, and, if so, under what circumstances. Consider the magazine *Sports Illustrated’s* publication of a commemorative issue devoted entirely to celebrating the basketball star Michael Jordan and his induction into the NBA Hall of Fame. *Sports Illustrated* offered two supermarkets free one-page spreads in exchange for selling and prominently featuring the magazine in their stores. Each of the supermarkets created congratulatory messages and images to celebrate Jordan’s induction. Jordan sued the supermarkets for false endorsement (under the Lanham Act) and for violating his right of publicity (under Illinois law). The case against one of the supermarkets, Jewel-Osco, was appealed to the U.S. Court of Appeals for the Seventh Circuit. The supermarket’s congratulatory spread included the market’s slogan—“Good things are just around the corner”—but did not otherwise refer to its stores or encourage any particular transaction. Jordan’s name appeared once in a sentence referring to his “elevation in the Basketball Hall of Fame,” and the page included a picture of sneakers with Jordan’s number (23) on each shoe’s tongue.¹

The availability of a First Amendment defense to the Lanham Act claims turned on whether the supermarket’s communication was classified as “commercial speech.” The Seventh Circuit held that it was, because the spread was encouraging consumers to frequent its markets. As a result, the court concluded that there was no First Amendment defense to the use of Jordan’s identity.² Is such a conclusion justified either doctrinally or normatively? If Jordan had sued *Sports Illustrated*, the magazine would have had a First Amendment defense because it is not commercial speech. Should *Sports Illustrated* be exempted from liability solely because of this, even though its magazine is unquestionably sold for profit? What if the congratulatory advertisements were placed by a nonprofit (such as the free health clinic Chicago Community Health) to promote its services—should the analysis change? Is there something unique about the supermarkets’ speech (other than qualifying doctrinally

¹ Jordan v. Jewel Food Stores, 743 F.3d 509, 512 & app. (7th Cir. 2014). The image appears in the court’s Appendix.

² Id. at 511–12, 521–22. The parties stipulated that if the spreads were noncommercial speech, then the claims were barred by the First Amendment. See id. at 511.
as “commercial speech”) that justifies altering the analysis of false endorsement or right of publicity laws among these scenarios? If so, why?

Next consider throwing your child a birthday party with a *Harry Potter* theme. Can you make your own *Harry Potter* cake with characters and images from the movie? If you’re too busy or can’t bake and decide to buy one from a bakery, does the bakery have to get a license to depict *Harry Potter* and related images? Should it matter whether the bakery advertises or lists *Harry Potter* cakes as one of its options? What about a store that caters to fans of wizardry, from *Lord of the Rings* to *Harry Potter*, and provides a party space for those who want a wizardry-themed party? Can the store’s employees dress like *Harry Potter* characters and operate a pretend wizardry school without getting permission to do so from the movie studio or book publisher? The movie studio Warner Brothers recently filed suit against such a store.  

The cake and the wizardry parties raise potential copyright, trademark, and right of publicity claims. Should liability attach in any of these instances? Should we differentiate between the scenarios on the basis of whether the uses constitute commercial speech, or are for financial gain, or instead are not driven by profit motives?

Finally, consider a recent advertisement distributed online by the children’s toy company Goldie Blox that allegedly infringed the copyright to the Beastie Boys’ popular song from the 1980s, “Girls.” The advertisement shows three girls building amazing contraptions. A musical parody of the song plays over the ad. The original lyrics called for, “Girls—to do the dishes, / Girls—to clean up my room, / Girls—to do the laundry”; and to be available to the singer for sex. The Goldie Blox advertisement retains the tune from the Beastie Boys’ song, but changes almost all of the lyrics. The new lyrics include the following:

> You like to buy us pink toys  
> And everything else is for boys.

> It’s time to change

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5 Beastie Boys, Girls, on Licensed to Ill (Columbia Records 1986).
We deserve to see a range
‘Cause all our toys look just the same
And we would like to use our brains.

Girls—To build a spaceship
Girls—To code a new app
Girls—To grow up knowing that they can engineer that . . . .

The advertisement provides valuable social and political commentary on both the song and the world of gendered toys. Should Goldie Blox be disfavored in a fair use defense to a copyright infringement claim because the use is in an advertisement for a product and constitutes commercial speech? What if an identical video were posted by the Guerrilla Girls, an activist group whose members make various artworks (and appear in public in gorilla masks) to expose sexism and racism? Should these two uses be treated differently?

If the law distinguishes these various scenarios for purposes of IP law, there should be a developed basis for doing so, but thus far there has not been one. To date, no convincing basis has been articulated for distinguishing commercial and noncommercial speech and uses in IP laws. Consideration of these unexplored issues in IP law is particularly timely given recent decisions by the Supreme Court that call into question the future and scope of the commercial speech doctrine; the differential treatment of for-profit corporations; and the First Amendment limits on


\[^9\] See, e.g., Burwell v. Hobby Lobby Stores, Inc., 134 S. Ct. 2751 (2014) (allowing closely held for-profit corporations to assert religious-liberty protections under the Religious Freedom Restoration Act); id. at 2806 (Breyer, J., dissenting) (disagreeing with the suggestion in Justice Ginsburg’s dissent that for-profit and nonprofit entities should be treated differently).
laws that restrict false or misleading statements, even when they are not commercial.\textsuperscript{10} Considering commerciality in IP law is also particularly important at this juncture because Congress has announced that it is embarking on a major review of copyright law.\textsuperscript{11} As we consider revising copyright laws, the role of commercial speech and commerciality more broadly must be part of the discussion.

Revisions to our trademark laws may also be on the horizon. The degree of confusion and inter- and intracircuit splits on the issue of commercial speech and commercial uses in trademark and false advertising laws under the governing Federal Lanham Act is untenable and should be part of any legislative reform project. In right of publicity law there are continued calls for federal legislation,\textsuperscript{12} calls that may gain traction because of the increasing recognition that state laws cannot be limited to state borders, especially with the dominance of the Internet, making the most expansive, speech-limiting state laws the ones that govern. If such a federal approach to the right of publicity moves forward, it must consider whether, and how, the right should be limited by the commercial nature of the persona at issue and whether it should matter if uses of that person’s identity are for financial gain or in advertising for commercial products or services (that is, in commercial speech). Current law on these questions is highly varied between states, and even within the same state it is often unresolved.

One of the challenges for courts, litigants, and scholars alike is that the term “commercial” is used to mean multiple things, even within the same body of law. In this Article, I not only identify the breadth of the confusion surrounding issues of commerciality in IP law, but also develop a taxonomy of what is meant by “commercial” in the context of IP. Greater precision of what we mean by “commercial” is required not only for clarity’s sake, but also to facilitate the deeper normative analysis that

\textsuperscript{10} See, e.g., United States v. Alvarez, 132 S. Ct. 2537, 2551–56 (2012) (Breyer, J., concurring) (suggesting that laws restricting false or misleading noncommercial speech could be constitutional); id. at 2556–65 (Alito, J., dissenting) (contending that law barring false statements was constitutional even if applied to noncommercial speech).


I engage in as I consider whether commercial speech and commerciality more broadly—particularly in the sense of seeking financial gain—are worthwhile determinants of liability in the IP context.

IP claims often overlap and complaints frequently include claims arising under trademark, right of publicity, and copyright laws. Although harmonizing the meanings of “commercial” is not required across these areas, to the extent that similar issues or defenses are raised it makes sense for the treatment of commerciality to be coordinated. To the extent that disparities of treatment are justified by constitutional law and a reliance on the commercial speech doctrine, the meaning of “commercial” must track commercial speech jurisprudence and be consistent across statutes and bodies of law. Thus far it has not. Moreover, if IP law truly relies on commercial speech for its discrimination against commercial uses, it cannot ignore the controversies that surround the doctrine nor ignore its arguably narrowing scope. Nor does the First Amendment require the disfavoring of commercial speech in the context of IP law, even if it permits it, making its importation a contested choice, rather than a fait accompli. Commercial speech can be valuable and worthy of robust speech protection; it can provide useful information and contribute to our cultural and expressive storehouse.

Other justifications for disfavoring commercial uses—in the broader sense of for-profit uses—also do not stand up to scrutiny. For example, commerciality is sometimes used as a proxy for market harm; but this is a weak proxy because not-for-profit uses can cause significant harms and for-profit uses can cause none. Moreover, evaluations of market harm can be directly analyzed and need not rely on such an inaccurate proxy. Nor is commerciality a good proxy for the value of the underlying use or its relative fairness or unfairness. For-profit uses can be fair, and not-for-profit ones unfair.

In Part I of the Article, I identify the different aspects of trademark, copyright, and right of publicity laws that raise the issue of commerciality and point out the many areas of confusion on questions as basic as the elements of these causes of action and defenses to them. I focus on these laws because issues of commerciality and free speech are the most prominent, but the analysis here applies more broadly to other areas of IP law, such as trade secrets and patent law.

In Part II, I develop a taxonomy of what is meant by “commercial” in IP law. I identify five primary meanings of “commercial”: First, “commercial” is used to indicate a use in commerce that falls within Congres-
sional powers to regulate under the Commerce Clause. Second, “commercial” is used to identify commercial speech (as that term has been defined by the Supreme Court in its First Amendment jurisprudence). Commercial speech encompasses advertising for products and services, but also includes speech beyond the limited context of advertising. Courts often refer to commercial speech as speech that does “no more than propose a commercial transaction.” Nevertheless, as I will discuss, the exact contours of commercial speech have not been clearly delineated and the category sweeps more broadly than this definition suggests. A third definition of “commercial” is a broader reference to any for-profit use. The determination of what is meant by a “for-profit” use is itself contested. At times, “for-profit” is limited to instances in which there is an active interest in seeking financial gain (usually through sales), while at others it is meant more broadly as seeking any benefit (whether monetary or not). Fourth, and sometimes related to a for-profit use in a more general sense than mere financial profits, is the use of “commercial” to indicate a use that might cause an IP-owner market harm. Finally, “commercial” has been used as a pejorative term to indicate uses that are of lesser value—ones that are considered base or of limited expressive value. Uses can be commercial in all these ways or only in some, and “commercial” is sometimes used to indicate more than one of these definitions.

In Part III, I consider the justifications for using these various meanings of “commercial” as a basis for making determinations of rights, liability, and defenses to IP claims. The primary justifications for distinguishing commercial from noncommercial speech, and commercial from noncommercial uses (in the “for-profit” sense), are rooted in concerns over free speech and constitutionality, value, harm, and broader principles of fairness. I consider each of these justifications in turn and ultimately conclude that they fail to provide a convincing normative basis for distinctions rooted in commerciality and that none adequately explains the current contours of IP laws.

Finally, in Part IV, I provide some preliminary observations about the implications of this analysis and the importance of creating a more co-

herent IP law that better identifies when commerciality should and should not matter.

I. THE ROLE OF COMMERCIALITY IN INTELLECTUAL PROPERTY LAW

Questions of commerciality pervade IP law. In some instances commerciality is required to obtain rights, and in others it determines liability for uses of another’s IP. Some defenses also turn on commerciality, often favoring noncommercial uses and disfavoring commercial ones. In this Part, I provide an overview of the vast number of issues in IP law that require consideration of commerciality and the massive state of confusion that surrounds them. I will discuss trademark and related laws, copyright law, and right of publicity laws. I defer until the next Part a more robust and nuanced development of the different meanings of “commercial” in IP.

A. Trademark Law and Related Lanham Act Causes of Action

Nowhere is the confusion over commercial speech and commercial use in IP more apparent than in the context of trademark law and, more broadly, in the Lanham Act in which federal trademark law is located. Courts do not agree on whether the governing Lanham Act is limited to commercial speech, commercial uses, or to neither, nor do they agree even as to what each of these terms means. The Lanham Act provides causes of action for trademark infringement, dilution, false endorsement, false designation of origin, false advertising, and cybersquatting.14 Some courts have concluded that the Lanham Act applies only to commercial speech.15 Others have concluded that the Act is limited to commercial uses, but not necessarily to the contours of commercial speech.16 Still other courts have concluded that the Lanham Act sweeps more broadly,

14 State laws also provide similar causes of action, but I limit this discussion to federal law.
15 See, e.g., Farah v. Esquire Magazine, 736 F.3d 528, 541 (D.C. Cir. 2013); Taubman Co. v. Webfeats, 319 F.3d 770, 774 (6th Cir. 2003); see also Nissan Motor Co., 378 F.3d at 1007 (suggesting that First Amendment problems would arise if critical noncommercial speech were enjoined by federal dilution law).
encompassing both commercial and noncommercial speech and commercial and noncommercial uses.\(^\text{17}\)

The lack of uniformity, while widespread, is rarely acknowledged. A district court in Colorado, for example, proclaimed that it is “accepted doctrine that the Lanham Act may restrict non-commercial speech.”\(^\text{18}\) In contrast, the D.C. Circuit recently declared the exact opposite: “Every circuit court of appeals to address the scope of [Section 43 of the Lanham Act] has held that [its provisions] apply only to commercial speech.”\(^\text{19}\) The Seventh Circuit recently conceded its own uncertainty on the point: “[I]t’s not clear that the Supreme Court’s commercial-speech doctrine should be used to define” the scope of the Lanham Act.\(^\text{20}\) The court nevertheless so interpreted the law because the parties had conceded the point and the judges seemed eager to avoid wading into these treacherous waters.\(^\text{21}\)

Even within the same federal circuits, there are intracircuit splits on the issue. Perhaps the most telling example of such disarray is the intracircuit conflict in the Sixth Circuit. In that circuit, in the very same year (2003), several panels came to conflicting conclusions about the scope of the Lanham Act. One panel decided that the Lanham Act was limited to commercial speech, while two others concluded to the contrary that it also covered noncommercial speech.\(^\text{22}\) The conflict between these decisions remains unresolved in the Sixth Circuit.

The staggering amount of disagreement demonstrates that there is no widely accepted answer to the most basic questions about the scope and


\(^{19}\) Farah, 736 F.3d at 541.

\(^{20}\) Jordan v. Jewel Food Stores, 743 F.3d 509, 514 n.4 (7th Cir. 2014).

\(^{21}\) Id.

\(^{22}\) Compare Taubman Co. v. Webfeats, 319 F.3d 770, 774 (6th Cir. 2003) (concluding that “[t]he Lanham Act is constitutional because it only regulates commercial speech”), with ETW Corp. v. Jireh Publ’g, Inc., 332 F.3d 915, 920–27 (6th Cir. 2003) (applying Lanham Act to noncommercial speech), and Parks v. LaFace Records, 329 F.3d 437, 445–59 (6th Cir. 2003) (same).
The differing views are not merely academic in nature; they affect the outcome in numerous cases. Despite the uncertainty about the role of commerciality in the Lanham Act, there is agreement about the areas in which commerciality may be relevant: The commercial status of a use has been relevant for the acquisition of trademark rights, for proving various Lanham Act claims, and for defenses to those claims. I will briefly discuss these aspects of the Lanham Act.

1. Trademark Registration and Rights

Despite some claims that the Lanham Act is limited to commercial speech or commercial activities, there is a consensus that it is not so circumscribed in the context of acquiring trademark protection and registering marks. Before one can claim federal trademark rights or register a mark with the U.S. Patent and Trademark Office (“PTO”), the mark must be “used in commerce.”23 This requirement stems from both the necessity of falling within the ambit of the Commerce Clause—under which the Lanham Act is authorized—and the definitions of “use in commerce” and trade and service marks that are provided in Section 45 of the Act.24 Although there must be a use in commerce, there is no “for-profit” requirement to acquire a trademark. Neither goods nor services need be sold, and nonprofit entities qualify for protection and registration.25

2. Trademark Infringement

Many of the courts that have made sweeping pronouncements about whether the Lanham Act applies only to commercial speech have done so in the context of deciding the scope of trademark infringement actions under Sections 32 and 43(a)(1)(A) of the Lanham Act. Sections 32

23 See 15 U.S.C. §§ 1051, 1052(d), (f), 1058(b), 1127 (2012). I use the term “trademark” in its broad sense to encompass service marks, collective marks, and certification marks. Marks can be protected without regard to whether they are registered.
24 § 1127 (Lanham Act § 45).
25 Numerous marks have been registered for nonprofit entities. See, e.g., Radiance Found., Inc. v. NAACP, 25 F. Supp. 3d 865, 865, 890 (E.D. Va. 2014) (discussing registered mark for the NAACP), vacated on other grounds, 786 F.3d 316 (4th Cir. 2015). Collective and certification marks are also often registered to nonprofits, for example, Alzheimer’s Association, Registration No. 2850223; Dykes on Bikes, Registration No. 3323803. See U.S. Patent & Trademark Office, Trademark Manual of Examining Procedure § 1304.01 (Jan. 2015).
and 43, in addition to requiring a use in commerce by defendants of a confusingly similar mark, limit infringement actions to circumstances in which a defendant’s use is “in connection with” the sale, distribution, or advertising of “any goods or services.” Section 43 adds to the list that the use can also be in connection with “commercial activities.” The statute does not define “commercial activities.” The term is likely meant broadly to encompass endeavors beyond the sale or advertising of goods or services.

On the basis of the “in connection” language, some courts have suggested that both Sections 32 and 43 should be limited to commercial uses, with “commercial” meaning for profit (or at least for sale, even if not for financial profit). The lack of the term “commercial” before “goods or services” suggests that the statute does not limit goods and services only to “commercial” ones. Nevertheless, there is plenty of room for differing statutory interpretations.

Some courts have concluded that infringement actions are limited narrowly only to commercial speech. Yet many other courts have concluded that the “in connection” language encompasses both noncommercial speech and not-for-profit activities, including uses by charitable organizations, political candidates, and political groups. For example, the Lanham Act has been used to enjoin magazine and movie titles, political materials, books, t-shirts with political slogans, websites for non-profits, and fake parody ads placed in humor magazines. Courts have allowed trademark infringement claims to proceed in the context of political advertisements, videogames, songs, television shows, and mov-

27 § 1125.
29 See, e.g., Farah v. Esquire Magazine, 736 F.3d 528, 541 (D.C. Cir. 2013); Taubman Co. v. Webfeats, 319 F.3d 770, 774 (6th Cir. 2003).
30 See supra note 17.
ies.\textsuperscript{32} Even when such claims are ultimately rejected, many courts have not questioned the jurisdictional reach of the Lanham Act to cover such noncommercial speech.\textsuperscript{33}

When it comes to determining liability, some courts tolerate different levels of likely confusion—the standard for determining liability for infringement—depending on whether the speech at issue is commercial. Several courts permit \textit{no} likely confusion in the context of commercial speech, but conclude that some confusing speech must be allowed in the context of noncommercial speech.\textsuperscript{34}

The applicability and success of affirmative defenses to trademark infringement sometimes also turn on whether the allegedly infringing act is classified as commercial speech. To the extent that courts apply First Amendment and other speech-protective defenses, many conclude that their scope and applicability vary on the basis of commerciality.\textsuperscript{35} Some courts have suggested that there is no First Amendment defense for commercial speech that is found likely to confuse consumers.\textsuperscript{36} Other courts, however, have rejected First Amendment defenses even in the


\textsuperscript{35} See \textit{Brown}, 724 F.3d at 1241–47 (applying First Amendment-infused \textit{Rogers} test to expressive speech); \textit{ETW Corp.}, 332 F.3d at 927–28, 936–37 (same); Rogers v. Grimaldi, 875 F.2d 994, 997–1002 (2d Cir. 1989) (providing more robust defense to works deemed expressive or artistic).

context of noncommercial speech. While some speech-protective defenses, such as descriptive and nominative fair use, apply regardless of commerciality, others are limited to noncommercial speech. Most notably, the Rogers test, which provides a defense when a use is artistically relevant and not explicitly misleading, has been applied only to noncommercial speech.

3. Trademark Dilution

Similar confusion occurs in dilution law. Dilution law protects markholders and, allegedly (though somewhat unconvincingly), consumers against the watering down (blurring) or tarnishing of a mark, without regard to likely confusion. The statute provides a number of exclusions from liability for dilution. One exemption is for “[a]ny fair use . . . other than as a designation of source,” including use in comparative advertisements and “use in connection with . . . identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.” Other exclusions include “[a]ll forms of news reporting and news commentary,” and, of particular relevance for this discussion, an exclusion for “[a]ny non-commercial use of a mark.”


39 Rogers, 875 F.2d at 999.

40 See, e.g., Brown, 724 F.3d at 1241–48 (applying Rogers test); Univ. of Ala. Bd. of Trs. v. New Life Art, Inc., 683 F.3d 1266, 1277–79 (11th Cir. 2012) (same); ETW Corp., 332 F.3d at 920–21, 926–28 (same).

41 See Facenda, 542 F.3d at 1015–18; cf. Fortres Grand Corp. v. Warner Bros. Entm’t, Inc., 947 F. Supp. 2d 922, 931–34 (N.D. Ind. 2013) (accepting the proposition that the Rogers test is limited to noncommercial speech, but concluding that promotional websites for a movie were not commercial speech and were protected under Rogers).


44 § 1125(c)(3)(B), (C) (emphasis added).
The statute does not define “noncommercial use.” The House Report accompanying the Federal Trademark Dilution Act of 1995 (“FTDA”) suggests it was meant as “[not] ‘commercial’ speech.” The report states that the “bill expressly incorporates the concept of ‘commercial’ speech from the ‘commercial speech’ doctrine, and proscribes dilution actions that seek to enjoin use of famous marks in ‘non-commercial’ uses (such as consumer product reviews).” The report also suggests that Congress particularly wanted to protect the news and entertainment industries from possible liability for dilution. Given the for-profit status of the news, movie, and television businesses, the use of the term “non-commercial” can make sense in this context only if it was intended to indicate uses that were not commercial speech.

This interpretation of the noncommercial use exception has been followed by many courts. A few courts, however, have allowed dilution claims against noncommercial speech. One explanation for these decisions is a different statutory interpretation—that the noncommercial use exemption applies only to uses that are not “in connection” with the sale, distribution, or advertising of goods or services or other commercial activities. Reading the statute without resort to the legislative history po-

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46 Id.
50 See, e.g., Radiance Found., Inc. v. NAACP, 25 F. Supp. 3d 865, 898–99 (E.D. Va. 2014) (concluding that noncommercial use exemption did not apply because the use was “in connection with the offering for sale of services” despite the “absence of an economic motivation for the speech”), vacated, 786 F.3d 316 (4th Cir. 2015) (holding, without considering the statutory changes in the Trademark Dilution Revision Act, that the dilution provision’s noncommercial use exemption still means not “commercial speech”).
potentially supports a broader interpretation of “noncommercial use.” If the exclusion limited dilution only to commercial speech, why would there need to be a separate exemption for news reporting and news commentary? One explanation could be that Congress was taking a belt-and-suspenders approach to free speech concerns.

Despite the likelihood that Congress exercised an abundance of caution by adding overlapping exemptions, the alternative reading of the noncommercial use exemption (as meaning a use that is not for profit) is supported at least in part by the 2006 revisions to the dilution provision. The 2006 Trademark Dilution Revision Act (“TDRA”) struck out a previous statutory requirement that the use be a “commercial use.” This removal suggests a possible intention to broaden the dilution provision to encompass noncommercial speech. If it is now appropriate to read the noncommercial use exemption as limited to not-for-profit uses, then a variety of for-profit enterprises long thought safe from dilution laws may now be subject to liability, such as the movie and music businesses. I do not endorse this interpretation, but it is plausible given the plain language of the statute and the changes both enacted by and considered in the process of adopting the 2006 revisions. Only one court to date has directly considered the removal of the commercial use requirement in the 2006 amendment. This court concluded that noncommercial speech may now fall within the dilution provision’s purview; however, this decision was recently reversed by the Fourth Circuit.

4. False Advertising Under the Lanham Act

Strictly speaking, false advertising law is not a part of trademark law or IP law. Nevertheless, it is useful to consider the Lanham Act’s false advertising provision because it appears in the identical subsection of the Lanham Act as the provision for infringement (of unregistered marks), and the two claims often are co-pled and rely on common precedents. The meaning of “commercial” used in Section 43(a)(1)(A) (the infringement provision) and Section 43(a)(1)(B) (the false advertising

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The false advertising provision has often been limited to commercial speech. This conclusion has been less contested than in the infringement or false endorsement context. Nevertheless, some courts have suggested that the false advertising provisions also apply to noncommercial speech.

5. Anti-Cybersquatting Protection Act

Perhaps to avoid being mired in the commercial speech chaos, Congress chose to avoid making commerciality the focal point of liability in the Anti-Cybersquatting Protection Act (“ACPA”), added to the Lanham Act in 1999. Instead, the provision establishes liability for using a domain name with a “bad faith intent to profit” from the use of the plaintiff’s trademark or name. This provision sets forth a clearer standard than commerciality—by using an “intent to profit” standard as the lodestar for violations of the provision. The legislative history emphasizes that noncommercial uses can run afoul of the provision and should not be exempted from its purview. The intent-to-profit standard itself has encompassed a variety of potential profits beyond mere financial gain—for example, seeking editorial space in a newspaper or bringing attention and traffic to a cybersquatter’s views on abortion. The Eighth Circuit
has concluded that the First Amendment is no obstacle to applying the ACPA to noncommercial uses. The statute expressly permits consideration of whether a use is “noncommercial” as one of several factors to consider in evaluating bad faith, but it is not a jurisdictional hurdle. Nevertheless, like other areas of the Lanham Act, courts have struggled to define exactly what is meant by a “noncommercial use” under the ACPA.

B. Copyright

Copyright law originally did not make distinctions based on commerciality, but over the years considerations of commerciality have grown. This Section sets forth the current role of commerciality in copyright law, particularly in the contexts of acquiring a copyright (which is currently neutral as to commerciality) and the various defenses and exemptions to infringement. In contrast to trademark law, there is greater uniformity and agreement about the role of commerciality in copyright law.

1. Neutrality in the Acquisition and Scope of Copyright Protection

Copyright vests in a particular work without regard to its commerciality, sales, or distribution. Whether a work is commercially exploited does not affect determinations of whether a work is copyrightable or the scope of copyright protection. A person who writes a novel without any interest in selling it and throws her draft in a desk drawer still has a copyright in the work. A person who writes a political polemic with no interest in making money from it and who gives copies away for free also receives a copyright in his work. Although copyright status does not differ depending on commerciality, Congress recently added a provision that allows for the preregistration of “works being prepared for commer-

62 Id. at 787–88.
64 See, e.g., ISystems v. Spark Networks, No. 10-10905, 2012 WL 3101672, at *2 (5th Cir. Mar. 21, 2012) (per curiam) (concluding that “noncommercial” in ACPA indicates a not-for-profit use); Bosley Med. Inst. v. Kremer, 403 F.3d 672, 676–81 (9th Cir. 2005) (concluding that links to third-party sites that solicited funds and sold merchandise. Id. at 785–86.
cial distribution” when there has been a history of infringement of this type of work in the past.65

2. Fair Use and the Disfavoring of Commercial Uses

Copyright’s neutrality as to commercial status in the context of the accrual of copyright stands in contrast to the overall disfavoring of commercial uses in other areas of copyright law. Fair use provides one of the primary exceptions to copyright infringement. The fair use doctrine has been codified in Section 107 of the Copyright Act. The preamble to the section expressly provides a number of privileged categories of uses, many of which have been understood as “noncommercial” in nature. These include “criticism, comment, news reporting, teaching . . . scholarship, or research.”66 Section 107 also provides four nonexclusive factors that courts consider when evaluating whether a particular use of another’s copyrighted work is fair and therefore noninfringing.67 Two of these fair use factors disfavor commercial uses and give preference to nonprofit ones. The first fair use factor explicitly considers commerciality, instructing courts to consider “the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes.”68 Courts have routinely concluded that a finding that a use is “commercial” weighs against fair use,69 and on the flipside that nonprofit or noncommercial uses weigh in

67 The statute provides:

In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (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.

Id.
68 Id. (emphasis added).
favor of fair use. Although the fair use provision does not single out commercial speech or advertising, some courts have indicated that uses in advertising are particularly disfavored for fair use purposes. When courts consider the fourth fair use factor—“the effect of the use upon the potential market for or value of the copyrighted work”—they often presume a market harm if a defendant’s use is commercial.

Although scholars to date have not robustly debated the role of commerciality in copyright law, some have noted the troublesome addition of considerations of what is commercial to the fair use analysis. Barton Beebe, for example, has suggested that the addition of the term “commercial” to the fair use provisions has led to “no end of trouble.” Matthew Sag has observed that the meaning of “commercial use” in fair use cases “confounds common sense understandings of what is, and is not, commercial.” Without a universally agreed-upon understanding of what is meant by “commercial”—one that is accepted by the courts—it will continue to be a challenge to assess the role of commerciality when evaluating fair use.

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70 See, e.g., Diversey v. Schmidly, 738 F.3d 1196, 1203 (10th Cir. 2013) (noting that “non-commercial, educational” use “weighs strongly” in favor of fair use, but nevertheless concluding that fair use had not been established in the case); see also Barton Beebe, An Empirical Study of U.S. Copyright Fair Use Opinions, 1978–2005, 156 U. Pa. L. Rev. 549, 561, 595–603 (2008) (noting a strong correlation between finding that a use is fair and finding that it is not a commercial use).

71 See, e.g., Davis v. Gap, Inc., 246 F.3d 152, 175 (2nd Cir. 2001) (concluding that where a use in an advertisement is not transformative, its status as an advertisement weighs heavily against fair use because advertisements are “at the outer limit of commercialism”); Leibovitz v. Paramount Pictures Corp., 137 F.3d 109, 115 (2d Cir. 1998) (suggesting that because parody appeared in an advertisement there was more limited “indulgence” for the use, but nevertheless holding that the use was fair); see also Campbell, 510 U.S. at 585 (“The use, for example, of a copyrighted work to advertise a product . . . will be entitled to less indulgence under the first factor . . .”); 4 Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 13.05[A][1][c] (2015) (noting that uses of works in advertising are “least likely to justify a fair use defense,” but suggesting that advertising for creative works may be treated better than advertising for nonexpressive products or services). Use in advertising, however, is not dispositive and numerous decisions have held uses in advertising fair. See, e.g., Leibovitz, 137 F.3d at 114–17 (affirming finding of fair use in context of advertisement).


73 Beebe, supra note 70, at 561.

74 Matthew Sag, Predicting Fair Use, 73 Ohio St. L.J. 47, 60 (2012).
3. Other Specific Provisions Favoring Noncommercial Uses

In addition to the fair use defense, a number of other sections of the Copyright Act consider whether works are commercial. These include a variety of exemptions and limitations that favor nonprofit educational institutions, public broadcasters, libraries and archives, and others when the uses are not for a “commercial advantage” or when they are conducted by noncommercial entities.75 Recent federal regulations that provide exceptions to the Digital Millennium Copyright Act’s anti-circumvention provisions (that bar evasion of technological protection measures) also favor uses deemed noncommercial.76 For example, the current regulations allow exemptions for accessing “motion picture excerpts” for use in documentary films, teaching (particularly in film studies), and also in “noncommercial videos.”77


The availability and amount of statutory damages and the applicability of criminal penalties in the copyright context also turn in part on commerciality. The statutory damages provision allows for remittance if an infringer works for a “nonprofit educational institution, library, or archives,” was acting in the “scope of his or her employment,” and thought (and had reasonable grounds for thinking) that the use was fair.78 To be liable for criminal copyright infringement the infringement must have been committed “for purposes of commercial advantage or private financial gain” or “by the distribution of a work being prepared for commercial distribution, by making it available on a computer network accessible to members of the public.”79

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In sum, copyright law generally does not prefer commercial or non-commercial works for purposes of affording affirmative rights. When considering defenses and exemptions from liability, however, copyright disfavors commercial uses, and favors noncommercial ones.

76 See, e.g., § 1201.
79 § 506(a) (emphasis added).
The right of publicity is more similar to trademark law than to copyright law in both its treatment of and the surrounding confusion about the role of commerciality. The right of publicity is a state law cause of action (either at common law or by statute) that provides damages and injunctive relief if a person or entity uses another person’s name, likeness, voice, or other indicia of identity without permission, often for a commercial purpose (though sometimes for any purpose or advantage). Although commerciality is often relevant to determine whether a person can bring a right of publicity claim, state laws and courts (even those applying the very same law) do not agree on whether or what type of commerciality is required to establish a right of publicity claim.

Many scholars and jurists have expressed concerns about the dangers posed to free speech by the right of publicity. One of the frequent responses to these concerns is that the right of publicity is limited in scope—to commercial speech—and therefore poses little (or at least limited) risk. The leading treatise author on the right of publicity, J. Thomas McCarthy, has contended that “the only kind of speech impacted by the right of publicity is commercial speech—advertising. Not news, not stories, not entertainment and not entertainment satire and

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80 There are many variations among state laws, so even this general statement of the cause of action is not accurate in all states. For example, some states limit liability to instances in which a name or likeness is used. See, e.g., Tenn. Code Ann. § 47-25-1103 (West 2015) (limiting liability to use of “name, photograph, or likeness”).


parody—only advertising and similar commercial uses.” The facts on the ground, however, challenge this vision of a limited right. Although some states limit the right of publicity to commercial speech, most do not. In this Section, I discuss the role of commerciality in right of publicity law where it is considered in three contexts—the acquisition of enforceable rights of publicity, the determination of infringement of those rights, and defenses to such claims.

1. Acquisition of a Right of Publicity

Although the right of publicity is better thought of as a legal claim rather than as an independently acquired property right, I analyze the requirements for having an enforceable publicity right here using the frame of acquisition. This rubric accurately captures most current doctrine, however problematic it may be, and also facilitates the comparison with trademark and copyright laws. Some states include as one of the elements of a right of publicity action that an identity-holder must have a commercially valuable persona. Some states go a step further and also require active commercial exploitation of a commercially valuable identity. Pennsylvania, for example, requires the development of “commercial value” through the “investment of time, effort and money.” Some jurisdictions require not only efforts to commercially exploit one’s identity, but actual success and obtainment of a celebrity-like status.

Some states set the bar much lower. They conclude that even if a person has no independent commercial value in her identity, her persona can be considered valuable if it is used in a commercial context. One

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83 McCarthy, Human Personna, supra note 82, at 131.
84 See, e.g., Ind. Code Ann. § 32-36-1-6 (LexisNexis 2014); Parks v. LaFace Records, 329 F.3d 437, 460 (6th Cir. 2003). I use the term “identity-holder,” rather than “publicity-holder” because if the right of publicity is a transferable property right as is often claimed, the two may not be the same. The “identity-holder” is the person upon whom the publicity rights are based (the individual with whom publicity rights first vest and whose identity is the one that must be used to show a violation of the right). The “publicity-holder” is the person who owns the right of publicity. For a more detailed discussion of this distinction see Jennifer E. Rothman, The Inalienable Right of Publicity, 101 Geo. L.J. 185, 186–87 (2012).
recent example of this approach appears in the litigation against Facebook for the use of its subscribers’ names and images without their permission in sponsored advertisements. A district court in California concluded that the subscribers’ identities were commercially valuable because Facebook’s use demonstrated such value, even if the specific identities did not independently have commercial value.\(^88\) Notably, another court in the very same district, applying the very same California law, disagreed, contending that there was no demonstrated independent commercial value to the plaintiffs’ identities, and therefore no right of publicity claim could proceed.\(^89\)

Many other jurisdictions allow a person to assert a right of publicity claim regardless of whether the person’s identity has a commercial value.\(^90\) In the context of postmortem publicity rights, states also vary on whether a commercially valuable identity is required to make a claim, and, if one is required, whether commercial exploitation during the person’s lifetime is required.\(^91\) Commercial exploitation, at least under one court’s definition, requires more than mere public use of the identity for financial gain; it requires use of the person’s identity outside her main career, such as in merchandising.\(^92\)

\(^{88}\) Fraley, 830 F. Supp. at 799–800, 807–09.


\(^{91}\) See, e.g., Cal. Civ. Code § 3344.1 (Deering 2015) (requiring “deceased personality” to have “commercial value at the time” of death or because of the death, without regard to lifetime exploitation); Nev. Rev. Stat. Ann. § 597.790 (allowing postmortem right without regard to commercial value); Okla. Stat. Ann. tit. 12, § 1448(H) (West 2014) (requiring “deceased personality” to have “commercial value at the time” of death or because of the death, without regard to lifetime exploitation); Tex. Prop. Code Ann. § 26.003 (West 2014) (requiring commercial value regardless of whether that value emerged during life or “after that time”); Lugosi v. Universal Pictures, 603 P.2d 425, 428–31 (Cal. 1979) (rejecting a postmortem claim by actor’s heirs in part because he did not produce merchandise or otherwise commercialize his identity during his lifetime); Martin Luther King, Jr. Ctr. for Soc. Change, Inc. v. Am. Heritage Prods., Inc., 296 S.E.2d 697, 705–06 (Ga. 1982) (rejecting the requirement of commercial exploitation to establish postmortem rights). After the California Supreme Court rejected the claims by Bela Lugosi’s heirs at common law, California passed a statute that retroactively gave postmortem rights to Lugosi and others. See Cal. Civ. Code § 3344.1 (West 2015) (previously § 990).

\(^{92}\) Lugosi, 603 P.2d at 428–31. Although the California Supreme Court in Guglielmi v. Spelling-Goldberg Productions, 603 P.2d 454, 455 (Cal. 1979), described the holding in Lugosi more broadly, as not allowing any descendible right of publicity, the decision in Lugosi itself is more nuanced.
2. Violations of the Right

Some states require that a defendant’s use of a person’s identity be “commercial.” 93 Of the states that require such a commercial use, there are many different ways of expressing the requirement. Some states require use for a “commercial purpose,” 94 others for “financial gain,” 95 “commercial gain,” 96 “commercial exploitation,” 98 “commercial profit,” 99 “commercial advantage,” 100 “advertising purposes, or for the purposes of trade,” 101 or “in connection” with goods, services, or advertising. 102 There is uniform agreement that the use of a plaintiff’s identity in an advertisement for a product or service (other than one classified as an expressive ad, such as for a movie) meets a commercial use requirement, but outside that context there is disagreement about what else constitutes a commercial use and whether liability is limited to commercial speech. 103

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95 Martin Luther King, Jr. Ctr. for Soc. Change, Inc., 296 S.E.2d at 703.
103 Compare Parks, 329 F.3d at 459–61 (allowing right of publicity claim in context of song), with Tyne v. Time Warner Entm’t Co., 901 So. 2d 802, 806–09 (Fla. 2005) (holding that “commercial purpose” requirement did not apply to motion picture). Compare also Brown v. ACMi Pop Div., 873 N.E.2d 954, 955–57, 960–61 (Ill. App. Ct. 2007) (holding that site that licenses photographs has a commercial purpose), with Thompson v. Getty Images, No. 13 C 1063, 2013 WL 3321612, at *2 (N.D. Ill. July 1, 2013) (holding, also under Illinois law, that licensing of photographs does not constitute a commercial purpose); see also Jordan v. Jewel Food Stores, 83 F. Supp. 3d 761, 767–70 (N.D. Ill. 2015) (holding that even though a congratulatory spread in a magazine was deemed commercial speech for First Amendment purposes, the same spread might not constitute a “commercial purpose” under Illinois’s right of publicity statute because it did not propose a specific commercial transaction). For further discussion of the myriad interpretations of what counts as a commercial use or purpose, see infra note 151 and accompanying text.
Many states take a broader view and recognize right of publicity claims without regard to whether a use is commercial, though these states usually require that the use be for some sort of “advantage.”\(^{104}\) A variety of states expressly include nonprofit solicitations in the sweep of their right of publicity statutes.\(^{105}\) Washington State’s statute emphasizes that one can infringe the right regardless of whether a use is “for profit or not for profit.”\(^{106}\) Even the Restatement (Third) of Unfair Competition, which narrows liability to uses that are for “purposes of trade,” defines such purposes more broadly than only the commercial (in the sense of being for-profit). The Restatement includes in its definition of “for purposes of trade” uses by “charitable, educational, governmental, fraternal and religious organizations.”\(^{107}\)

The only case involving the right of publicity that has been heard by the Supreme Court involved noncommercial speech. In that case, *Zachini v. Scripps-Howard Broadcasting*, the Court held that the First Amendment was no obstacle to enforcing a right of publicity violation against a television station that aired a performance of a “human cannonball” as part of its nightly news program.\(^{108}\) In light of *Zachini*, it is unsurprising that many courts have allowed right of publicity claims in the context of noncommercial speech. Such claims have been permitted not only for uses in news, but also for those in political campaigns, com-

\(^{104}\) See, e.g., *Eastwood v. Superior Court*, 149 Cal. App. 3d 409, 416–17 (1983); see also *Restatement (Second) of Torts* § 652C cmt. b (1977) (describing that use need not be for a commercial purpose, but could be for “defendant’s own purposes and benefit . . . even though the benefit sought to be obtained is not a pecuniary one”). States that have adopted this Restatement’s understanding include Colorado, Kansas, Kentucky (common law only), Maine, and New Hampshire. *Joe Dickerson & Assocs. LLC v. Dittmar*, 34 P.3d 995, 997, 1001–02 (Colo. 2001); *Dotson v. McLaughlin*, 531 P.2d 1, 5–7 (Kan. 1975); *Cheatham v. Paisano Publ’ns, Inc.*, 891 F. Supp. 381, 384, 385–86 (W.D. Ky. 1995); *Simpson v. Central Me. Motors*, 669 A.2d 1324, 1326 (Me. 1996); *Remsburg v. Docusearch, Inc.*, 816 A.2d 1001, 1009–10 (N.H. 2003).


\(^{106}\) *Wash. Rev. Code* § 63.60.050 (2015).


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ic book series, videogames, lithographs on t-shirts, commemorative busts, and theatrical plays.109

3. First Amendment and Other Limits

Sometimes the affirmative elements of a right of publicity claim explicitly exclude a variety of for-profit enterprises by concluding that they are not “commercial” uses. Illinois, for example, expressly excludes uses for “non-commercial purposes, including any news, public affairs, or sports broadcast or account, or any political campaign.”110 The Restatement (Third) of Unfair Competition Section 47 “ordinarily” excludes from its definition of “purposes of trade” the “use of a person’s identity in news reporting, commentary, entertainment, works of fiction or non-fiction, or in advertising that is incidental to such uses,” even though these uses are often sold and distributed for a profit.111

Other state right of publicity laws do not expressly exclude such items from their scope at the front end, by concluding that they are not commercial or for trade purposes; instead, they presume that various preferred uses might fit the commercial-purposes requirements and then provide express exemptions for these privileged categories. Common exclusions include uses in news, art (usually single or limited copy works), books, magazines, and audiovisual works (such as motion pictures).112

Often, consideration of commerciality is most relevant when courts evaluate whether a particular use of another person’s identity is protected by the First Amendment. Some courts and commentators have claimed that if a use is in commercial speech there is no First Amendment defense to right of publicity claims.113 Such a categorical conclu-

sion, however, can be true under current commercial speech doctrine only if the commercial speech is false or misleading—a showing that is not required for right of publicity claims. 114 Under the governing Central Hudson test, if the speech is classified as commercial, but not as false or misleading (or about unlawful activities), it deserves First Amendment protection and intermediate scrutiny review. Only rarely have courts in right of publicity cases actually applied the Central Hudson intermediate scrutiny test to claims involving commercial speech. 115 When noncommercial speech is involved, some courts have applied more robust First Amendment review. 116 Some of these courts have required proof of actual malice when the claims involve noncommercial speech, even though falsity and deception are not relevant inquiries for right of publicity claims. 117 Courts have also disagreed about whether there is a prior restraint problem for preliminary injunctions or temporary restraining orders in the context of noncommercial speech. 118 Some courts engage

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115 See, e.g., Bosley v. Wildwett.com, 310 F. Supp. 2d 914, 925–29 (N.D. Ohio 2004) (holding that use of topless photographs of plaintiff on adult entertainment website and in related promotions was commercial speech and that application of the right of publicity in that context met the Central Hudson standard); see also Martin H. Redish & Kelsey B. Shust, The Right of Publicity and the First Amendment in the Modern Age of Commercial Speech, 56 Wm. & Mary L. Rev. 1443 passim (2015) (criticizing the failure to engage in appropriate First Amendment scrutiny in right of publicity cases).

116 See C.B.C. Distribution & Mktg v. Major League Baseball Adv. Media, 505 F.3d 818, 823–24 (8th Cir. 2007) (rejecting right of publicity claim on First Amendment grounds and holding that use of players’ names and statistics in fantasy sports leagues was “due substantial constitutional protection” (internal quotation marks omitted)); Hoffman v. Capital Cities/ABC Inc., 255 F.3d 1180, 1186–89 (9th Cir. 2001) (concluding that fashion spread using images of celebrities was not commercial speech and holding that use was protected by the First Amendment).

117 See, e.g., Hoffman, 255 F.3d at 1185–89 (applying an actual malice requirement as basis to reject a right of publicity claim); see also 2 McCarthy, supra note 87, § 8:88–8:89 (criticizing some courts’ application of an actual malice standard to right of publicity claims).

118 See Bosley, 310 F. Supp. 2d at 929–31 (discussing that there was no prior restraint problem because commercial speech was at issue, but noting that many courts and the main treatise on the subject did not think there was a prior restraint problem even in the context of noncommercial speech).
in ad hoc balancing to determine whether a right of publicity claim survives First Amendment scrutiny. 119

In recent years, three independent tests have developed to analyze whether the First Amendment protects a given use against a right of publicity claim. Each test considers, at least in part, commerciality. None, however, expressly limits its analysis to the context of noncommercial speech. The first test is the predominant use test, which has been adopted by Missouri. This test focuses on the commercial nature of the use and whether the commercial or the informative or expressive components predominate. 120 The analysis considers whether the primary purpose of the use is to “exploit[] the commercial value of an individual’s identity” or to “make an expressive comment on or about a celebrity.”121 In adopting this test, the Missouri Supreme Court noted that uses in “news, entertainment, and creative works” are usually expressive, while uses in advertising are almost always commercial. 122 Despite setting up this dichotomy, the court held that the use of a plaintiff’s name in an entertainment product—a comic book—and the surrounding marketing of that comic book series could be a predominantly commercial use to attract consumers to the product. 123

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119 See, e.g., C.B.C. Distribution & Mktg., 505 F.3d at 823–24 (“balanc[ing]” the public interest in using players’ names and statistics in fantasy sports league with the players’ interests in controlling the use of that information); Cardtoons, L.C. v. Major League Baseball Players Ass’n, 95 F.3d 959, 970–76 (10th Cir. 1996) (“balanc[ing] the magnitude of the speech restriction [produced by the right of publicity] against the asserted governmental interest in protecting the intellectual property right” and concluding that the speech value of parody trading cards outweighed the injury to the baseball players’ publicity interests).

120 Doe v. TCI Cablevision, 110 S.W.3d 363, 373–74 (Mo. 2003); see also Mark S. Lee, Agents of Chaos: Judicial Confusion in Defining the Right of Publicity—Free Speech Interface, 23 Loy. L.A. Ent. L. Rev. 471, 500 (2003) (arguing that if a product predominantly exploits the commercial value of an individual’s identity, it should be held to violate the right of publicity and be unprotected by the First Amendment, but if the predominant purpose is to make an expressive comment, the expressive values “could be given greater weight”). The court also indicated that noncommercial speech was “fully protected” by the First Amendment, while commercial speech was usually not. TCI Cablevision, 110 S.W.3d at 373.

121 TCI Cablevision, 110 S.W.3d at 374–75 (citation omitted).

122 Id. at 373–75.

The second test for evaluating First Amendment defenses is the transformative use test. California adopted this test in Comedy III Productions v. Gary Saderup, Inc. The test extracts one consideration from copyright’s fair use analysis—whether a use transforms the underlying work—and imports it to the right of publicity context. The test focuses on whether the use “merely appropriates a celebrity’s economic value” or instead transforms the identity into a “creative product.” This is “essentially a balancing test between the First Amendment and the right of publicity based on whether the work in question adds significant creative elements so as to be transformed into something more than a mere celebrity likeness or imitation.” The consideration of whether the defendant is trying to make something new or simply trying to usurp the value of the public personality turns at least in part on whether the use or work is commercially exploitative or creatively transformative.

The third test for evaluating a First Amendment defense in right of publicity cases is the relatedness test set forth in the Restatement (Third) of Unfair Competition. The Restatement concludes that “if the name or likeness is used solely to attract attention to a work that is not related to the identified person, the user may be subject to liability for a use of the other’s identity.” The relatedness test has been applied in both commercial and noncommercial speech contexts, and is not as clearly tied to commerciality as the other tests. Nevertheless, often its application

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124 P.3d 797, 807–11 (Cal. 2001). The court in Comedy III oddly seemed to apply a “rational basis” analysis to the overall constitutionality of the right of publicity statute. See id. at 805. The court then engaged in a “balanc[ing]” of the “interests at stake” using the transformativeness test. Id. at 805–11.

125 Id. at 807–11.


127 Id. at 475 (citation omitted).

128 Comedy III Prods., 21 P.3d at 807–11. Determining whether a use is transformative is challenging—particularly because it is not clear whether the transformation has to be to the underlying identity or if the transformation can be understood more broadly as encompassing the use of an untransformed identity in a new context, such as in a biographical motion picture. The test is better understood as a transformative work test, rather than a transformative use test. Cf. id. at 391, 404, 407, 408 (referring mostly to the “work” being transformative).


130 See, e.g., Rogers v. Grimaldi, 875 F.2d 994, 1004–05 (2d Cir. 1989) (holding under Oregon law that the right of publicity would apply to the use of a celebrity name in a movie title only if the use was “wholly unrelated” to the movie or was “simply a disguised commercial advertisement for the sale of goods or services”); Yeager v. Cingular Wireless, 673 F. Supp. 2d 1089, 1099 (E.D. Cal. 2009) (evaluating the relatedness of a reference to famous pilot, Chuck Yeager, in an advertisement for Cingular Wireless services).
has been either disfavored or seemingly barred in the context of commercial speech.131

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In sum, the right of publicity has been applied outside the context of commercial speech, and courts have inconsistently treated commercial uses across and even within states when considering right of publicity laws. Despite the many areas of trademark, copyright, and right of publicity law that differentiate uses and rights on the basis of commerciality, none of these laws actually limits liability or rights to commercial speech, even when the lesser First Amendment scrutiny of commercial speech is used to justify differential treatment. Before considering in more depth the appropriateness of such distinctions, it is necessary to tease apart the myriad definitions of “commercial” in the IP context.

II. DEFINING “COMMERCIAL” IN IP—A TAXONOMY

As the preceding discussion reveals, there is no overarching or consistent definition of “commercial” in IP law. Instead, “commercial” has been used to mean many different things. This creates a number of challenges, given the frequent overlap of IP claims in intellectual property cases. For example, in the Harry Potter parties discussed in the Introduction, there are possible copyright, right of publicity, and trademark claims, and as to each claim various First Amendment (or First Amendment-infused) defenses. It therefore would be useful to have considerations of commerciality at least somewhat harmonized across these claims, particularly when the very same defenses are at issue, such as First Amendment defenses. Even if it were reasonable for these areas of law and different statutes to mean different things by the word “commercial,” within the same body of law and the same statute (especially the same subsection) the word should have the same meaning. Yet, as seen in Part I, this has not been the case.

In this Part, I bring the different definitions and understandings together to see the overlapping, as well as distinct, meanings of “commer-

131 Rogers, 875 F.2d at 1004–05 (suggesting that uses in commercial advertisements are likely to be “unrelated”); Restatement (Third) of Unfair Competition § 47 cmt. c (1995) (considering the relatedness of a use only in the context of “news, entertainment, and creative works” and not providing any examples in which the test has been applied to commercial speech).
cial” in IP. The five primary meanings of “commercial” used in IP laws are (1) a use in commerce; (2) commercial speech; (3) for profit; (4) a use that causes market harm; and (5) a use that is of lesser value or is nonexpressive. Although these definitions are distinct, there is frequently a lack of clarity in practice about which definition applies to a given legal claim or defense. “Commercial” is sometimes used to indicate a combination of these definitions. For example, in the context of the Lanham Act the requirement that a use be commercial may indicate a requirement that it be a use in commerce (definition one), and also that it be commercial speech (definition two) or a use for profit (definition three).

A. Commercial as a Use in Commerce

Sometimes the use of the term “commercial” is jurisdictional in nature and indicates that a use must meet the requirements of a use in commerce for the purposes of the Commerce Clause. This meaning arises in federal trademark and false advertising laws because Congress’s power to legislate in this area is constitutionally limited by the Commerce Clause. A use in commerce—is required to acquire federal trademark rights, to register a mark with the PTO, to establish trademark infringement or dilution, and to make a false advertising claim.

Patent and copyright laws are enacted under a separate grant of power, the Progress Clause, and therefore do not require nor focus on commerciality in this sense. If Congress expands these laws beyond the

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132 There are other secondary meanings of “commercial” that are used less frequently, for example, to indicate that something has been made public or sold. Because these other uses of the term appear less frequently and are ultimately tangential to commerciality, I do not focus on them.

133 In re Trademark Cases, 100 U.S. 82 (1879) (striking down a trademark act as unconstitutional because it was legislated through the Progress Clause, which does not cover trademarks, but leaving open the possibility that it could be constitutional under the Commerce Clause); see also Browne v. McCain, 611 F. Supp. 2d 1073, 1079 (C.D. Cal. 2009); U.S. Patent & Trademark Office, Trademark Manual of Examining Procedure §§ 901.03, 1301.03(b) (October 2014).


135 U.S. Const. art. I, § 8, cl. 8.
boundaries of the Progress Clause—if that is constitutionally permissible—then Congress would need to conform to the boundaries of the Commerce Clause.136 If Congress decides to address the patchwork of right of publicity laws and adopt a federal right, such legislation would also be limited by the Commerce Clause and require a use in commerce.137

B. Commercial as Commercial Speech

At the other end of the spectrum from the broad use in commerce definition of “commercial” is the narrow use of “commercial” to mean only “commercial speech.” Commercial speech has largely been defined by the Supreme Court in the context of the First Amendment. Frequently, courts refer to commercial speech as speech that does “no more than propose a commercial transaction.”138 At other times, courts adopt a broader view of commercial speech, particularly in the context of determining how to classify speech that has both commercial and noncommercial aspects. Analyses of such “mixed messages” often employ the Supreme Court’s Bolger test, which considers three factors: (1) whether the speech is advertising; (2) whether the speech refers to a specific product; and (3) whether the speaker has an economic motivation for the

136 The issue of whether the Progress Clause limits Congress’s power has been a matter of debate. Compare Thomas B. Nachbar, Intellectual Property and Constitutional Norms, 104 Colum. L. Rev. 272 (2004) (contending that Congress is free to legislate in copyright and patent arena via Commerce Clause), with Jeanne C. Fromer, The Intellectual Property Clause’s External Limitations, 61 Duke L.J. 1329, 1331–36 (2012) (disagreeing with Nachbar and others and concluding that there are constitutional limits on IP legislation), and Paul J. Heald & Suzanna Sherry, Implied Limits on the Legislative Power: The Intellectual Property Clause as an Absolute Constraint on Congress, 2000 U. Ill. L. Rev. 1119 (concluding that there are numerous limits on congressional legislation that emanate from the “Intellectual Property Clause”).

137 Many scholars and practitioners have advocated for the adoption of a federal right that preempts state laws. See, e.g., Tamlin Bason, Should Congress or Supreme Court Help Curb Ongoing Right of Publicity Free-For-All?, 88 Pat. Trademark & Copyright J. (BNA) 1558 (Oct. 17, 2014) (describing interest by scholars and practitioners in federal right of publicity legislation); see also supra note 12.

speech. Speech need not meet all three of these criteria to be considered commercial. In Part III, I will engage with the challenges presented by importing (as a jurisdictional hurdle) a term that has such uncertain boundaries, but here my point is simply that courts—interpreting the relevant statutes and common law—sometimes mean commercial speech when they refer to commercial uses and limits, particularly in the context of the Lanham Act and the right of publicity.

As described, some courts have held that the Lanham Act applies only to commercial speech. These courts have required plaintiffs in infringement, dilution, and false advertising cases to show that a defendant’s use is commercial speech. Whether a use is commercial speech has also been considered when courts evaluate defenses to Lanham Act claims. Some courts have suggested that there is no First Amendment defense for uses in commercial speech. The Lanham Act’s dilution provision has an explicit exemption for “noncommercial uses,” which is often interpreted as not “commercial speech.”

In the context of the right of publicity, some courts have suggested that liability is limited to uses in commercial speech, particularly to uses in commercial advertising. Even when the right applies more broadly than commercial speech, some courts have concluded that the First Amendment does not apply or applies in a more limited fashion in the context of commercial speech. In contrast, in the context of copyright law, “commercial” is not used to refer to commercial speech.

C. Commercial as For Profit

The term “commercial” is often used broadly to refer to any uses conducted with the purpose to profit from them, usually in the monetary sense of financially gaining from the uses. Numerous for-profit uses exceed the boundaries of commercial speech, such as uses in motion pic-

140 See id. at 517.
141 See supra note 15 and accompanying text.
143 See supra notes 44–53 and accompanying text.
144 See, e.g., Tyne v. Time Warner Entm’t Co., 901 So. 2d 802, 808–10 (Fla. 2005).
145 See supra notes 113–14 and accompanying text.
146 See supra notes 66–79, infra notes 146–48 and accompanying text.
tures, fine arts, music, news, and books. In copyright, the primary meaning of “commercial” is to indicate a for-profit use. The Copyright Act does not explicitly define the term “commercial,” nor does it define a variety of related terms, such as “for profit” and “nonprofit,” that appear in the statute. Nevertheless, their meanings can be discerned. The fair use section of the Copyright Act expressly contrasts uses of a “commercial nature” from those that are “nonprofit educational” uses. Some courts have taken a broad view of what counts as commercial, categorizing even nonprofit entities as commercial if they get something for free that others customarily pay to use.

In the context of the Lanham Act, when courts have allowed claims outside the commercial speech context, they have sometimes limited claims to commercial uses in the sense of for-profit ones. This has often required the uses to be in connection with the sales of goods or services with the intent of financially profiting from those sales. Similarly, when the right of publicity has not been limited to commercial speech, it has often been limited to uses for a “commercial purpose” in the sense of being done for the financial benefit of the user.

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149 See supra note 16 and accompanying text.
150 “Commercial purpose” has been interpreted differently in different jurisdictions and even within jurisdictions. Sometimes the term is interpreted broadly as having any financial motivation, while at other times it has been interpreted quite narrowly to be even more limited than the definition of “commercial speech.” See, e.g., Douglass v. Hustler Magazine, Inc., 769 F.2d 1128, 1138–39 (7th Cir. 1985) (finding a commercial purpose in the context of a use in a magazine); Jordan v. Jewel Food Stores, No. 10 C 340, 2015 WL 1204282, at *2–4 (N.D. Ill. Mar. 12, 2015) (interpreting Illinois’s right of publicity statute more narrowly than commercial speech and suggesting that to meet the commercial purpose requirement the speech may require soliciting the purchase of a particular product or service); Comedy III Prods. v. Gary Saderup, Inc., 21 P.3d 797, 802–811 (Cal. 2001) (concluding that sale of t-shirt was for a “commercial purpose,” even though the use was not commercial speech); see also supra notes 93–103 and accompanying text.
D. Commercial as Causing (Market) Harm

Some courts have taken an even broader view of what is commercial, considering “commercial” not only uses that are for financial profit, but also those that cause a commercial (as in economic) injury to the plaintiff. This is particularly true in copyright law. As discussed, some courts have considered not-for-profit uses commercial if there is a failure to pay a customary licensing fee for using the copyrighted material, or when there is other market harm to a copyright holder. In *Harper & Row, Publishers, Inc. v. Nation Enterprises*, the Supreme Court rejected First Amendment and fair use defenses for publishing excerpts from President Ford’s then-unpublished memoirs in the *Nation* and highlighted that the use of excerpts in a news-oriented magazine was commercial. The Court explained:

In arguing that the purpose of news reporting is not purely commercial, The Nation misses the point entirely. The crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price.

The customary pricing analysis focuses not only on the benefit to the defendant, but also, and primarily, on the potential lost fees and ripple effect of such nonpayments on the plaintiff.

E. Commercial as Low Value or Non-Expressive

Courts often contrast what is commercial with what is valuable, in the sense of being informative or expressive or artistic. In the context of the right of publicity, several states expressly distinguish between “expressive” and “commercial” uses, with commercial uses thought to be nonexpressive and therefore of lesser value. Pennsylvania’s right of publicity law, for example, excludes from its definition of “commercial or advertising purpose” all “expressive work[s],” which include “literary, dramatic, fictional, historical, audiovisual or musical work[s],” news, and works of fine art. In applying this Pennsylvania law, a federal court concluded that a documentary about a videogame fell on the com-

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152 See supra note 148 and accompanying text.
mercial purpose end of the spectrum because it was not sufficiently “journalistic” in nature. In *Doe v. TCI Cablevision*, the Missouri Supreme Court (in the context of rejecting a First Amendment defense for the use of the plaintiff’s identity in a comic book) explained that the “threshold legal question” when evaluating a First Amendment defense to a right of publicity claim is “whether the use of a person’s name and identity is ‘expressive,’ in which case it is fully protected, or ‘commercial,’ in which case it is generally not protected.” Courts similarly contrast that which is “expressive” from that which is “commercial” in trademark cases. Courts particularly consider and favor expressive uses over those deemed commercial when considering defenses to infringement or dilution claims. Such distinctions are less frequent in copyright law, where courts have been more reluctant to make such explicit aesthetic and qualitative judgments.

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I do not attempt in this project to resolve the doctrinal confusion between these various meanings of “commercial” by determining once and for all what definition is the “correct” one or the appropriate one (or ones) in each instance; instead, my aim in this Part has been to streamline and clarify our understanding of the different meanings and uses of the term “commercial” across these three major IP areas. This taxonomy is useful for applying the law in these different areas, but it is also crucial to the normative discussion that follows. One cannot address the question of whether it is appropriate to differentiate treatment on the basis of commerciality without understanding what is meant by the term.

III. QUESTIONING IP’S COMMERCIAL/NONCOMMERCIAL HIERARCHY

Although underdeveloped by courts and scholars, there are several justifications for distinguishing commercial speech from noncommercial speech and commercial uses from noncommercial ones in the context of

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156 *Doe v. TCI Cablevision*, 110 S.W.3d 363, 373–74 (Mo. 2003).
IP. In this Part, I evaluate each of the major justifications, focusing less on the doctrinal basis for distinguishing commercial and noncommercial speech/uses, and more on the broader theoretical underpinnings that could justify making such distinctions.

One could make a variety of statute-based arguments for various limits, particularly in the context of the Lanham Act (though sadly that would provide only limited clarity). One could also consider a variety of arguments rooted in constitutional doctrine. I will consider some of the latter because they raise larger questions about the role of free speech in determining when commerciality should matter, and they also are the most frequently invoked to justify the disfavoring of commercial speech and uses in IP cases. My primary focus, however, is on the more fundamental question of how and why IP law should differentiate uses on the basis of commerciality, rather than on whether it is permissible to do so.

In this Part I focus on the two dominant meanings of “commercial” in IP law—“commercial” as commercial speech, and “commercial” as a for-profit use. The meaning of commercial as a use in commerce is both normatively and doctrinally uncontroversial; it is also largely circumscribed (at least at the moment) to trademark law, which is authorized through the Commerce Clause. I therefore will not further explore this meaning of “commercial.” I also will not consider, as independent definitions, market harm or low-value uses, because these are better understood as justifications for distinguishing commercial uses rather than as independent definitions of commerciality. I separated these out in my taxonomy because courts have used them as definitions, but they are better analyzed as justifications and I will treat them as such here. I also will focus on for-profit in the sense of uses in which a party seeks a financial gain. Other meanings of for-profit status do not provide meaningful distinctions between noncommercial and commercial uses and conflict with longstanding and common definitions of “commercial.”

The primary justifications for distinguishing commercial from noncommercial speech, and commercial from noncommercial uses (in the “for-profit” sense) are rooted in concerns over free speech, value, harm and broader principles of fairness. I will consider each of these justifica-

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159 See, e.g., “Commercial,” Merriam-Webster Dictionary (2015), http://www.merriam-webster.com/dictionary/commercial (defining “commercial” as “related to or used in the buying and selling of goods and services”; “concerned with earning money”; or “relating to or based on the amount of profit that something earns”).
tions and why none provides a convincing basis for the current distinctions rooted in commerciality.

A. The First Amendment and the Commercial Speech Doctrine

Much of the disfavoring of commercial uses in IP is justified by reference (both explicit and implicit) to the commercial speech doctrine as it has developed in First Amendment jurisprudence independent of IP law. Before engaging in a broader analysis of whether it makes sense as a normative matter to differentiate uses on the basis of whether they occur in commercial speech, it is important to consider two things: first, the legitimacy of claims that such distinctions are required for various IP laws to be constitutional; and, second, some of the challenges that come with relying on the commercial speech doctrine. In this Section, I will also consider the fact that, even if one thought the commercial speech dividing line were defensible, knowable, and here to stay, IP laws regularly exceed its boundaries. To truly rely on commercial speech to justify differential treatment in IP would therefore require adherence to its limited scope.

1. IP Laws Are Constitutional Even if Applied to Noncommercial Speech

One basis for using commercial speech as a dividing line in IP law is a claim that the relevant IP law would otherwise be an unconstitutional restriction on speech. The First Amendment does not usually permit content-based restrictions on noncommercial speech absent a specific exception or after surviving an often-fatal strict scrutiny review. In contrast, commercial speech is protected by the First Amendment, but is treated as a second-class citizen, at least in theory, if not always in practice. False or misleading commercial speech and commercial speech about unlawful activities receive no First Amendment protection. Other commercial speech is subject to lesser intermediate scrutiny under the Central Hudson test.

For this reason, numerous courts, and some scholars, have claimed that the Lanham Act’s restrictions on speech are constitutional only be-

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162 Id. (holding that restrictions on truthful, nonmisleading commercial speech about lawful activities are constitutional only if the government establishes a substantial interest and the restriction directly advances that state interest without being more extensive than necessary).
cause they are limited to commercial speech. The claim is that both false and misleading commercial speech receive no First Amendment protection; therefore, trademark infringement laws (based on likely confusion) and false advertising laws (contained in the same subsection and based on falsehood or misleadingness) constitutionally restrict speech when applied to commercial speech.

The commercial speech doctrine also has been used to justify dilution law, which is not based on misleading or false speech. At the time that the Federal Trademark Dilution Act ("FTDA") was first proposed and debated, some members of Congress, as well as lawyers involved in the provision’s drafting, worried that the provision might violate the First Amendment if it were applied to noncommercial speech. In commenting on the proposed FTDA, Senator Orrin Hatch stated that dilution law would not raise serious First Amendment concerns because it would “not prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction.”

In a submission by the International Trademark Association, the organization suggested that dilution law would be unconstitutional if applied to noncommercial speech. The noncommer-

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163 See, e.g., TMI, Inc. v. Maxwell, 368 F.3d 433, 436 n.2 (5th Cir. 2004); Taubman Co. v. Webfeats, 319 F.3d 770, 774 (6th Cir. 2003); Rebecca Tushnet, Trademark Law as Commercial Speech Regulation, 58 S.C. L. Rev. 737, 738–39 (2007) (suggesting that trademark law would be significantly altered (and weakened) if it were not analyzed under the lesser speech protection afforded to commercial speech); Rebecca Tushnet, Truth and Advertising: The Lanham Act and Commercial Speech Doctrine, in Trademark Law and Theory: A Handbook of Contemporary Research 294, 294–95 (Graeme B. Dinwoodie & Mark D. Janis eds., 2008) (suggesting that eliminating the commercial speech distinction in constitutional law could “invalid[ate] a large amount of modern trademark and advertising law” unless First Amendment analysis is “recalibrated”); see also supra notes 15, 29 and accompanying text; cf. Kathleen M. Sullivan, Cheap Spirits, Cigarettes, and Free Speech: The Implications of 44 Liquormart, 1996 Sup. Ct. Rev. 123, 152–56 (suggesting that without the commercial speech doctrine it would be more difficult to regulate “misleading” (though not false) advertising).

164 Arguably, trademark infringement does not rest on falsehood (or even misleadingness) because the standard of likely confusion is a lower bar. See Ramsey, supra note 17, at 416–17 (concluding that trademark infringement does not require a showing that speech is false or misleading). Such a conclusion further shores up arguments that there is not a constitutional requirement to limit the action to commercial speech.


cial use exemption to the dilution provision purportedly was added to address such concerns.\textsuperscript{167}

Similar claims have been made in the right of publicity context—that the right would survive constitutional review only if it were limited to commercial speech.\textsuperscript{168} In \textit{Tyne v. Time Warner Entertainment Co.}, the Florida Supreme Court narrowed the scope of the state’s right of publicity law to commercial speech (in the sense of a direct promotion of a product or service) to comport with that court’s view of First Amendment restrictions and the lesser protection afforded to commercial speech.\textsuperscript{169} Some scholars have also suggested that the right of publicity does not raise constitutional problems because it usually (some claim only) covers commercial speech.\textsuperscript{170}

Tellingly, no such claims have been made about copyright laws. Although the 1976 Copyright Act was drafted and debated in a world in which commercial speech received \textit{no} First Amendment protection, copyright laws have never been limited to commercial speech and its speech limits have never been justified on those grounds.\textsuperscript{171}

Despite the claims that the Lanham Act and right of publicity laws must be limited to commercial speech, as a doctrinal matter IP laws are constitutional even if applied to noncommercial speech. Most exceptions to the First Amendment involve noncommercial speech. The exceptions for true threats, defamation, incitement, and obscenity most often apply in noncommercial (speech) contexts. Of particular relevance here, property laws—especially IP laws—have often been treated, for better or worse, as First Amendment trump cards.\textsuperscript{172} Copyright law restricts non-

\textsuperscript{167} See supra notes 44–48 and accompanying text.
\textsuperscript{168} See, e.g., \textit{Tyne v. Time Warner Entm’t Co.}, 901 So. 2d 802, 808–10 (Fla. 2005); \textit{Volokh, supra note 81, at 929–30.}
\textsuperscript{169} 901 So. 2d at 808–10.
\textsuperscript{170} See supra note 82.
\textsuperscript{171} \textit{Virginia Board of Pharmacy v. Virginia Citizens Consumer Council}, 425 U.S. 748 (1976), the case that held that commercial speech is protected by the First Amendment, was decided in May 1976 and the Copyright Act of 1976 was passed in September of that year. The 1976 Act, however, had been debated and drafted over the preceding two decades during the \textit{Valentine v. Christensen}, 316 U.S. 52 (1942), era, in which commercial speech received no First Amendment protection.
commercial speech every day, but no one contends that it is unconstitutional because it has been applied beyond the boundaries of commercial speech. In fact, the First Amendment has little to no independent role in restricting copyright law.\footnote{Eldred v. Ashcroft, 537 U.S. 186, 218–21 (2003); see also Jennifer E. Rothman, Liberating Copyright: Thinking Beyond Free Speech, 95 Cornell L. Rev. 463, 476–92 (2009) (discussing the limited role of the First Amendment in copyright).}

Even though copyright benefits from a specific grant of congressional power—the Progress Clause—a similar analysis has been used in IP cases that do not involve copyright or patent law. In the context of trademark law, courts have often held that “speech that misleads or creates confusion is not protected under the First Amendment,” even if it occurs in noncommercial speech.\footnote{See, e.g., Westchester Media v. PRL USA Holdings, 214 F.3d 658, 672 (5th Cir. 2000); Hershey Co. v. Friends of Steve Hershey, 33 F. Supp. 3d 588, 594–95 (D. Md. 2014); see also supra notes 17, 30–33 and accompanying text.} Although the Supreme Court has not directly addressed the issue, it has suggested in a variety of ways that the Lanham Act is constitutional when applied to noncommercial speech. In a case involving a quasi-trademark statute—one that provides protection for the word “Olympics” and other related marks regardless of likelihood of confusion—the Court held that the United States Olympic Committee (“USOC”) could prevent the San Francisco Arts & Athletics (“SFAA”) organization from using the word “Olympics” in the context of an Olympics-like event for gay athletes.\footnote{S.F. Arts & Athletics v. U.S. Olympic Comm. (SFAA), 483 U.S. 522 (1987); see also 36 U.S.C. § 220506 (2012) (stating that the USOC has the exclusive right to use the word “Olympic”).} Although the majority opinion referred to the SFAA as a commercial enterprise and at times categorized the relevant speech as commercial, it acknowledged that the name of the event, the athletic event itself, and the related theatrical events were noncommercial speech.\footnote{See SFAA, 483 U.S. at 535–41; id. at 548–71 (Brennan, J., dissenting).} The Court nevertheless concluded that the First Amendment did not protect the use of the word “Olympics” because of the USOC’s property rights in the word. The Court explicitly rejected the claim that the noncommercial status of the speech mattered for First Amendment purposes:

The SFAA’s expressive use of the word cannot be divorced from the value the USOC’s efforts have given to it. The mere fact that the SFAA claims an expressive, as opposed to a purely commercial, purpose does not give it a First Amendment right to “appropriat[e] it-
self the harvest of those who have sown.” The USOC’s right to prohibit use of the word ‘Olympic’ in the promotion of athletic events is at the core of its legitimate property right.177

The Court’s decision in this case unquestionably challenges the claim that the Lanham Act would be unconstitutional if applied to noncommercial speech.178

The Supreme Court’s recent decision in United States v. Alvarez provides further support for a broad IP exception to the First Amendment that does not turn on commerciality, particularly in the context of trademark law (including dilution claims which do not require a demonstration of confusion or deception).179 In Alvarez, the Court struck down the Stolen Valor Act on First Amendment grounds. The Stolen Valor Act made it a crime to falsely claim to have received a military or congressional Medal of Honor. Despite the law being held unconstitutional, a majority of the Justices concluded that false speech can be penalized even when the speech at issue is not commercial. Justice Breyer’s confluence (joined by Justice Kagan) specifically analogized to trademark law, suggesting that when a harm is shown (such as likely confusion or dilution), false statements can constitutionally be penalized without regard to their commerciality.180 He noted that the Lanham Act can constitutionally restrict even political speech.181 In his dissent, Justice Alito (joined by Justices Scalia and Thomas) concluded that the Stolen Valor Act was constitutional as written and compared it to trademark dilution law: “Surely it was reasonable for Congress to conclude that the goal of preserving the integrity of our country’s top military honors is at least as worthy as that of protecting the prestige associated with fancy watches and designer handbags.”182 Although the Justices did not directly confront the issue in Alvarez, their dicta strongly suggest that at least five

177 See id. at 541 (majority opinion) (quoting Int’l News Serv. v. Associated Press, 248 U.S. 215, 239–40 (1918)) (alteration in original).
178 There is much to criticize about the Court’s decision in SFAA, but it is nevertheless telling about where current constitutional doctrine sits. For one such critique, see Rochelle Cooper Dreyfuss, Expressive Genericity: Trademarks as Language in the Pepsi Generation, 65 Notre Dame L. Rev. 397, 398–99, 410–21 (1990) (criticizing the decision because of its failure to consider the unique expressive value of the word “Olympics”).
180 Id. at 2553–56 (Breyer, J., concurring).
181 Id. at 2556.
182 Id. at 2559 (Alito, J., dissenting).
members of the Court think that trademark and related laws can constitutionally apply to noncommercial contexts.

The Supreme Court’s decision in *Zacchini v. Scripps-Howard Broadcasting Co.* demonstrates the same lack of concern about applying right of publicity laws to noncommercial speech. In *Zacchini*, the Court held that the First Amendment did not insulate a news program from liability for broadcasting the plaintiff’s human-cannonball routine. The Court in *Zacchini* expressly endorsed treating the First Amendment analysis in right of publicity cases similarly to that in the context of patent and copyright laws. The decision in *Zacchini*, rejecting a First Amendment defense in the context of news reporting, has led many other courts to allow right of publicity claims in an array of noncommercial speech settings, such as in political advertisements, comic books, lithographs on t-shirts, and mass-produced sculptures.

This view of IP as a property right that trumps free speech concerns is widely accepted by courts. Although one could challenge such conclusions on normative grounds as insufficiently protective of free speech, doctrinal claims that IP laws are unconstitutional unless limited to commercial speech do not stand up against this well-established body of law. If we nevertheless want to give preference to noncommercial speech, it may be constitutional to do so, but more convincing reasons need to be provided for doing so than the erroneous claim that such distinctions are constitutionally required.

2. The Challenges of Commercial Speech

There are also many reasons not to rely on the commercial speech doctrine to delineate IP laws, even if one can do so. First, the differential treatment of commercial speech has been narrowed in recent years and some Supreme Court Justices have advocated for providing full speech protection to commercial speech. Recent cases appear to give more

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184 Id. at 578–79.
185 Id. at 574–77.
186 See supra note 109 and accompanying text.
187 See, e.g., Sorrell v. IMS Health Inc., 131 S. Ct. 2653, 2664, 2667–72 (2011) (suggesting that “[c]ommercial speech is no exception” to “heightened scrutiny” and striking down law restricting commercial speech even though dissent thought law would survive intermediate scrutiny purportedly applied to commercial speech); Thompson v. W. States Med. Ctr., 535 U.S. 357, 368 (2002) (noting continued doubts about validity of *Central Hudson* analysis and listing many of Court’s own opinions that question the validity of the doctrine); Unit-
robust scrutiny to regulations of commercial speech than the “intermediate scrutiny” that supposedly applies. The Court’s 2011 decision in Sorrell v. IMS Health makes clear that “[t]he First Amendment requires heightened scrutiny whenever the government creates ‘a regulation of speech because of disagreement with the message it conveys.’ . . . Commercial speech is no exception.” The recent solicitousness to corporations may also signal further trimming of the doctrine in the future.

Second, the commercial speech doctrine has both practical and theoretical challenges that urge caution before incorporating the doctrine into IP law. Numerous scholars have made persuasive cases for rejecting the doctrine. Their criticisms have ranged from the historical lack of a basis to differentiate such speech under the Constitution, to the challenges of distinguishing the commercial from the noncommercial, to the lack of a compelling normative account for why we should disfavor such

ed States v. United Foods, Inc., 533 U.S. 405, 409–10 (2001) (noting controversy over the commercial speech doctrine and striking down federal assessment to promote mushroom sales); Milavetz, Gallop & Milavetz v. United States, 559 U.S. 229, 255–56 (2010) (Thomas, J., concurring) (criticizing commercial speech distinction); Nike, Inc. v. Kasky, 533 U.S. 654, 676–77 (2003) (Breyer, J., dissenting from denial of certiorari) (contending that Nike’s mixed commercial and noncommercial speech deserved heightened scrutiny and “breathing space,” and suggesting that only advertising with no other public interest value should be subject to lesser scrutiny in context of false advertising laws); Lorillard Tobacco Co. v. Reilly, 533 U.S. 525, 571–72 (2001) (Kennedy, J., concurring) (criticizing Central Hudson for providing “insufficient protection to truthful, nonmisleading commercial speech”); id. at 572 (Thomas, J., concurring) (contending that truthful speech should be subject to strict scrutiny regardless of whether it is “characterized as ‘commercial’”); see also infra notes 188–90.

188 See supra notes 8, 187; see also Darrel C. Menthe, The Marketplace Metaphor and Commercial Speech Doctrine: Or How I Learned to Stop Worrying About and Love Citizens United, 38 Hastings Const. L.Q. 131, 134 (2010) (arguing that “Citizens United will necessarily lead to the abandonment of commercial speech doctrine”); Jedediah Purdy, Neoliberal Constitutionalism: Lochnerism for a New Economy, 77 Law & Contemp. Probs. 195, 200 (2014) (observing the Supreme Court’s shift to treat commercial speech “as strongly protected”); Sullivan, supra note 163, at 145–61 (suggesting that the Court is moving away from distinctions based on commercial speech); William Van Alstyne, Remembering Melville Nimmer: Some Cautionary Notes on Commercial Speech, 43 UCLA L. Rev. 1635, 1638 (1996) (“We have been receiving strong signals that perhaps [commercial speech] is sometimes even fully as much within the [First] Amendment as any other kind of speech may be—including speech on political affairs.”).

189 131 S. Ct. at 2666–64 (citation omitted) (holding restriction on sale, disclosure, and use of pharmacy records that reveal doctors’ prescribing practices unconstitutional); see also id. at 2673–85 (Breyer, J., dissenting) (claiming that the majority applied heightened scrutiny, rather than the intermediate scrutiny standard of Central Hudson).

190 See Burwell v. Hobby Lobby Stores, Inc., 134 S. Ct. 2751 (2014); Citizens United v. FEC, 558 U.S. 310 (2010); see also supra note 188.
speech. Other scholars have argued with equal passion for the opposite—that commercial speech is less valuable, does not further First Amendment values (such as the search for truth or personhood interests), has historically been subject either to no or to lesser First Amendment review, and is more resilient and therefore less prone to a chilling effect. I cannot settle these highly contested questions here. Nevertheless, because IP law does not require the doctrine’s importation to be constitutional, it is worth considering not only any potential benefits the doctrine might bring to IP laws, but also the burdens that come with it.

Courts deciding IP cases routinely struggle with categorizing speech as commercial or noncommercial. Even though at its extremes commercial speech can be easily assessed, the in-between space causes uncertainty and confusion. Particularly challenging distinctions often arise in IP cases because such cases frequently sit at the nexus of art, politics,

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192 See, e.g., C. Edwin Baker, Commercial Speech: A Problem in the Theory of Freedom, 62 Iowa L. Rev. 1, 3 (1976) (claiming that commercial speech deserves no speech protections because under his view it does not fit within a liberty-based or self-realization model of the First Amendment); Thomas H. Jackson & John Calvin Jeffries, Jr., Commercial Speech: Economic Due Process and the First Amendment, 65 Va. L. Rev. 1, 5–6 (1979) (contending that commercial speech is not protected by the First Amendment because it does not further self-government or self-realization); Frederick Schauer, Commercial Speech and the Architecture of the First Amendment, 56 U. Cin. L. Rev. 1181, 1185–94 (1988) (contending that despite challenges commercial speech is far from core of First Amendment and claiming that its equal protection would lead to “doctrinal dilution”).

news, and commerce. Advertising for consumer products, like a television commercial for soap, is commercial speech—a novel is not, even if it is sold for profit. More difficult questions arise, however, when there is advertising for noncommercial products, such as for newspapers, television series, or movies, or when there is mixed-purpose speech with both commercial and noncommercial elements. We tend to think of movies as being distinct from commercial speech, but it is hard to maintain a clear dividing line when many movies are expressly made to sell products, such as The Lego Movie. Titles of expressive works (such as songs, movies, and books) and advertising for such works also have proved particularly challenging for courts to categorize as commercial or noncommercial speech.

Advertising, corporate speech, cultural identities, and politics often combine in the context of trademarks. Consumers literally wear their
politics on their sleeves. People wear logos and buy particular brands because of what those trademarks symbolize, and companies specifically seek to develop such social and political overlays onto their brands.199 Wearing American Apparel’s LEGALIZE GAY t-shirts may signal that one supports fair labor practices, domestic businesses, marriage equality, or all three. Wearing Gap’s (RED) line of clothing or Ralph Lauren’s PINK PONY line may signal support for “eliminat[ing] AIDS in Africa” or fighting breast cancer.200 These culturally and politically infused messages can be protected as trademarks and raise both infringement and dilution disputes when others use similar marks or slogans. HER brand energy drinks, for example, has tried to prevent other companies from using the color pink in drinks targeted at female consumers.201 The University of North Dakota threatened to sue one of its students to prevent him and other students from using the school’s trademarked logo when the student’s use was motivated by an objection to the school’s use of a Native American tribe as its team name and mascot.202 In such instances, courts cannot separate the commercial from the noncommercial when evaluating the scope of trademark law.

In right of publicity cases, courts have also struggled to define what constitutes commercial speech or a commercial use under various state ideas, and the difficulties of neatly classifying trademarks as commercial speech given their expressive characteristics); Ramsey, supra note 17, at 397–402 (noting the challenge of distinguishing the commercial from the noncommercial in the context of trademark law); cf. Deven R. Desai, Speech, Citizenry, and the Market: A Corporate Public Figure Doctrine, 98 Minn. L. Rev. 455 (2013) (describing the convergence of the corporate and the political).


201 Complaint at 3, 7, 9–10, HER Enters. v. Nor-Cal Beverage Co., No. 12–03239 (C.D. Cal. Apr. 12, 2013) (stating that HER brand energy drink claimed Go Girl energy drink infringed its mark by adopting similar pink trade dress in effort to appeal to women).

202 Katyal, supra note 193, at 1685–86 (describing the University of North Dakota’s threats to sue one of its students for using the Fighting Sioux logo on gold pins with a slash through the logo to indicate his opposition to the use of the Native American tribe as the school mascot).
laws. For example, a court in Illinois allowed a right of publicity claim to proceed against a publisher of a magazine for printing the plaintiffs’ photographs as winners of a contest in its media kit because the use was for a “commercial purpose” under Illinois law, even though the underlying use in the magazine was not.\textsuperscript{203} In contrast, the Colorado Supreme Court held that the use of a plaintiff’s identity in a newsletter put out by a private investigation firm to solicit business was protected noncommercial speech because it involved “legitimate matter[s] of public concern.”\textsuperscript{204}

This disarray should come as no surprise to anyone following commercial speech jurisprudence outside IP. Nevertheless, this lack of clarity and predictability about what constitutes commercial speech disrupts the coherence of IP law. Given the increasing respect for commercial speech by the Supreme Court and the challenges presented by applying the doctrine to IP law, it is worth considering what IP law would look like in the absence of distinctions based on the doctrine.

3. Failure to Conform to the Boundaries of Commercial Speech

Even if it were feasible and appropriate to use commercial speech as a dividing line in IP cases, the disfavored uses would need to be limited to those that are actually commercial speech. No area of IP law, however, has actually so limited itself. As discussed, the Lanham Act, the right of publicity, and copyright laws are often applied beyond the limits of commercial speech. Conformity with the boundaries of commercial speech would therefore require substantial changes, especially to right of publicity and copyright law (though no one would ever contemplate such a radical alteration of copyright law). Even in trademark law the array of precedents that would need to be overturned is substantial. Before considering such a change there should be a robust normative justification for doing so. Are restrictions on speech in the context of IP disputes less concerning in the commercial speech context? Are the harms to IP holders greater when their property is used in commercial speech? I will consider both these questions in the remainder of this Part.

\textsuperscript{204} Joe Dickerson & Assoc., LLC v. Dittmar, 34 P.3d 995, 1002–03 (Colo. 2001).
B. A Proxy for Value and Free Speech Concerns

Although not strictly driven by constitutionality, free speech concerns have animated a disfavoring of commercial uses because of an assessment that commercial uses, particularly in the context of commercial speech, are less valuable. Such assessments often arise when evaluating free-speech-focused defenses, whether through an independent First Amendment defense or defenses internal to various IP laws (for example, the fair use defense in copyright). When speech is judged less valuable, courts are less concerned with speech restrictions.205

One reason some courts have given for disfavoring commercial speech is a misguided dichotomy between communicative, expressive speech and pure commercial speech—the latter being erroneously viewed as devoid of informational or expressive content. Some courts have suggested that the Lanham Act never applies to the “use of the mark by another who is communicating ideas or expressing points of view” and therefore must apply only to commercial speech.206 In Rogers v. Grimaldi, the Second Circuit concluded that expressive works deserve greater First Amendment protection “than the labeling of ordinary commercial products.”207 Even though the court thought it was important to include noncommercial speech within the Lanham Act’s purview, the court nevertheless suggested a differential standard of First Amendment review when trademark law applies to noncommercial speech (or at least noncommercial speech deemed “artistic” in nature).208 The Rogers test limits trademark liability when a use is artistically relevant and not ex-

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205 See Genevieve Lakier, The Invention of Low-Value Speech, 128 Harv. L. Rev. 2166 (2015) (describing this phenomenon and questioning the claim that such a distinction is part of an original understanding of the First Amendment). There is a dispute over whether First Amendment analysis is a simple on-off switch or whether a balancing test is appropriate to determine whether restrictions on speech are constitutional. Although there are arguments for the on-off switch, most courts engage in some form of balancing of interests, especially when property interests, including IP interests, are at stake. See, e.g., Cardtoons, L.C. v. Major League Baseball Players Ass’n, 95 F.3d 959, 970–76 (10th Cir. 1996); see also Shiffrin, supra note 193, at 1251–55 (explaining why balancing of interests with the First Amendment is the dominant model).


207 Rogers v. Grimaldi, 875 F.2d 994, 998–99 (2d Cir. 1989).

208 Id.
This view of commercial speech (as being speech that lacks expressive or informative components) is out of step with the Supreme Court’s jurisprudence. One of the primary reasons the Supreme Court has given for protecting commercial speech is the information value of such speech. One of the main justifications for the First Amendment is the promotion of the marketplace of ideas and its facilitation of the search for truth; commercial speech contributes to such truth seeking. The fact that something appears in advertising for a product (the narrowest meaning of “commercial speech”) does not indicate that the use is not valuable, informative, or expressive. Consider the Goldie Blox commercial discussed in the Introduction. The message of female empowerment and the critique of stereotypical girls’ toys have the same import and power regardless of the company’s additional interest in selling toys. The fact that the company seeks to turn a profit does not disrupt the political and cultural goals upon which the company was founded—encouraging more women to go into engineering and science. The advertisement has been applauded as an important intervention in the highly gendered world of children’s toys, as well as an appropriate parody and commentary on the original, misogynistic Beastie Boys’ song. The use is as disruptive, influential, artistic, and political in the context

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210 See Facenda v. N.F.L. Films, Inc., 542 F.3d 1007, 1018 (3d Cir. 2008) (declining to reach the issue of whether to adopt the Rogers test because the speech at issue was commercial speech); cf. Fortres Grand Corp. v. Warner Bros. Entm’t Inc., 947 F. Supp. 2d 922, 933–934 (N.D. Ind. 2013) (accepting proposition that Rogers test is limited to noncommercial speech, but applying the test to promotional websites that it concluded were not commercial speech).


212 Va. Bd. of Pharmacy, 425 U.S. at 763 (“As to the particular consumer’s interest in the free flow of commercial information, that interest may be as keen, if not keener by far, than his interest in the day’s most urgent political debate.”).


215 See Waldman, supra note 6.
of an advertisement as it would be as an independent film short. In fact, it may well be more influential because of the wider audience likely to be reached by the advertisement (and the associated toys).

Even the most clear-cut example of commercial speech—such as “buy COLGATE fluoride toothpaste”—communicates ideas. Not only does it tell consumers to “buy this toothpaste” instead of another, but such advertisements also often provide useful information (both explicitly and implicitly), such as that fluoride is good for your teeth or that doctors recommend you use a fluoride toothpaste. If what is really at issue is a concern about informational content, commerciality is not a good proxy.

The use of public (and private) figures’ identities in advertising also provides informational value. Consumers care about and find useful information about what products celebrities use, whether it is what facial cream Scarlett Johansson uses, or what watch deep-sea divers like James Cameron wear. We may choose to prevent even nonconfusing uses of Johansson’s and Cameron’s names or images in advertisements for skincare products or timepieces, but we cannot claim that we are doing so because such uses do not provide valuable information to consumers.

Moreover, to the extent that we read value more broadly than simply the provision of information and ideas, personhood interests also come into play. Another frequently posited justification for the First Amendment is the promotion of individual liberty interests. In fact it is on this basis that opponents of treating commercial speech equally under the First Amendment make their strongest arguments—corporations do not have personhood interests, so commercial speech does not fit within the protections of the First Amendment. Despite this claim, corporate speakers and the audience for such commercial speech do have person-

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216 Sometimes this individual-oriented view of the First Amendment focuses on autonomy and the constitutional hook of liberty, at others on self-expression, self-realization, self-development or self-fulfillment. See, e.g., C. Edwin Baker, Human Liberty & Freedom of Speech 3–5, 47–69 (1989) (developing a liberty-based theory); Emerson, supra note 213, at 6 (including “assuring individual self-fulfillment” as one of the four primary values of the First Amendment); Martin H. Redish, The Value of Free Speech, 130 U. Pa. L. Rev. 591 (1982) (positing “self-realization” as the primary value served by free speech and observing that it is fundamental even within the democratic-society approach); see also Whitney v. California, 274 U.S. 357, 375 (1927) (Brandeis, J., concurring) (“[F]reedom to think as you will and to speak as you think are means indispensable to the discovery and spread of political truth . . . .”).

217 See, e.g., Baker, supra note 192, at 5–25, 56; Jackson & Jeffries, supra note 192, at 5–6, 14–17.
hood interests. Recent decisions like *Citizens United* and *Hobby Lobby* emphasize that corporations are treated as persons for First Amendment and other purposes and that (closely held) corporations may reflect particular views of their owners. Goldie Blox toys are a good example of this mixed motivation and the company itself is imbued with the personhood interests of its founder. The founder, Debbie Sterling, is a female engineer who specifically started the company not only to make money, but also to “inspire the next generation of female engineers.” She has a personhood interest in advertising the toys and using the advertisements to intervene in gendered stereotypes about toys and narrow visions of femininity perpetuated by the likes of the Beastie Boys. The audience’s personhood interests are also furthered by receiving the commentary provided by Goldie Blox.

Even when uses are not commercial speech, courts sometimes deem them “commercial” to indicate that the speech is of lesser value. This is particularly true in right of publicity cases that involve merchandise. The California Supreme Court in *Comedy III Productions v. Gary Saderup, Inc.*, distinguished Andy Warhol’s paintings and prints of celebrities from those of the defendant Gary Saderup. Warhol’s work was viewed as commenting on the nature of celebrity itself. In contrast, Saderup’s lithograph of the Three Stooges was determined to be primarily focused on moneymaking. “[T]he marketability and economic value of the challenged work derive[s] primarily from the fame of the celebrity depicted . . . .” Although the Court denies that its evaluation requires a determination of the quality of the artistic work, such an evaluation seems

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220 The turn to greater protection for commercial speech largely has been rooted in such consumer/recipient interests. See, e.g., *Va. Bd. of Pharmacy v. Va. Citizens Consumer Council*, 425 U.S. 748, 762–63 (1976); see also Adam Winkler, *Public Citizens United, in We the Corporations* (forthcoming, chapter manuscript on file with author) (describing how an interest in protecting consumer rights rooted in the rights of recipients evolved into greater protections for corporate speech).


222 Id. at 810–11.
unavoidable. Such determinations, however, are highly fraught. When forced to make such determinations, courts often fall back on problematic proxies for artistic merit, such as (ironically) the commercial success and fame of the artist.

In the context of copyright’s express exemptions for preferred categories of uses, many turn on the noncommerciality of the uses. For example, copyright law places nonprofit libraries and archives in a special category because of their value in preserving works for posterity and facilitating access to knowledge. These objectives, however, could be furthered by commercial or noncommercial entities. Consider the recent effort by Google to digitize books purportedly for archival and research purposes. Such a massive digital library would have enormous positive public value, even if Google is at least partially motivated by financial gain. An interest in financial gain does not preclude the possibility of other motives—Google can have both an interest in making money and in improving access to knowledge and preserving our collective history. Accordingly, Google’s for-profit status should not be the key to determining whether such a project falls within a fair use or a Section 108-like exemption. There may nevertheless be a variety of concerns with allowing a single private entity to monopolize digitization efforts, but these concerns do not turn solely on Google’s for-profit status. Moreover, the law could prevent the lockup effect in a variety of other ways, from banning such monopolies to funding alternatives, or requiring free access to the public in order to benefit from any exemptions.

Simply put, determinations of value do not provide a sufficient basis for distinguishing commercial and noncommercial speech, nor for-profit or not-for-profit uses in IP.

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224 See, e.g., Cariou v. Prince, 714 F.3d 694, 709 (2d Cir. 2013) (noting celebrity attendees to defendant’s art shows in context of evaluating whether artist’s work was a fair use of a less well-known (but still professional) photographer); see also supra note 223.

225 For a discussion of some of the dangers of giving a monopoly to Google, see generally Pamela Samuelson, Google Book Search and the Future of Books in Cyberspace, 94 Minn. L. Rev. 1308 (2010).
C. Proxy for Harm

Another frequent basis for considering commerciality is the belief that the commercial status of a work will reveal the likelihood that it will harm an owner. The use of commerciality as a proxy for harm has primarily revolved around the definition of “commercial” as a use for profit (in the sense of seeking financial gain). Commerciality is used as a proxy for determining the likelihood of various injuries, from economic to dignitary harms, as well as the likelihood of confusion and dilution in the context of trademark law. I will consider the value of commerciality as a proxy for each of these harms, and also—when relevant—consider whether commercial speech (at its narrowest, in the sense of advertising for products or services) functions as a useful proxy for such harms.

1. Market Harm

All IP laws to some extent concern themselves with the actual or potential harm to an IP creator’s or owner’s market. This focus derives not only from concerns over direct harm, but also from a broader interest in incentivizing creation. This motivation is front and center in copyright law, in which the dominant (though not exclusive) justification for copyright is an incentive-based rationale. Copyright allows creators to harness the economic value of their works which otherwise could be easily copied and distributed to others, given their nonrivalrous nature. This incentive rubric has also been asserted as one of the justifications for right of publicity and trademark laws. Although the case for incentivizing the development of a robust public persona is weaker than that for incentivizing works in the copyright context, courts frequently assert as one of the justifications for right of publicity laws encouraging individuals (particularly actors or other performers) to develop their careers. 226 Trademark laws do not seek to incentivize the production of more or better trademarks, but they do seek to encourage businesses to invest in high-quality and consistent goods. 227


In the context of copyright’s fair use defense, there is a presumption that a commercial use is one that will cause market harm by substituting for the original in the marketplace. The House Report to the 1976 Copyright Act justified using the commercial nature of a use as a “significant factor” in fair use analysis because the “[c]opying by a profit-making user of even a small portion of a [work] may have a significant impact on the commercial market for the work.” Thus, although commerciality is listed as a factor—one inquiry (in the multifactor fair use analysis) related to the character and purpose of the use, it is justified primarily because of a presumption of market harm—the factor-four consideration.

Damage to the market for a copyrighted work is a relevant inquiry in fair use, but market harm can be directly evaluated and need not rely on a proxy-based determination like commerciality. Moreover, commerciality has limited value as a proxy for harm. While some commercial uses are substitutionary—such as identical copies flooded into the same markets—others, such as transformative reworkings that do not compete in the same arena, usually are not. A substitutionary effect is also possible and sometimes likely when a noncommercial, not-for-profit use is made. If an individual posts a movie on a tube site or allows access for uploading as part of a BitTorrent swarm, a substitutionary product has been posted or made available that will interfere with both box office and home video sales. The fact that the distributor seeks no financial gain does not make the posting or uploading less harmful to the underlying content holder. Such a posting would not succeed with a fair use defense—despite being noncommercial; however, my point here is not to evaluate individual fair use claims, but instead to hone in on the possible justifications for distinguishing between commercial and noncommercial uses when making such evaluations.

The use of commerciality as a proxy for market harm may have derived in part from an earlier time when large-scale noncommercial uses were not widespread and were technologically more difficult (and expensive). Today, however, noncommercial uses can easily harm markets and substitute for original and derivative works. Consider the Sony

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229 See Beebe, supra note 70, at 599.
230 See Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd., 545 U.S. 913, 920–23 (2005) (describing peer-to-peer file-sharing programs in which ninety percent of content exchanged was copyrighted, often music files that could substitute for sales).
Betamax decision that held fair the sale of home video recorders that were sometimes used to record broadcast television for later viewing. The Supreme Court suggested that the time-shifting uses would not have been fair if they were commercial—largely because if they were, then there was a predicted market harm that would flow from these commercial uses.\textsuperscript{231} Even though market harm was unlikely at the time—from the private and personal time shifting facilitated by the recorders—today there would be commercial harm from such time-shifting. At the time of \textit{Sony Corp. of America v. Universal City Studios, Inc.}, there was no alternative method for consumers to watch shows that they could not view at the broadcast time, whereas today a major business model for television shows is online streaming or digital or DVD purchases. The fact that consumer time shifting is not commercial does not alter the reality that such time shifting now interferes with market revenues.\textsuperscript{232}

Nonprofit educational uses can also damage markets for works. Consider the recent decision in \textit{Cambridge University Press v. Patton}.\textsuperscript{233} The Eleventh Circuit observed that copying by academic institutions of copyrighted works for use in electronic course reserves or e-packets can cause significant market harm.\textsuperscript{234} Such educational uses could destroy the market for academic publishing just as much as commercial uses would; in fact, education markets are often the primary market for these works.\textsuperscript{235}

Similarly, in the context of the right of publicity, a noncommercial use does not make economic harms less likely. Even though it is true that uses of a person’s identity in a commercial context can damage the market for licensing that person’s identity and can damage the person’s ability to earn a living in her main profession if the use reflects poorly upon her, such ill effects could easily occur in the aftermath of a non-commercial (as in not-for-profit) use. Whether commercial or not, third-party uses can cause overexposure and tarnishing associations.

Consider the recent lawsuits filed by Cindy Lee Garcia objecting to the use of her image and performance in the controversial movie \textit{The Innocence of Muslims}—which sparked violent protests in the Middle East.

\textsuperscript{232} Such time shifting may still be fair use, but for reasons other than an absence of market harm, such as considerations of privacy and personal use.
\textsuperscript{233} 769 F.3d 1232 (11th Cir. 2014).
\textsuperscript{234} Id. at 1275.
\textsuperscript{235} See id. at 1275–79.
Garcia alleges that she was told the film was about an entirely different subject and was given misleading script pages. She alleges that she would not have agreed to appear in the film if she had known what it was about. Garcia sued the filmmakers for right of publicity and copyright violations.\(^\text{236}\) My focus here is on her right of publicity claim. As a result of the use of her identity, she suffered emotional distress and myriad economic damages, including the loss of her job.\(^\text{237}\) If she had been a more successful actor, the use of her identity in the film no doubt would have negatively affected her future ability to get roles and the willingness of anyone to pay for her to endorse a product or service. The use of her identity in the film unquestionably sits outside commercial speech yet still caused substantial economic harm. Arguably, the movie is non-commercial in the broader sense of not being for profit, since the film’s primary motivation allegedly was to criticize Islam and it does not seem that there was any effort to make money from the film’s distribution.\(^\text{238}\) Nevertheless, the economic harm to Ms. Garcia is the same regardless of whether it is commercial speech, a commercial use, or (as in this case) neither.

The fact that right of publicity cases tend to disfavor merchandising may in part reflect similar concerns about market harm. Eugene Volokh has convincingly pointed to the First Amendment problems that the right of publicity faces by disfavoring merchandise as if it were commercial speech, when it is not.\(^\text{239}\) Merchandising is often not commercial speech, even if it is commercial in the sense of being sold for profit. The concern over market harm has particular salience in a context in which an identity-holder might wish to market her own merchandise. In that instance a substitutionary problem arises in a way that it does not in the case of a single work of art. This difference may explain why many state right of

\(^{236}\) Garcia also sued YouTube (owned by Google) for secondary liability for copyright infringement for the posting of the video on its website. The copyright issue was recently decided by the Ninth Circuit in *Garcia v. Google, Inc.*, 786 F.3d 733, 740–44, 747 (9th Cir. 2015) (en banc) (holding that plaintiff was not likely to succeed on her claim that her performance in the film was copyrightable).


\(^{238}\) See Answer at 1–2, Garcia v. Nakoula, No. CV12-8315-MWF (C.D. Cal. May 20, 2014) (noting that the defendant director had not distributed the video and that he had based the work on his research on Islam).

\(^{239}\) Volokh, supra note 81, at 908–11.
publicity statutes exempt works of art that are single and original works, but not multiple copies of those works.240

But this disfavoring of merchandise cannot be supported on the basis of commerciality. An Andy Warhol painting of Marilyn Monroe may be expressive, but it is still commercial—it was painted in part with an interest in making money. Warhol originally sold his Orange Marilyn in 1964 for $1,800, and in 1998 the painting sold for more than $17 million.241 If this painting should be treated differently for liability or First Amendment purposes from mass-produced t-shirts of Marilyn Monroe with another artist’s painting of her on them, it cannot be on the basis that one is commercial and the other is not. They are both commercial. Instead, the difference is the greater likelihood that the use will injure the market for Marilyn Monroe (or her heirs) to sell official Marilyn Monroe merchandise because of the larger number of t-shirts sold and the greater likelihood that the Monroe estate would enter the t-shirt marketplace.242 Despite this possible distinction, I am not defending here either postmortem publicity rights or a differential treatment for First Amendment purposes of the t-shirts versus the painting. Instead, I am highlighting that the difference in market harm does not stem from a different commercial status between the two works. Instead, as we saw in copyright law, commerciality is not a good proxy for market harm in the right of publicity context.


241 Richard Polsky, I Bought Andy Warhol 10–11 (2005) (describing Warhol’s interest in making money and the details of both sales). Warhol actually painted a series of Monroe paintings, making it more difficult to distinguish his work from t-shirts with Monroe’s image on them; see also Tushnet, Mask, supra note 223, at 169–70 (discussing how the California Supreme Court viewed Warhol’s silkscreens as transformative because of Warhol’s reputation).

242 I use Monroe as an example because of Warhol’s work and reference to it in right of publicity decisions, but the status of her postmortem rights is contested. See Milton H. Greene Archives, Inc. v. CMG Worldwide, Inc., 692 F.3d 983, 1000 (9th Cir. 2012) (holding that Monroe had no postmortem rights, at least under California law, because she died domiciled in New York State, which does not recognize a postmortem right of publicity). Her estate is currently seeking to add a postmortem right in New York that would resurrect her right. See S. No. 5650 (N.Y. 2015) (proposing a postmortem right of publicity in the state). States that do not require a person to have died as a domicile may also recognize Monroe’s postmortem rights. See Experience Hendrix L.L.C. v. Hendrixlicensing.com LTD, 762 F.3d 829, 835–37 (9th Cir. 2014) (allowing Jimi Hendrix’s heirs to proceed with suit under Washington State’s postmortem right of publicity law even though Hendrix died domiciled in New York).
In the context of trademark law, jurisdictional requirements of a commercial use or a use in connection with the sale of goods or services or other commercial activities have been interpreted in a variety of ways.\textsuperscript{243} There has been no particular articulation, other than the limits of the Commerce Clause, for why we would want to so limit trademark infringement actions. It is possible that there is a presumption that for-profit uses are more likely to cause market harm. This is more possible in the context of trademarks than those of copyright or right of publicity laws. One can imagine that if Mutual of Omaha sells insurance and Mutual of Topeka starts its own insurance company, then consumers (if confused about the connection between the two) might purchase MUTUAL OF TOPEKA insurance instead of MUTUAL OF OMAHA insurance, thus causing market harm to the senior mark user.

Market harm might also be produced, however, by noncommercial uses that are critical—such as the infamous (at least in trademark circles) MUTANT OF OMAHA t-shirts and other merchandise that comment on the absurdity of buying insurance to protect against a nuclear holocaust.\textsuperscript{244} The defendant in that case did sell his wares—though not insurance. Even so, the defendant Franklyn Novak unquestionably had a “political message” in addition to an interest in profit-making. Moreover, the alleged harm would have been the same if he had given the merchandise away for free without any interest in financial gain. If Novak’s variation on the MUTUAL OF OMAHA mark produces negative associations in consumers’ minds, it could discourage them from purchasing MUTUAL OF OMAHA insurance and cause market harm in that regard.

At the same time, not all uses that are commercial and cause market harm are infringing (or diluting); only those that cause a likelihood of confusion (or dilution) are. If instead of “Mutual of Topeka” the competing insurance company names itself “Topeka Life Insurance,” it also may siphon off business from Mutual of Omaha—especially if its ad campaigns target the same market or compare its services and products. Yet this commercial market harm is not and should not be actionable under trademark law. What matters for establishing wrongdoing is a demonstration that such market harm was caused by unfair behavior—in particular by causing likely confusion or dilution among the relevant

\textsuperscript{243}See discussion supra Section I.A.
\textsuperscript{244}Mut. of Omaha Ins. Co. v. Novak, 836 F.2d 397, 399–403 (8th Cir. 1987) (holding that MUTANT OF OMAHA merchandise was likely to cause confusion and rejecting a First Amendment defense).
consumers. If a confusing or diluting use is a possible substitute in the marketplace this would indeed increase the potential market harm, but like the analysis for copyright law and the right of publicity, one can directly consider substitutionary effect without focusing on commerciality. I will next consider whether confusion and dilution are more likely in a commercial rather than a noncommercial context.

2. Confusion and Dilution

Trademark infringement and dilution actions turn on whether there is a likelihood of confusion (as to source or sponsorship) or a likelihood of dilution (by tarnishment or blurring). These inquiries are in part proxies for market harm, but they also provide a dividing line between what is fair and unfair competition. One can fairly compete in the marketplace and divert business, but one cannot do so by confusing and misleading the public. In the context of dilution, the dividing line is somewhat more muddy and controversial, but the claim is that if the use unduly waters down or tarnishes another’s mark then one has crossed the line and engaged in unfair competition.245 Does commerciality affect the likelihood of confusion or dilution?

Commerciality (either in the commercial speech sense or for-profit sense) does not seem to have much to do with whether a use is more or less likely to cause confusion or dilution. Nevertheless, the extent of harm that would follow in the wake of such confusion or dilution might differ at least if a substitute is available in the marketplace (which could be more likely if a product or service is sold). If one can purchase both COLGATE and COLGOAT toothpaste in the market and they have similar packaging, there is likely to be greater confusion. But this increased likelihood of confusion has more to do with how the use appears in the marketplace—a consideration in likelihood-of-confusion analyses—than with whether it is commercial.246 Suppose that the COLGOAT toothpaste is given away outside the supermarket by members of People for the Ethical Treatment of Animals (“PETA”) to protest Colgate’s continued use of animals for testing its products. Now we have a noncommercial use of the mark, yet confusion might still occur—particularly if the PETA distributors are not clearly identifying themselves as PETA or the

245 See supra note 42 and accompanying text.
246 See, e.g., AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348–49 (9th Cir. 1979); Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961).
product as different. Moreover, after the COLGOAT is handed out there might be some post-sale (or more accurately, post-distribution) confusion that would not be ameliorated by the PETA messaging. The likely blurring and tarnishment of the COLGATE mark would be equally likely (or unlikely) to occur without regard to the commerciality of the use.

Are there other reasons to think that uses in commercial speech are more likely to foment confusion? Most consumers are actually quite skeptical of commercial advertising.247 Some courts have even suggested that confusion is more likely in the noncommercial context, because communicative, noncommercial goods and services are free and therefore less heavily scrutinized. A district court in Virginia, for example, recently suggested that confusion was more likely when a nonprofit foundation criticized the NAACP (National Association for the Advancement of Colored People) by referring to it as the National Association of Abortion for Colored People, rather than by its actual name, “[b]ecause the average consumer would not make a time or financial investment to access the [defendant’s] information services, [and] the consumer is less likely to take care in investigating the author or sponsor of articles.”248 While marketing studies show that audiences are also skeptical of political and nonprofit advertising, there is little support for the proposition that people are more likely to be confused or deceived by commercial speech.

Confusion caused by noncommercial speech can also be harmful. The Second Circuit emphasized this point in Rogers v. Grimaldi, in which it applied the Lanham Act to a movie title and pointed out that deception can be a problem regardless of whether a work is commercial speech.249 The court explained:


249 Rogers v. Grimaldi, 875 F.2d 994 (2d Cir. 1989). I note that the conclusion that a title is noncommercial speech is contested. See, e.g., Am. Dairy Queen Corp. v. New Line Prods., Inc., 35 F. Supp. 2d 727, 732–35 (D. Minn. 1998) (holding that movie title was commercial speech); see also supra note 197 and accompanying text.
Movies, plays, books, and songs are all indisputably works of artistic expression and deserve protection. Nonetheless, they are also sold in the commercial marketplace like other more utilitarian products, making the danger of consumer deception a legitimate concern that warrants some government regulation. Poetic license is not without limits. The purchaser of a book, like the purchaser of a can of peas, has a right not to be misled as to the source of the product.\textsuperscript{250}

Confusion also matters in the context of political speech, perhaps much more to our democracy and the public than confusion in the context of commercial speech for consumer goods like toothpaste. Judge R. Gary Klausner of the Central District of California suggested that the Lanham Act should apply to campaign advertising for this very reason: “[The Lanham] Act’s purpose of reducing consumer confusion supports application of the Act to political speech, where the consequences of widespread confusion as to the source of such speech could be dire.”\textsuperscript{251}

Confusion in the commercial arena may be less problematic than confusion about many noncommercial communications. If people mistakenly buy 7-UP thinking it is made by Coca-Cola, when it is not, there is minimal harm to consumers from that deception. On the other hand, if someone votes for a President thinking that she was endorsed by Colin Powell or that she was a war veteran, when she is not, the stakes are much higher. Similarly, confusion over nonprofit organizations’ origins and sponsorship and deceptive advertising claims may be of the utmost concern to individuals and to the other organizations that compete both in the marketplace of ideas and for charitable donations.

Members of Congress have recognized the ability of noncommercial speech and noncommercial (not-for-profit) uses to cause trademark and quasi-trademark injuries. Representative F. James Sensenbrenner Jr., in his comments on the Trademark Dilution Revision Act of 2006, testified that “there are those in both commercial and noncommercial settings who would seize upon the popularity of a trademark at the expense of the rightful owner and the public. . . . This conduct can debase the value of a famous mark and mislead the consuming public.”\textsuperscript{252} In the context of the anti-cybersquatting provision, Congress expressly rejected a pro-

\begin{footnotes}
\footnotetext[250]{Rogers, 875 F.2d at 997–98 (citations omitted).}
\end{footnotes}
posed noncommercial use exemption because of concerns that this would create a “loophole that . . . might swallow the bill.”253

To the extent that we wish to protect consumers from confusion and producers from unfair competition when there is likely deception or dilution, distinctions on the basis of commerciality do not track these concerns. Current constitutional doctrine permits such distinctions, but we cannot pretend that such distinctions actually further the animating concerns of trademark law.

3. Dignitary/Reputational Harm

In addition to protecting the economic interests of individuals, the right of publicity also protects dignitary and privacy-based interests.254 In right of publicity cases there is sometimes an assumption that commercial uses presumptively cause harm and that this harm is greater than in the context of noncommercial uses. Yet the case for this conclusion has not been made. Would Lady Gaga be more upset by the use of her name and image to sell a line of organic baby food, BABY GAGA, or on billboards put out by the Family Research Council (“FRC”) on “The Sin of Homosexual Marriage” that suggest that Lady Gaga has switched sides in the culture war? Lady Gaga would undoubtedly suffer greater injuries—both dignitary and financial—if the public erroneously thought she had abandoned her support of marriage equality and got on board with the FRC.255 In such an instance, the noncommercial use of her identity would be far more damaging than the commercial one, both as an economic and as a dignitary matter. The frequent outrage expressed by musicians when their music is used by politicians that support political views with which they disagree demonstrates exactly this.256

254 For a developed consideration of the different justifications for the right of publicity, including dignitary interests, see Rothman, supra note 226, at 202–08; Rothman, supra note 84, at 204–24.
255 Lady Gaga could also bring a defamation claim against the FRC under these circumstances.
256 See, e.g., Henley v. DeVore, 733 F. Supp. 2d 1144, 1150–64 (C.D. Cal. 2010) (allowing a copyright claim when musician’s songs were used in political advertisement); Browne, 611 F. Supp. 2d at 1062, 1065–73 (allowing right of publicity claim for using recording artist’s music in political ad); see also James C. McKinley Jr., G.O.P. Candidates Are Told, Don’t Use the Verses, It’s Not Your Song, N.Y. Times, Feb. 4, 2012, at C1, C7 (describing numerous musicians’ complaints against Republican candidates who used their music without permission).
One recent example revolves around fan fiction involving boy-band heartthrob Harry Styles (from One Direction) that includes numerous explicit sex scenes with his “character.” The fictional work by Anna Todd was initially distributed and posted for free, though now it is being sold by a publisher. Mr. Styles may suffer a greater dignitary harm—and economic one—if this fan fiction disrupts his carefully groomed wholesome image, than if an advertisement for a ROLEX watch showed him wearing one of the company’s watches. My point is not that the First Amendment should not protect the use of Styles’ name in Todd’s fiction, nor that sexualized portraits are more denigrating than watch-wearing, but simply that commerciality can often be beside the point when evaluating whether dignitary and economic injuries have occurred or are likely to occur.

Similar issues arise in the copyright context. To the extent that one takes a broader view of copyright law beyond a purely incentive-based, narrow utilitarian model—which I think one should—it is worth considering beyond economic injuries whether commercial uses of copyrighted works would have a significantly greater dignitary or reputational harm than noncommercial uses. Even though the use of a copyrighted work in commercial advertising and other commercial settings might raise dignitary concerns, it does not necessarily raise more concerns than in a noncommercial context. Jackson Browne, for example, alleged that he suffered a dignitary injury when his copyrighted music was used in a political campaign for a candidate with whom he disagreed. Numerous musicians have refused to license their work for use in advertising. See, e.g., Waits v. Frito-Lay, Inc., 978 F.2d 1093, 1097 (9th Cir. 1992); Midler v. Ford Motor Co., 849 F.2d 460, 461 (9th Cir. 1988); R.J. Cubarrubia, Adam Yauch’s Will Prohibits Use of His Music in Ads, Rolling Stone (Aug. 9, 2012), http://www.rollingstone.com/music/news/adam-yauchs-will-prohibits-use-of-his-music-in-ads-20120809.

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258 See Rebecka Schumann, One Direction Fans Slam Harry Styles Fan Fiction Author Anna Todd, Int’l Bus. Times (Aug. 8, 2014, 12:03 PM), http://www.ibtimes.com/one-direction-fans-slam-harry-styles-fan-fiction-author-anna-todd-1653180 (quoting one fan who said, “Imagine how much it will ruin not only Harry’s, but One Direction’s image? Personally, I don’t want One Direction to be known as 5 abusive womanizes [sic] and . . . I’m sure you don’t too.”).


260 Browne, 612 F. Supp. 2d at 1131–32; see also Henley, 733 F. Supp. 2d at 1144 (rejecting a fair use defense when a well-known musician’s songs were used in political advertisement); supra note 256.
tors have complained about the perversion of their work in a variety of contexts that are not commercial speech or for-profit.261

Undoubtedly, some identity-holders and authors think that the use of their identities or works in commercial advertising causes a greater dignitary harm than other uses. One can recognize such views without having the fact that a use is commercial speech determine whether economic or dignitary harms have occurred. Such sensitivities understandably may affect the amount of damages in the case, but it is less clear that they should be considerations for determining liability.

D. Fairness and Unjust Enrichment

Some of the focus on whether a use is commercial is driven by concerns about unjust enrichment. This is the most convincing of the potential justifications for distinguishing commercial and noncommercial uses. This frame tracks—at least in part—the labor-reward justifications for copyright, right of publicity, and trademark laws. Authors, performers, and companies have all worked hard to create works, their public image, or a successful business with a recognized mark, and others should not be able to unfairly profit from these efforts by free riding. This unjust enrichment approach, however, cannot justify a differential treatment of commercial speech and noncommercial speech when the use is otherwise for profit. Nor does it sufficiently distinguish for-profit from not-for-profit uses.

The unjust enrichment rationale is shared across all areas of IP. In the only right of publicity case to reach the Supreme Court, Zacchini v. Scripps-Howard Broadcasting Co., the Court emphasized this point: “The rationale for [protecting the right of publicity] is the straightforward one of preventing unjust enrichment by the theft of good will. No social purpose is served by having the defendant get free some aspect of the plaintiff that would have market value for which he would normally

The free-riding concern has long been part of trademark and unfair competition jurisprudence. In *International News Service v. Associated Press*, the Supreme Court held that there could be liability for “reaping” where one had not “sown,” at least under limited circumstances in which the value of the plaintiff’s work would be destroyed by another’s use. This free-riding doctrine has been narrowly cabined, but it still percolates up in a variety of ways in IP (and quasi-IP) law. Similar language has been used to justify the application of copyright laws when an entity fails to pay a customary fee for a use.

These expressed sentiments fit with a moral instinct that if a user makes money from the use of another person’s work, identity, or trademark, the original author, identity-holder, or markholder should receive some of the profits. Outside the courtroom, authors of copyrighted works seem to share this view. Most users of the alternative licenses for copyrighted works issued by Creative Commons opt for licenses that do not allow commercial uses of their works without permission (and likely payment), but that do allow such uses in noncommercial contexts. So at least some authors—even ones that are more permissive of uses of their works and therefore seek out Creative Commons licenses—think there is something different about commercial (as in for-profit) uses of their work. This likely is driven by a sense that commercial users can, and therefore *should*, pay for the use.

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268 See Christopher Sprigman, Reform(alizing) Copyright Law, 57 Stan. L. Rev. 485, 565 (2004). The Creative Commons does not provide a definition of what is meant by “commercial.” The organization commissioned a study of what “noncommercial” means to online users and determined that the bulk of respondents define a “commercial” use as any use for which “payment was received,” even if no profit was ultimately made. See Creative Commons, Defining “Noncommercial”: A Study of How the Online Population Understands “Noncommercial Use” 11–12 (2009).
Unjust enrichment may provide some guidance on appropriate remedies, as I will discuss in Part IV, but it does not establish a workable framework for determining liability at the outset. A person can be unjustly enriched without necessarily financially profiting from something, for example, by receiving public accolades for something that did not originate with the copier or by enjoying another’s work without paying for it. We also must tolerate some uses of others’ works, identities, and marks without payment in order to allow continued creative output. The difficult question is: When does a use fall into the “unjust” rather than the “just” enrichment category?267

Copyright scholars have often and rightly noted that there is truly nothing new under the sun and that the copyright system must provide great latitude to build off others’ works that have come before. Consider the best-selling erotic fiction, Fifty Shades of Grey. The kernel of the book began as fan fiction responding to the distinctly chaste hit Twilight series.268 Was E.L. James unjustly enriched by having based her initial fan fiction on the prior series (which itself could hardly be thought of as wholly original)? Compare Robin Thicke and Pharrell Williams’s Blurred Lines with Marvin Gaye’s Got to Give It Up. A jury recently held that Blurred Lines infringed Gaye’s song and awarded the plaintiffs $7.4 million, but the judge in the case has deferred judgment and many experts think the case (if it does not settle) may ultimately resolve either after a new trial or on appeal in Thicke and Williams’s favor.269 Even if upon further review the two songs are held not sufficiently similar for

267 Restatement (Third) of Restitution & Unjust Enrichment § 42 (2011) (noting that unjust enrichment analysis simply “beg[s] the question” of underlying IP issues, such as whether a use is fair or not).


copyright infringement, or *Blurred Lines* is deemed sufficiently transformative to merit a fair use defense, it is still reasonable to conclude that Thicke and Williams’s song benefited tremendously from Gaye’s work without providing Gaye’s estate any credit or payment.270 Some might think this unjust, others an appropriate and common aspect of the music industry.271 This example highlights the difficulty of using commerciality as the basis for the unjust enrichment analysis. The act of borrowing, stealing or paying homage (depending on one’s point of view) is the act that should be judged as just or unjust rather than the subsequent sale of the derivative work. *Blurred Lines* should be evaluated as just or unjust regardless of whether it is sold and regardless of whether it becomes a big commercial hit.

IP laws often allow and even encourage free-riding when it is decided as a matter of policy that we would prefer to have second-comers produce works, refer to others’ trademarks, practice inventions, or evoke public personalities. In the context of trademark law, the ability to use others’ marks facilitates the ability to adequately describe and compare products, and to disseminate products that are free from copyright or patent protection. When works are no longer protected by copyright or patent law, we seek to promote their copying even if others reap where they have not sown.272

To the extent one thinks that commercial uses are unfair precisely because of the financial profiting from another’s labors, it may suggest that some form of reasonable licensing fee or royalty payment based on sales would be a more appropriate remedy than injunctive relief.273 This is an ex post facto question, however, and should not determine as a preliminary matter whether a use is infringing. Moreover, it is sometimes difficult to figure out in advance whether a financial gain is intended (for ex-

270 Thicke has conceded to being influenced by Gaye’s song. See Caramanica, supra note 269.
ample, in the context of fan fiction that becomes so popular that commercialization is encouraged) or if a use will be profitable.

Nor is there anything intrinsic to noncommercial uses that make them less threatening to copyright holders. Is distributing a *Harry Potter* lexicon free of charge and without any economic or profit motive to fans worldwide more worthy of protection because of its nonprofit status than is one that is sold for profit? Or should the legitimacy of such a lexicon stand or fall on other concerns such as the scope of the derivative works right and how much of Rowling’s copyrighted materials are used? If J.K. Rowling deserves the exclusive right to control how *Harry Potter* terminology and information is disseminated (which she does not), why should it matter whether money is made off of doing so or not? The harm to her dignitary and economic interests will be the same regardless.

Right of publicity cases also highlight some of the challenges of using commerciality as the dividing line between legitimate and illegitimate uses. Consider the successful (though controversial) claim that the sale of busts of Martin Luther King, Jr., infringed the dead civil rights leader’s right of publicity. Many (likely most) people who purchased the busts wanted to indicate (and celebrate) their support of Martin Luther King, Jr.’s, advocacy of racial equality. How do we decide which uses of King’s identity are just and which are unjust? Justice Weltner, who concurred in the decision by the Georgia Supreme Court that the use was infringing, questioned the specifics of the majority’s decision for exactly this reason. Weltner thought the majority’s financial gain standard was unworkable. He proposed a series of hypotheticals that all implicate financial gain to demonstrate that even when there is financial gain we might wish to allow certain uses, making that standard not a helpful one for determining where to draw the line. Weltner’s examples include a child winning a twenty-five dollar prize for the best essay on Dr. King’s life, the same essay being printed in a newspaper sold to the public, the same child making a bust of Dr. King for a monetary prize, that bust being displayed in the newspaper, and finally the use of the same bust for various fundraising activities at the child’s school or being used by the

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275 See Martin Luther King, Jr. Ctr. for Soc. Change, Inc. v. Am. Heritage Prods., Inc., 296 S.E.2d 697, 703 (Ga. 1982); see also Volokh, supra note 81, at 909–10 (criticizing the decision).
nonprofit UNICEF in its holiday cards. The sole purpose in each instance is not to financially profit, but it certainly is one of the interests. How do we balance the King estate’s interests in controlling all uses and garnering all profits from those of the public and other entities in using (even for purposes of financial gain) King’s identity? Commerciality does not provide an adequate basis for distinction among these uses.

Across the areas of IP law, commerciality turns out not to be a good determinant of the dividing line between just and unjust uses of others’ IP. Commercial uses can be “just” and noncommercial ones “unjust.” Because we can consider things like substitutability, market harm, motivation, and transformativeness independently of commerciality, there is little reason to rely on commerciality as a secondary indicator of these primary concerns.

IV. IMPLICATIONS

The current treatment of commerciality in IP law is confusing, inadequately supported, and in need of reform. Given the confusion over the role of commerciality in IP laws, as well as the unsatisfying justifications for distinguishing uses on the basis of commerciality, it is time to reconsider reliance on commercial distinctions in IP laws. As the preceding discussion demonstrates, IP laws would not unconstitutionally restrict speech by doing so. Far from it—IP laws would continue to operate as lawfully sanctioned speech restrictions. To the extent we wish to retain some distinctions based on commerciality, what we mean by “commercial” in a given circumstance must be clearly defined, uniformly applied within a given body of law, and based on some convincing reason for disfavoring (or sometimes favoring) one type of use over another.

The possible paths to reform are many, and there is likely to be disagreement about the best way out of this morass. My goal in this final Part is to suggest some implications that flow from the foregoing analysis, but by doing so I do not intend to present a singular or complete vision of a single path forward. Instead, I provide several insights and potential directions the law could take. I begin by providing several observations that range across all areas of IP, and then provide some specific insights as to each area of IP.

First, commercial speech can be valuable, contributing to our marketplace of ideas and our cultural and expressive storehouse. It has not been demonstrated that such speech is more likely to be harmful to the interests of IP holders than is noncommercial speech. Nor need we fall back on using commercial speech to indicate likely harms when we can directly consider such harms. Blind adherence to the disfavoring (or exclusion) of commercial speech when considering speech-based defenses underprotects valuable contributions to the marketplace of ideas, and places at risk uses rooted in the liberty interests of the owners and customers of commercial enterprises. At the same time, giving unthinking preference and exemptions to noncommercial speech can threaten many of the interests sought to be protected by IP laws. Noncommercial speech can cause market harm, confuse consumers, be unjust, and injure dignitary interests.

Nevertheless, the commercial speech doctrine currently is in place and provides one possible avenue to limit some of the excesses of potentially broad IP laws like dilution and the right of publicity that threaten speech that many (including myself) think deserve strong First Amendment protection. If we choose to use the commercial speech doctrine to contain these laws, we should do so with full awareness that reliance on the doctrine comes with some pitfalls. Additionally, the definition of commercial speech in the context of IP laws should be more clearly delineated and should ideally be limited to advertising for products or services that are offered for sale and that do not qualify themselves as non-commercial speech (such as movies or books). This clarification would avoid many (though certainly not all) of the definitional challenges that have plagued IP cases, particularly those involving the use of titles and advertisements for expressive works, such as movies and books. Such a clarification also would exclude corporate speech not directly aimed at selling particular products or services, but instead that is aimed at political or other public debates.

A second overarching point that flows from my analysis is that there is inadequate support for distinguishing for-profit and not-for-profit uses. Constitutional law does not justify differentiating uses on the basis of for-profit status when they do not qualify as commercial speech. Nor has a compelling case been made that commercial uses are less valuable or more harmful than their nonprofit counterparts. To the extent that consideration of whether a use is commercial—in the sense of being for-profit—is being used as an informational shortcut or proxy for other
considerations (such as likely market harm), we need not rely on such a proxy. More targeted and direct inquiries, such as (in the copyright context) whether the use is substitutionary or transformative, are available. If we want to create clear-cut safe harbors, they could turn on limited distribution, rather than on commerciality; for example, there is a big difference between disseminating a work on the Internet and sharing it with your Trademarks class or a small group of friends and family. If we continue to consider for-profit status, it should be one of several considerations, but should never be dispositive of liability nor a basis for removing First Amendment or other free-speech-based defenses.

To the extent we retain distinctions between for-profit and not-for-profit uses, it may also make sense to distinguish acquisition of rights and defenses to liability from additional supports or exemptions that favor noncommercial uses. Although I have called into question the disfavoring of commercial uses, there may still be room for subsidizing some not-for-profit uses. In copyright law, for example, we might continue to find it appropriate to give a leg up to organizations and individuals that are unlikely to be able to pay to license various works (because they are not generating income) or will be particularly susceptible to the chilling effect produced by statutory damages and legal costs. Currently, this assessment has been made in the context of educational institutions and their employees; to facilitate the assertion of fair use by these entities, the Copyright Act provides remittance from the statutory damages provision.\(^{277}\) Despite these possibilities, the foregoing analysis suggests that we should first consider why a broader exemption—one not rooted in commerciality—would not work. If we want to facilitate assertions of fair use by scholars or those who are underfunded, for example, we could do so without automatically tying such evaluations to nonprofit status. For-profit documentary filmmakers, for example, may need more support from the copyright system than a well-endowed nonprofit like the Bill & Melinda Gates Foundation.

Finally, remedies may address some concerns about the possible impact of removing or reducing considerations of commerciality in IP laws. Infringing uses that are sold for profit may be more likely to have higher damages awarded against them because profits can be recovered, and in some instances the market harm will be greater if there is widespread distribution, something that often (though not always) comes

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with commercial distribution. In right of publicity cases, a particular plaintiff’s aversion to advertising could also result in a higher award for dignitary harm.278

In addition to these broad implications, there are also a number of more specific implications for each area of law.

A. Trademark Law

One primary object of any reform of the Lanham Act should be to provide clarity as to the meaning and scope of the Act. In doing so, the primary goal of preventing confusion as to source, sponsorship, or affiliation should be recognized without regard to for-profit status or whether a use takes place in commercial speech. The Lanham Act must continue to be limited by the Commerce Clause, but outside this constitutional restriction there is no reason to limit trademark laws to commercial speech or even to commercial uses. The acquisition of trademark protection should continue to be provided without regard to commerciality. The key inquiry for protectability should be public distribution of the mark and public associations with that mark as a particular source of a service or product (even if that service or product is not sold, or is sold by a nonprofit). Infringement and dilution actions should be able to proceed against noncommercial speech and not-for-profit uses because the relevant harms—confusion and dilution—are possible without regard to commerciality. Clarifying this broad view of the scope of the Lanham Act would resolve the vast confusion on the topic and make the law more predictable and coherent across (and within) the federal circuits.

If dilution law remains on the books (which is likely), then limits other than those rooted in commerciality should be considered. Although current commercial speech doctrine might permit some latitude to limit dilution law to commercial speech, such limits are not required. An alternative speech-protective approach that might have a broader effect is to explicitly require that a defendant use a similar mark as an actual trade name. Some have claimed that dilution law currently does this, but not all courts have agreed and the language of the statute is ambigu-

278 See Waits v. Frito-Lay, Inc., 978 F.2d 1093, 1097, 1103 (9th Cir. 1992) (allowing singer, who refused to license his music for advertising, to recover for dignitary and economic harms).
ous.279 Limiting dilution to use as a mark would largely dispense with the need to specifically exempt entertainment works. The foregoing analysis suggests that it may be appropriate to strike the exception for noncommercial uses from the dilution provision of the Lanham Act, but the descriptive and nominative fair use defenses and the parody and news-based exceptions would continue to provide defenses.

Let’s reconsider the example of Michael Jordan’s lawsuit against the supermarkets that placed congratulatory one-page spreads in a *Sports Illustrated* issue celebrating his Hall of Fame induction. Both *Sports Illustrated* and the supermarkets should be capable of being held liable for false endorsement. It makes no sense to exempt the magazine from the Lanham Act, since likely confusion as to endorsement would be harmful to consumers and to Jordan.280 The justifications behind trademark law direct us to include such noncommercial speech, as well as uses that are not directed at financial gain, within the Lanham Act’s purview. If a nonprofit Chicago health clinic places a similar spread in the magazine that is confusing as to sponsorship, similar harms arise. Perhaps the clinic performs abortions that Jordan opposes, or a patient decides to go there because she thinks Jordan endorsed the place and then suffers a severe injury as a result of malpractice. The primary consideration in each instance should be whether the use is likely to cause confusion as to Jordan’s endorsement.

If such confusion is established, then a variety of other considerations should govern free speech concerns. Such concerns need not turn on commerciality. Noncommercial speech should not get a free pass, nor should commercial speech be denied speech-protective defenses. For example, the question of whether the confusion is likely to be material to consumers, that is, whether it would affect their purchasing choices, does not turn on commerciality.281 Other considerations could focus on

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279 See Stacey L. Dogan & Mark A. Lemley, The Trademark Use Requirement in Dilution Cases, 24 Santa Clara Computer & High Tech. L.J. 541 (2008) (contending (and advocating) that dilution law requires a defendant to use another’s mark as its own mark or trade name for liability to attach).

280 Because of the traditional news and sports coverage by the magazine, consumers might not be likely to think Jordan endorsed the issue. On the other hand, because the commemorative issue is very different from the typical *Sports Illustrated* issue, consumers might well think that Jordan’s permission was required.

281 Materiality has been a frequently advocated approach to reigniting in some of the excess of trademark law. See, e.g., Mark A. Lemley & Mark Mckenna, Irrelevant Confusion, 62 Stan. L. Rev. 413 (2010) (advocating for adding a materiality evaluation); Tushnet, supra note 54, at 1344–74.
the likely motivation of the use—was the use motivated primarily by an interest in exploiting Jordan’s identity to generate sales, or were there other communicative, informational aspects that were sought to be promoted? Although the former may be more likely in pure commercial advertising, the law need not be limited to commercial advertising, as this would leave nonprofit organizations and the public underprotected from confusing uses of nonprofits’ marks, as well as underprotected from confusing uses by nonprofits.

When evaluating speech-protective defenses, courts should also consider whether an excessive amount of another’s mark was used. This tracks the nominative fair use analysis which does not turn on commercial status. If a defendant cannot easily identify the product or service without using the mark, uses only a reasonably necessary amount of the mark to identify the product or service, and does nothing to suggest sponsorship or endorsement by the trademark holder, then the use should be deemed fair without regard to whether the use is commercial speech (or for profit). 282

Courts also should recognize that commercial users have expressive interests of their own. For example, in the context of the Whimsic Alley store that sells wizardry merchandise and organizes wizardry parties, the fact that the store financially profits from the sale of various merchandise or services should not determine the legitimacy of its actions. There should be First Amendment review of such claims even if they are for profit, and even if they are deemed commercial speech. Due respect should be given to the fact that Whimsic Alley’s use of Harry Potter-related references and costumes furthers its owner’s and employees’ and customers’ expressive interests; these interests are not diminished by the fact that the owner and employees have turned their avocation into a vocation. To the extent that we want to distinguish the store’s parties from a backyard birthday party, its for-profit status should not be the decisive dividing line. Private parties will not meet the use in commerce requirement under the Commerce Clause. Additionally, various privacy interests would weigh against enforcement of even state trademark laws. This would hold true for a party in a public park as well as in a private home, because it could still be considered a zone of privacy—limited to a circle of friends and family. The small-scale use without public distri-

bution could also be deemed either de minimis or simply as falling outside the purview of state laws because of the lack of distribution.  

B. Copyright

Copyright laws should continue to award copyright protection without regard to whether works are developed for commercial exploitation. Some scholars have recently contended that this basic premise should be altered, claiming that works without “independent commercial value” should not get the automatic benefit of copyright protection and authors of such noncommercial works should get fewer rights.  

The preceding analysis demonstrates that there is no justification for treating creators who do not wish to commercially profit from their works as second-class copyright citizens who should have fewer rights to control uses of their works. Authors (whether they directly seek commercial recompense or not) are still incentivized to produce works by the copyright system and also have dignitary interests that should be protected by copyright laws.

On the other end of the spectrum, some scholars have suggested that, rather than favor commercial works in the acquisition of copyright protection, we should disfavor uses that are primarily driven by financial motives. In particular, some have advocated for denying or reducing copyright protection for advertising, contracts, financial prospectuses, labels, and other “commercial information works.” Yet, as the analy-

283 See, e.g., Cal. Bus. & Prof. Code §§ 14202, 14245 (Deering 2015) (requiring use to involve sale, distribution, or advertising).

284 Pamela Samuelson et al., The Copyright Principles Project: Directions for Reform, 25 Berkeley Tech. L.J. 1175, 1198–1202, 1208–15, 1230–31 (2010); see also Sprigman, supra note 266, at 491 (suggesting that we “filter [out of copyright system] commercially valueless works”).

sis in Section III.B demonstrates, advertising and other commercial works contribute valuable information and expression. Copyright law’s primary objective of promoting progress through incentivizing the production of creative works is furthered by both commercial speech and for-profit uses. Its secondary goals of rewarding authors’ labor and protecting their personhood interests also are furthered without regard to whether creators are producing commercial speech or for-profit works. Accordingly, if commercial works are sufficiently original, they sit within the heartland of copyright.

In the context of liability for using others’ works, fair use and other explicit exemptions to copyright liability could be recalibrated to deemphasize or eliminate considerations of commerciality. Fair use need not focus on whether a use is for profit, but instead on whether a particular use is substitutionary, and also whether it is transformative (thereby contributing something new to our cultural storehouse that is less likely to interfere with the market for the initial work). Preferred categories for fair use could continue to be identified—such as educational uses, commentary, criticism, and news—but the preference should not automatically turn on nonprofit status. Copyright has already largely moved in this direction after *Campbell v. Acuff-Rose Music* and that decision’s clarification that commercial uses are not presumptively unfair.

Specific statutory exemptions also could shift to focus on whether a use in a preferred category, like education or libraries, is fulfilling the mission of an educational institution or library, rather than on whether it is a commercial enterprise. Exemptions to the DMCA anticircumvention provisions also could focus more on categories not rooted in commerciality. Exceptions for good faith assertions of fair use and for

286 It is important to recognize that transformative uses are not only those that are literally altered, but also those put to a new purpose. See Jennifer E. Rothman, Copyright’s Private Ordering and the “Next Great Copyright Act,” 29 Berkeley Tech. L.J. 1595, 1644–45 (2014). Nontransformative uses should also at times be recognized as fair. See Rothman, supra note 173, at 492 (advocating for valuing some nontransformative uses); Rebecca Tushnet, Copy This Essay: How Fair Use Doctrine Harms Free Speech and How Copying Serves It, 114 Yale L.J. 535 (2004) (advocating for providing fair use for a variety of nontransformative uses).

documenting reality—whether in news, literature, or film (whether fiction or documentary)—make more sense than limiting allowable circumvention to nonprofit contexts.\footnote{Elsewhere I have advocated greater latitude for individuals to document their lived experiences, which include engagement with IP. See Rothman, supra note 173.}

\section*{C. Right of Publicity}

The initial acquisition of the right of publicity should not turn on the economic value of the underlying identity-holder. Identity-holders, whether they are public figures or not, or have prior commercial value or not, are all capable of suffering both dignitary and economic harms from uses of their identities. The use of Facebook subscribers’ names and images to endorse products without their permission should fall within the scope of right of publicity claims even though the subscribers do not have independently valuable personas. Although for some, maybe even many, the dignitary injuries will be greater if their identity is used without permission in commercial advertising, dignitary harms also flow from uses outside commercial advertising. Similarly, economic harms can stem from both commercial and noncommercial speech. Thus, the motivations behind the right of publicity are not circumscribed to the commercial advertising context, even though some of the first cases to challenge the appropriation of identity arose in the context of advertising and product packaging.\footnote{See, e.g., Pavesich v. New Eng. Life Ins. Co., 50 S.E. 68 (Ga. 1905); Roberson v. Rochester Folding Box Co., 64 N.E. 442 (N.Y. 1902).}

Nevertheless, because of the right of publicity’s potentially vast threat to free speech, current commercial speech doctrine may provide a potential avenue for cabining the right. Even if the right of publicity is limited to commercial advertising, it does not mean that there should be no First Amendment scrutiny of such uses of a person’s identity. Such uses can be truthful, informative, and expressive, and some latitude to use others’ identities should be provided even in the context of advertising. If the right of publicity is not limited to commercial speech, it should not otherwise be limited only to for-profit uses. There is no constitutional basis to distinguish for-profit and nonprofit uses of another’s identity, and there are only very weak normative arguments for distinguishing the two.
Returning to some of the examples from the Introduction, the uses of Michael Jordan’s identity and those of the *Harry Potter* characters should not automatically be right of publicity violations simply because the uses are classified as commercial speech. There are strong First Amendment defenses in each instance. The supermarkets were expressing a congratulatory sentiment with regard to Jordan’s induction into the Hall of Fame, a use that was truthful, limited in scope, and a matter of public concern. Similarly, even though Whimsic Alley was selling merchandise with the actors’ images in its store and having its own staff and independent guests dress up as their favorite characters from the movie, these uses are related to an expressive purpose and involve engagement with lawfully purchased merchandise and characters that have cultural and personal import.

**CONCLUSION**

The chaos created in intellectual property law by relying on commerciality as a dividing line for liability suggests that the reverberations from the commercial speech doctrine go further than many have thought. Even if the commercial speech doctrine remains in place, it should not be imported to other fields, such as intellectual property, without appreciating that the doctrine is being asked to do work that it cannot do, and that the ultimate goals sought to be achieved would often be better served by alternative frames that do not focus on commerciality.

It is not that there is never a reason to treat nonprofit organizations or corporations differently, or to distinguish commercial from noncommercial speech, but instead that one must hone in on exactly why and when we should do so. Simply putting the scarlet word “commercial” on uses cannot be the justification for different protection or liability.

For those concerned about trying to limit the ever-expansive reach of intellectual property laws, the commercial speech doctrine and commerciality more broadly have sometimes seemed like attractive loci for cabling the excesses of intellectual property law. Such an approach, however, is not always the best way to address our speech concerns. In most instances, more direct inquiries would better serve the underlying interests of each body of intellectual property law. Even if dilution law and right of publicity law opt (or continue) to employ the commercial speech doctrine as a limiting principle, we should clearly define what we mean by the term—ideally circumscribing it to advertising for specific prod-
ucts or services—and then stick clearly to these parameters. If we go down this path, we should nevertheless retain ample speech protections even for commercial speech.

Although I have not directly challenged the legitimacy of the commercial speech doctrine, the challenges that commercial speech jurisprudence presents for the intellectual property field provide additional fuel to arguments that the commercial speech doctrine stands on unstable ground. Being clearer about when and why commerciality matters (and when and why it does not) in intellectual property law may provide guidance about how to move forward with (or away from) the commercial speech doctrine elsewhere.