

2011

Property's End: Why Competition Policy Should Limit the Right of Publicity

Steven Semeraro

Follow this and additional works at: https://opencommons.uconn.edu/law_review

Recommended Citation

Semeraro, Steven, "Property's End: Why Competition Policy Should Limit the Right of Publicity" (2011).
Connecticut Law Review. 99.
https://opencommons.uconn.edu/law_review/99

CONNECTICUT LAW REVIEW

VOLUME 43

FEBRUARY 2011

NUMBER 3

Article

Property's End: Why Competition Policy Should Limit the Right of Publicity

STEVEN SEMERARO

The right of publicity is an intellectual property right that empowers celebrities to prohibit unauthorized uses of their names, images, and identities. Since its inception a half-century ago, the right has been an enigma. Publicity rights, critics argue, are unnecessary to stimulate the pursuit of fame, unneeded to manage the value of publicity, and undeserved in any recognized moral sense. Yet, to the amazement of some, and the consternation of many, this ostensibly persuasive critique has had little practical impact on lawmakers.

This Article proposes that competition policy should delineate the scope of the right of publicity. Some judges and legal commentators write as if the limits of property are set independently of other social interests. The value of competition, they say, plays no direct role in defining the scope of property rights. Through a careful review of case and statutory law, this Article shows that this view is mistaken. In fact, competition policy plays a critical role in defining property's end, limiting the scope of all recognized property rights when those rights enable owners to stifle meaningful competition. The antitrust laws and competition-based regulatory programs have repeatedly required owners to share or sell all forms of property in order to ensure that consumers receive the benefits of competition. Applying this insight to the right of publicity would enable courts to narrow the scope of publicity rights whenever a celebrity's exercise of that right would restrain competition. This approach would curb the worst abuses in the publicity rights cases without casting doubt on the legitimacy of other property rights.

ARTICLE CONTENTS

I. INTRODUCTION.....	755
II. THE TROUBLED YET RESILIENT RIGHT OF PUBLICITY	759
A. ORIGINS OF THE RIGHT OF PUBLICITY.....	759
B. THEORETICAL JUSTIFICATIONS FOR THE RIGHT OF PUBLICITY	760
C. CURRENT LAW.....	762
III. A CRITIQUE OF THE INSTRUMENTAL JUSTIFICATIONS FOR PUBLICITY RIGHTS	763
A. CRITIQUING THE INCENTIVE-BASED JUSTIFICATION OF THE RIGHT OF PUBLICITY	764
B. A CRITIQUE OF THE ALLOCATIONAL DEFENSE OF THE RIGHT OF PUBLICITY	770
IV. A CRITIQUE OF PROPERTY’S MORAL JUSTIFICATIONS	774
A. CRITIQUING THE LOCKEAN MORAL DEFENSE FOR THE RIGHT OF PUBLICITY	775
B. CRITIQUING THE AUTONOMY-PERSONALITY DEFENSE OF THE RIGHT OF PUBLICITY	779
C. THE RIGHT OF PUBLICITY’S LACK OF PEDIGREE.....	783
V. DISTINGUISHING THE RIGHT OF PUBLICITY FROM OTHER FORMS OF PROPERTY ON FREE SPEECH GROUNDS	785
A. THE STANDARD CRITIQUE OF FREE SPEECH PRINCIPLES TO LIMIT PUBLICITY RIGHTS.....	787
B. AN ALTERNATIVE CRITIQUE OF FREE SPEECH ANALYSIS	788
VI. DISTINGUISHING THE RIGHT OF PUBLICITY THROUGH COMPETITION POLICY	792
A. DEFINING COMPETITION POLICY	792
B. THE INTERACTION BETWEEN COMPETITION POLICY AND PROPERTY RIGHTS.....	796
C. COMPETITION-PROPERTY INTERACTION IN SPECIFIC CASES	798
D. INTEGRATING COMPETITION POLICY INTO RIGHT-OF-PUBLICITY ANALYSIS	809
E. APPLYING THE COMPETITION POLICY APPROACH TO PARTICULAR TYPES OF PUBLICITY RIGHTS CASES	812
VII. CONCLUSION.....	818



Property's End: Why Competition Policy Should Limit the Right of Publicity

STEVEN SEMERARO*

I. INTRODUCTION

The right of publicity is an intellectual property right that empowers celebrities to prohibit unauthorized uses of their names, images, and identities.¹ Since its inception a half-century ago, the right has been an enigma. Its critics argue that “no one seems to be able to explain exactly why individuals should have this right.”² Publicity rights are unnecessary to stimulate the pursuit of fame,³ unneeded to manage the value of publicity,⁴ and undeserved in any recognized moral sense.⁵ Yet, to the amazement of some, and the consternation of many, this ostensibly persuasive critique has had little practical impact on lawmakers. K.J. Greene summed up the current state of affairs pithily: “The right of publicity . . . has a lot of analytical problems and yet, . . . [it] has expanded

* Professor of Law, Thomas Jefferson School of Law. The author thanks Shubha Ghosh, Kevin Jerome Greene, Abigail Kite, Mark Lemley, and Eric Mitnick for comments on earlier drafts, and Carmela Rodgers, James Mullen, and Jay Temple for their research assistance.

¹ The right of publicity is a property right prohibiting the appropriation of “the commercial value of a person’s identity by using without consent the person’s name, likeness, or other indicia of identity for purposes of trade.” RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995); *see also* CAL. CIV. CODE § 3344 (West 1997) (prohibiting “us[ing] another’s name, voice, signature, photograph, or likeness, in any manner, on or in products, merchandise, or goods, or for purposes of advertising or selling, or soliciting purchases of, products, merchandise, goods or services”). The right is generally thought to be limited to “commercial” uses. *See* 1 J. THOMAS MCCARTHY, THE RIGHTS OF PUBLICITY AND PRIVACY § 3:2 (West 2d ed. 2005) (explaining that “what is required is proof that the defendant intended to obtain a commercial advantage”). Some states, though, extend it to any advantageous use. *See, e.g.,* Newton v. Thomason, 22 F.3d 1455, 1460 & n.4 (9th Cir. 1994); White v. Samsung Elecs. Am., Inc., 971 F.2d 1395, 1397 (9th Cir. 1992) (defining the right as applying to “appropriation of plaintiff’s name or likeness to defendant’s advantage, commercially or otherwise” (quoting Eastwood v. Superior Court, 198 Cal. Rptr. 342, 347 (Ct. App. 1983))), *amended by* No. 90-55840, 1992 U.S. App. LEXIS 19253 (9th Cir. Aug. 19, 1992).

² Stacey L. Dogan & Mark A. Lemley, *What the Right of Publicity Can Learn from Trademark Law*, 58 STAN. L. REV. 1161, 1163 (2006) [hereinafter Dogan & Lemley, *Right of Publicity*]; *see also id.* at 1190 (concluding that “a reasonable and persuasive justification for the right of publicity [is] sorely lacking”); Michael Madow, *Private Ownership of Public Image: Popular Culture and Publicity Rights*, 81 CALIF. L. REV. 125, 134 (1993) (arguing that the right of publicity was adopted “without a systematic, theoretically persuasive case ever having been made for recognition of an independent property-like right of publicity”).

³ *See infra* Part III.A.1.

⁴ *See infra* Part III.B.2.

⁵ *See infra* Parts IV.A.1, B.1.

faster than Steven Segal's waistline in recent years."⁶

This Article has two goals. First, it explains why the seemingly powerful prevailing critique of publicity rights has failed to influence courts and legislatures. The right's critics claim that publicity cannot be property because the arguments used to justify actual property simply do not apply to publicity.⁷ So far, so good. But when one looks closely at any form of property—real or personal, patent or copyright—the standard justifications break down. As a result, each quiver in the right-of-publicity critic's arsenal turns out to be just as fatal when aimed at every other form of property.⁸ This part of the Article reveals the critique's overbreadth and postulates that lawmakers are reluctant to substantially restrict the right of publicity on grounds that would also compel fundamental changes to all property rights.⁹

⁶ K.J. Greene, *Intellectual Property Expansion: The Good, the Bad, and Right of Publicity*, 11 CHAP. L. REV. 521, 521 (2008). In 2005, right-of-publicity critic Mark McKenna wrote that the right "has expanded to allow claims against an ever-increasing range of conduct. . . . And there is no end to that trend in sight; one can discern no principle in the current doctrine or its dominant theory on which any limitation might be based." Mark P. McKenna, *The Right of Publicity and Autonomous Self-Definition*, 67 U. PITT. L. REV. 225, 226 (2005) (footnote omitted); *id.* at 226 & n.6 (citing "a long line of (often successful) attempts by celebrities to extend the claim's boundaries"); *see also* Sheldon W. Halpern, *The Right of Publicity: Maturation of an Independent Right Protecting the Associative Value of Personality*, 46 HASTINGS L.J. 853, 869 (1995) (citing wide academic support for the right of publicity); Gil Peles, *The Right of Publicity Gone Wild*, 11 UCLA ENT. L. REV. 301, 301 (2004) (explaining that the right of publicity "is now utilized more than ever before").

⁷ *See infra* Part III.

⁸ In his seminal critique of the right of publicity, Michael Madow acknowledged that many of his arguments could be applied to property rights generally. *See* Madow, *supra* note 2, at 183–84 ("[I]t is by no means evident that *anyone*—carpenter or celebrity—has a natural or moral right to the full *market value* of the product of her labor."); *id.* at 196 ("Just as the carpenter does not start from scratch in building a chair, but instead draws upon a pre-existing body of techniques, tools, and craft knowledge, so it is with artists, musicians, actors, and even athletes."); *id.* at 205 & n.384 (citing prior work critiquing the economic arguments in favor of all forms of private property); *id.* at 212 & nn.412–13 (recognizing prior work showing that the incentive effect of weakening property rights is theoretically uncertain); *id.* at 220 & n.442 (recognizing that private property is not necessary to allocate resources efficiently because any central manager could prevent wasteful use, and non-legal social factors operate to discourage waste). Madow's followers have made a greater effort to distinguish the right of publicity from other forms of property. *See* Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1188 ("Unlike copyright law—which aims to promote the production of valuable works of authorship that enhance the quality of discourse and understanding in our society—the right of publicity . . . does not encourage the production of any identifiable value . . .").

⁹ One might, of course, argue that all forms of property are invalid. Understandably, the critics have not done that. Instead, most have simply ignored the issue of whether publicity rights are similar to other property rights. Those who have considered the question, however, generally acknowledge an intuitive, yet unarticulated, sense that publicity rights are valid property rights. For example, Alice Haemmerli, who has attempted to justify the right on moral grounds, has asserted that a right of publicity "resonates fairly strongly with our cultural mores." Alice Haemmerli, *Whose Who? The Case for a Kantian Right of Publicity*, 49 DUKE L.J. 383, 413 (1999); *see also id.* at 390 (arguing that "the Kantian emphasis on inherent human value resonates strongly with our political culture"); *id.* at 404 (observing that "compensation- and commodification-based objections to the right of publicity appear to be emotional, rather than analytical"); *id.* at 488 (maintaining that beliefs in personal autonomy and private property underlie our culture). Similarly, Eugene Volokh, who generally shares the critics' concerns with the right of publicity, has recognized that "[t]he notion that my name and likeness are my property seems to make sense." Eugene Volokh, *Freedom of Speech and the Right of Publicity*, 40

Second, this Article considers theories that would more effectively limit the right of publicity. It first explores the argument that free speech interests should limit publicity rights.¹⁰ This approach is doomed to fail because, as many commentators have explained, courts cannot balance the social value of particular forms of speech against publicity rights because the value of publicity is so poorly articulated.¹¹ Even more fundamentally, the concept of balancing free speech and property interests is incoherent. Individuals have no right to use another's property to speak.¹² Any attempt to limit the scope of the right of publicity through the prism of the First Amendment will thus beg the question whether publicity is property. If it is, then any restraint on speech should be neither surprising nor problematic.¹³ If it is not, then any restraint on speech would be unacceptable. Attempting to balance speech and publicity simply restates the underlying question—whether publicity rights are property—without providing any means to answer it.

This Article proposes that competition policy should delineate the

HOUS. L. REV. 903, 929 (2003). After acknowledging that one may “question[] whether the right of publicity truly serves any social purpose,” the California Supreme Court nevertheless concluded “that the Legislature has a rational basis for permitting celebrities . . . to control the commercial exploitation of the celebrity’s likeness.” *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 805 (Cal. 2001). California law is not atypical in defining “property [a]s sufficiently comprehensive to include every species of estate, real and personal, and everything which one person can own and transfer to another. It extends to every species of right and interest capable of being enjoyed as such upon which it is practicable to place a money value.” *Yuba River Power Co. v. Nev. Irrigation Dist.*, 279 P. 128, 129 (Cal. 1929) (quoting 22 R.C.L. 43 § 10 (1929)). Since the “name, voice and likeness” of a celebrity has transferable value in this sense, *Republic Pictures Corp. v. Rogers*, 213 F.2d 662, 665–66 (9th Cir. 1954), treating publicity as property does not seem jarring to the sensibilities of most Americans.

Others have also identified a natural law basis for the right of publicity. 1 MCCARTHY, *supra* note 1, § 2:1; cf. Roberta Rosenthal Kwall, *Preserving Personality and Reputational Interests of Constructed Personas Through Moral Rights: A Blueprint for the Twenty-First Century*, 2001 U. ILL. L. REV. 151, 152–53 [hereinafter Kwall, *Preserving Personality*] (noting parallels between moral rights and the right of publicity).

¹⁰ See *infra* Part V.A.

¹¹ See, e.g., Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1162–63 (“[B]ecause the right of publicity rests upon a slew of sometimes sloppy rationalizations, courts have little way of determining whether a particular speech limitation is necessary or even appropriate in order to serve the law’s normative goals. Instead, they appear to assume that the sum of a set of inadequate justifications equals far more than its parts and allow right of publicity claims to run roughshod over the speech interests of the public.” (footnote omitted)).

¹² For instance, homeowners may prohibit speakers from invading their property rights against their will. See *infra* notes 192–93 and accompanying text.

¹³ Right-of-publicity critics would surely object on the ground that publicity simply is not property. That fundamental question, however, is beyond the scope of this Article, and indeed their critique as well. As Parts III and IV show, virtually every aspect of the prevailing critique would apply to every form of property. Although the critique demonstrates powerfully that the right of publicity cannot be justified on the traditional grounds used to justify other forms of property, it fails to grapple with the reality that other forms of property also cannot be justified on those traditional grounds. This Article does not take a position on whether publicity rights are true property. Rather, it pragmatically accepts that courts have treated publicity as property for fifty years and seeks a means of regulating the scope of these rights within that paradigm.

scope of the right of publicity.¹⁴ Some judges and legal commentators write as if the limits of property are set independently of other social interests.¹⁵ The value of competition, they say, plays no direct role in defining the scope of property rights.¹⁶ Through a careful review of case and statutory law, however, this Article shows that this view is mistaken.¹⁷ In fact, competition policy plays a critical role in defining property's end, limiting the scope of all recognized property rights when those rights enable owners to stifle meaningful competition. The antitrust laws and competition-based regulatory programs have repeatedly required owners to share or sell all forms of property in order to ensure that consumers receive the benefits of competition.¹⁸ Applying this insight to the right of publicity would enable courts to narrow the scope of publicity rights whenever a celebrity's exercise of that right would restrain competition. This approach would curb the worst abuses in the publicity rights cases without casting doubt on the legitimacy of other property rights.¹⁹

Part II introduces the right of publicity and shows that its supporters rely on the standard arguments that have been thought to validate all forms of property. Parts III and IV explore the prevailing critique, which posits that these standard justifications simply do not apply to publicity rights, and explain that this critique is humbled only by its breadth. The very analysis purporting to show that publicity rights are unjustified unwittingly demonstrates that for the same reasons all property is unjustifiable. If accepted, the critics' analysis would logically compel both courts and legislatures to reexamine all recognized forms of property. Unless one is willing to restructure American property law from top to bottom, the prevailing critique of the right of publicity will never gain traction.

Part V pragmatically accepts (without condoning) that the right of publicity is a valid property right, and explores whether free speech

¹⁴ The choice of the term "competition policy" rather than "antitrust" is deliberate. Competition policy is used herein to denote the full spectrum of public rules promoting marketplace competition, including, but not limited to, the antitrust laws. For a recent articulation of the concept, see Herbert Hovenkamp, *Innovation and the Domain of Competition Policy*, 60 ALA. L. REV. 103, 104 (2008). In short, some practices conflict with recognized competition-policy goals even though they do not violate the specific provisions of antitrust law.

¹⁵ In a 2001 speech, Mary Azcuenaga, a former FTC Commissioner, articulated this common view: "[Y]ou could actually know everything you need to know about antitrust and intellectual property by remembering" that if the IP-holder did not "somehow expand[] the scope of the intellectual property right . . . and if the intellectual property was properly obtained, then there should be no need to apply antitrust law." Mary L. Azcuenaga, Address, *Recent Issues in Antitrust and Intellectual Property*, 7 B.U. J. SCI. & TECH. L. 1, 11 (2001).

¹⁶ See *infra* Part VI.C.3.

¹⁷ See *infra* Part IV.B.2. Recent commentary articulates an economic justification as well for the use of competition policy to limit property rights. See Howard A. Shelanski, *Unilateral Refusals To Deal in Intellectual and Other Property*, 76 ANTITRUST L.J. 369, 379–86 (2009) (discussing economic considerations underlying the use of competition policy to limit property rights).

¹⁸ Shelanski, *supra* note 17, at 379–86.

¹⁹ See *infra* Part V.B.

principles could be used to limit the right's scope. It concludes that the concept of balancing speech and publicity cannot coherently limit the right of publicity.

Part VI presents the Article's main normative thesis: competition policy provides a valid ground on which to distinguish the right of publicity from other forms of property when a celebrity's exercise of the right of publicity would restrain competition. Since competition policy is a vital component in defining the limit of all forms of property, using it to restrain the scope of publicity rights would not disrupt any other branch of property law. This Part also explains how the competition policy model would (1) call for a different outcome in some of the most criticized publicity rights cases, and (2) more effectively justify the decisions in areas that have been relatively uncontroversial in outcome but difficult to justify in principle, such as advertising, news reporting, and biography.

II. THE TROUBLED YET RESILIENT RIGHT OF PUBLICITY

This Part briefly reviews the history of the right of publicity, showing that the arguments advanced to justify the right are the same ones that have been used to justify all forms of property.

A. *Origins of the Right of Publicity*

In response to Samuel Warren and Louis Brandeis's call for a right to privacy,²⁰ courts gradually started protecting individuals against the embarrassing or false use of their name or picture.²¹ This right extended to both celebrities and private persons, but celebrities had a difficult time showing harm from mere publication because they generally sought publicity.²² Furthermore, if a celebrity did prove mental anguish, damages were limited to redress for that harm rather than for the expropriated commercial value of the celebrity's name or likeness.²³

In the 1953 case *Haelan Laboratories, Inc. v. Topps Chewing Gum, Inc.*,²⁴ the Second Circuit first explicitly recognized a distinct property right in publicity.²⁵ The trial court rejected a trading card manufacturer's claim that it had acquired the exclusive right to publish pictures of a

²⁰ Samuel D. Warren & Louis D. Brandeis, *The Right to Privacy*, 4 HARV. L. REV. 193, 195–96, 205 (1890). Warren and Brandeis were careful to advocate for tort remedies and to avoid suggesting that courts create a new property right. *Id.* at 198, 205, 219–20. Their approach, however, was influenced by the notion that individuals had a right to control the use of their personality just as the creator of tangible or intangible property obtained rights over the creation. *Id.* at 206–07.

²¹ For an excellent summary of the development of privacy law, see Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1167–71.

²² *Id.* at 1171.

²³ *Id.*

²⁴ 202 F.2d 866 (2d Cir. 1953).

²⁵ *Id.* at 868.

ballplayer.²⁶ The lower court held that the right of privacy protected the player against embarrassment, but that personal rights could not be transferred.²⁷ Under then-existing law, a celebrity could not maximize the value of his or her persona through licensing arrangements that permitted one advertiser to sue another for improperly using the celebrity's name or likeness.²⁸ The Second Circuit disagreed, reversing the lower court's decision and recognizing a new enforceable property right in publicity.²⁹ "[I]n addition to and independent of th[e] right of privacy," Judge Jerome Frank wrote, "a man has a right in the publicity value of his photograph, *i.e.*, the right to grant the exclusive privilege of publishing his picture."³⁰ Almost immediately, commentators began to articulate theoretical justifications for this new right, and additional courts and legislatures adopted it.

B. *Theoretical Justifications for the Right of Publicity*

In 1954, Melville Nimmer published an academic defense of the right of publicity.³¹ From a moral perspective, he argued that a valuable persona, like other forms of property, could be created "only after [an individual] has expended considerable time, effort, skill, and even money."³² Nimmer emphasized that within the Anglo-American legal tradition, "every person is entitled to the fruit of his labors."³³

Like any property interest, Nimmer believed that the right of publicity has limits. Individuals are thought to deserve their creations, he wrote, "unless there are important countervailing public policy considerations."³⁴ Where a person's name or likeness is used to report "news or in a manner required by the public interest," Nimmer argued, "that person should not be able to complain of the infringement of his right of publicity."³⁵

In ensuing decades, judges and commentators sought to justify the right of publicity through instrumental claims that had been advanced to explain other types of property.³⁶ Some courts have found that the right

²⁶ *Id.* at 867.

²⁷ *Id.* at 867–68. For cases recognizing these limits on the right to privacy, see *Hanna Manufacturing Co. v. Hillerich & Bradsby Co.*, 78 F.2d 763, 766 (5th Cir. 1935); *Von Thodorovich v. Franz Josef Beneficial Ass'n*, 154 F. 911, 912 (C.C.E.D. Pa. 1907).

²⁸ *Haelan*, 202 F.2d at 867.

²⁹ See *id.* at 868 (expressing some reluctance to attach the "property" right" label, though recognizing that any enforceable right is in fact property).

³⁰ *Id.*

³¹ Melville B. Nimmer, *The Right of Publicity*, 19 LAW & CONTEMP. PROBS. 203, 222–23 (1954).

³² *Id.* at 216.

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.* at 216–17.

³⁶ See RICHARD A. POSNER, *ECONOMIC ANALYSIS OF LAW* 30–31 (3d ed. 1986) (explaining that private property rights provide (1) incentives to use resources efficiently, and (2) a means to efficiently allocate the use of scarce resources).

provides incentives to create a valuable persona, just as private property rights also provide incentives to work and innovate.³⁷ Society is better off, the argument runs, because one cannot personally capture the entire surplus from productive work and innovation; the spillover necessarily benefits the public.³⁸

Richard Posner and other scholars have stressed that the right of publicity enables proper management of the value of celebrity to protect against wasteful dissipation through overuse.³⁹ This theory assumes that producing too many low-value works crowds out more valuable ones. For example, Tom Waits, a popular singer, uses a very distinctive vocal style. If advertisers could copy that style at will, the public would grow tired of it, lessening the value of Waits's own performances.⁴⁰

Recently, scholars have offered an alternative moral justification, grounding the right of publicity in theories of autonomy and personality.⁴¹

³⁷ See *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 804–05 (Cal. 2001) (noting that “[y]ears of labor may be required before one’s skill, reputation, notoriety or virtues are sufficiently developed to permit an economic return through some medium of commercial promotion” (quoting *Lugosi v. Universal Pictures*, 603 P.2d 425, 438 (Cal. 1979) (Bird, C.J., dissenting))).

³⁸ As Richard Posner has explained:

The individual may be completely selfish but he cannot, in a well-regulated market economy, promote his self-interest without benefiting others as well as himself. Since . . . the social product of the productive individual in a market economy will exceed his earnings, such an individual cannot help creating more wealth than he takes out of society.

Richard A. Posner, *Utilitarianism, Economics, and Legal Theory*, 8 J. LEGAL STUD. 103, 132 (1979).

³⁹ See Mark F. Grady, *A Positive Economic Theory of the Right of Publicity*, 1 UCLA ENT. L. REV. 97, 103–04, 126 (1994) (arguing that a right of publicity is necessary to coordinate a market for a celebrity’s name and to prevent rapid dissipation of the value of publicity assets through overuse); William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright*, 70 U. CHI. L. REV. 471, 485 (2003) (claiming that a justification for the right of publicity, and for characterizing it as inheritable, is that it prevents “the premature exhaustion of the commercial value of the celebrity’s name or likeness”); Richard A. Posner, *Misappropriation: A Dirge*, 40 HOUS. L. REV. 621, 634 (2003) [hereinafter Posner, *Misappropriation*] (“The rationale of the right of publicity cases lies . . . in the danger of a congestion externality if there is no control over the use of the celebrity’s name or likeness in advertising and other commercial uses.”); Richard A. Posner, *The Right of Privacy*, 12 GA. L. REV. 393, 411 (1978) [hereinafter Posner, *Right of Privacy*] (“There is a perfectly good economic reason for assigning the property right in a photograph used for advertising purposes to the photographed individual: this assignment assures that the advertiser to whom the photograph is most valuable will purchase it. Making the photograph the communal property of advertisers would not achieve this goal. . . . Furthermore, the multiple use of the identical photograph to advertise different products would reduce its advertising value, perhaps to zero.”); see also *Lahr v. Adell Chem. Co.*, 300 F.2d 256, 257, 259 (1st Cir. 1962) (explaining that the defendant’s conduct, which consisted of running a product commercial featuring a cartoon duck voiced by an actor who specialized in imitating the plaintiff’s voice, without the plaintiff’s consent, “saturated [the] plaintiff’s audience to the point of curtailing his market”).

⁴⁰ Grady, *supra* note 39, at 101–02; see also *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1110–11 (9th Cir. 1992) (noting that there was evidence of consumer confusion as to whether Waits sang an endorsement for a Frito-Lay product, and that there was a “likelihood that the wrongful use of his professional trademark, his unique voice, would injure him commercially”).

⁴¹ Haemmerli, *supra* note 9, at 418; Linda J. Lacey, *Of Bread and Roses and Copyrights*, 1989 DUKE L.J. 1532, 1541–42. Others have advanced less fully-developed arguments that the right should rest on something akin to autonomy rights. In his treatise on privacy and publicity, McCarthy has stated that “the law today would be more coherent . . . if it had developed such that courts would

Alice Haemmerli has argued that individuals have a property right in the use of their “objectified identity.”⁴² If society recognizes identity as something that can be bought and sold, autonomy and personality interests favor permitting “the person who is its natural source” to claim that value⁴³—not because they deserve it, but because humans have an innate right to their own identity and persona.⁴⁴ As Roberta Kwall has emphasized, the primary concern of the law under this view is not economics but “damage to the human spirit.”⁴⁵ Just as certain examples of personal property (such as a wedding ring) or real property (such as a family home) are important to particular individuals, one’s image or style may be critical to autonomous self-development.⁴⁶

Shubha Ghosh has connected these two justifications, concluding that the right of publicity protects against both (1) appropriating a celebrity’s personality for commercial purposes by revealing “the private person” to the public without consent, and (2) usurping a public person’s investment in an income-generating persona.⁴⁷ Ghosh describes these two goals as complements that “together permit the self-regulation of one’s identity” by granting rights in publicity to those who want to withhold their persona from public view for all or some purposes, and to persons who seek a return on the value of their identity.⁴⁸

C. Current Law

A half-century after Judge Frank’s opinion in *Topps*, at least twenty-four states have recognized the right of publicity either by statute or

recognize a sui generis legal right labeled something like a ‘right of identity’ with damages measured by both mental distress and commercial loss.” 1 MCCARTHY, *supra* note 1, § 1:40; *see also* Oliver R. Goodenough, *Go Fish: Evaluating the Restatement’s Formulation of the Law of Publicity*, 47 S.C. L. REV. 709, 736, 766–67 (1996) (describing McCarthy’s observations on the development of the right of publicity); Roberta Rosenthal Kwall, *Copyright and the Moral Right: Is an American Marriage Possible?*, 38 VAND. L. REV. 1, 5 (1985) (“The moral right doctrine generally is said to encompass three major components: the right of disclosure, the right of paternity, and the right of integrity. Some formulations of the moral right doctrine also include the right of withdrawal, the right to prevent excessive criticism, and the right to prevent assaults upon one’s personality.”); Kwall, *Preserving Personality*, *supra* note 9, at 158, 166 (explaining that “[t]he essence of a moral-rights injury lies in the damage caused to the author’s personality,” and proposing a moral-rights safeguard against “damage to the human spirit”); Roberta Rosenthal Kwall, *The Right of Publicity vs. the First Amendment: A Property and Liability Rule Analysis*, 70 IND. L.J. 47, 70 (1994) [hereinafter Kwall, *Right of Publicity*] (“[C]onfusion might be avoided if the right of publicity were explicitly acknowledged to include emotional as well as economic harms.”).

⁴² Haemmerli, *supra* note 9, at 418.

⁴³ *Id.*

⁴⁴ *Id.* at 418, 420–21, 427–28.

⁴⁵ Kwall, *Preserving Personality*, *supra* note 9, at 166.

⁴⁶ Haemmerli, *supra* note 9, at 423–25.

⁴⁷ Shubha Ghosh, *On Bobbling Heads, Paparazzi, and Justice Hugo Black*, 45 SANTA CLARA L. REV. 617, 619 (2005) [hereinafter Ghosh, *Bobbling Heads*].

⁴⁸ *Id.* at 619–20.

through common law.⁴⁹ The right has also been incorporated into the *Restatement (Third) of Unfair Competition*⁵⁰ and recognized by the U.S. Supreme Court.⁵¹ Although state laws vary,⁵² most recognize a broad right of publicity that is tempered by concern about free speech interests.⁵³

III. A CRITIQUE OF THE INSTRUMENTAL JUSTIFICATIONS FOR PUBLICITY RIGHTS

Commentators have presented thorough and persuasive critiques of both the incentive and the efficient management justifications for the right of publicity.⁵⁴ Although these critics cast doubt on the wisdom of recognizing a right of publicity based on these instrumental goals, each prong of the critique can be applied with roughly equal vigor to any form of property. This overbreadth limits the effectiveness of the critique because a court or legislature adopting it would be logically required to question all types of property rights.

⁴⁹ 1 MCCARTHY, *supra* note 1, § 6.3; *see also* James A. Johnson, *Personal Images: The Professional Athlete's Right of Publicity*, N.Y. ST. B.A. J., Mar.–Apr. 2007, at 11, 12, 19 n.10 (2008) (noting that eighteen states have publicity statutes and that at least six other states have recognized a common law right of publicity). The following state statutes articulate a right of publicity: CAL. CIV. CODE § 3344.1 (West 1997); FLA. STAT. ANN. § 540.08 (West 2007); 765 ILL. COMP. STAT. ANN. § 1075/30 (West 2009); IND. CODE ANN. § 32-36-1-1 (LexisNexis 2002); KY. REV. STAT. ANN. § 391.170 (West 2006); MASS. GEN. LAWS ANN., ch. 214, § 3 (West 2005); NEB. REV. STAT. §§ 20-201–11, 25-840.01 (2007); NEV. REV. STAT. ANN. §§ 597.770–810 (LexisNexis 2004); N.Y. CIV. RIGHTS LAW §§ 50–51 (McKinney 2009); N.Y. GEN. BUS. LAW § 397 (McKinney 1996); OHIO REV. CODE ANN. § 2741.04 (LexisNexis 2008); OKLA. STAT. ANN. tit. 12, §§ 1448–49 (West 1993); OKLA. STAT. ANN. tit. 21, §§ 839.1–3 (West 2002); R.I. GEN. LAWS § 9-1-28 (1997); TENN. CODE ANN. §§ 47-25-1101–08 (2001); TEX. PROP. CODE ANN. §§ 26.001–015 (West 2000); UTAH CODE ANN. §§ 45-3-1–2 (LexisNexis 2005); VA. CODE ANN. §§ 8.01-40, 18.2-216 (2009); WASH. REV. CODE ANN. § 63.60.030–060 (West 2005); WIS. STAT. ANN. § 995.50 (West 2006). Only twelve states have not recognized a right of publicity. *See* Johnson, *supra*, at 12, 19 n.11 (listing Alaska, Arizona, Idaho, Louisiana, Mississippi, New Hampshire, New Mexico, North Dakota, Oregon, South Carolina, Vermont, and Wyoming).

⁵⁰ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 46 (1995).

⁵¹ *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 576–77 (1977).

⁵² Elaborate summaries of the various tests, and sometimes outlandish results, across different jurisdictions have been presented exhaustively by others and will not be repeated here. *See, e.g.*, Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1167–80 (discussing the development of the right of publicity and the varying conceptions of this right across different jurisdictions); Volokh, *supra* note 9, at 904 (arguing that the right of publicity, while often analyzed under First Amendment commercial speech doctrine, would be better analyzed by dividing speech into distinct categories).

⁵³ *See, e.g.*, C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P., 505 F.3d 818, 823 (8th Cir. 2007) (suggesting that free speech interests curb state law rights of publicity); *ETW Corp. v. Jireh Publ'g, Inc.*, 332 F.3d 915, 938 (6th Cir. 2003) (holding that a celebrity's right of publicity must yield to First Amendment interests where an author's work “contain[s] significant transformative elements which make it especially worthy of First Amendment protection”); *Newton v. Thomason*, 22 F.3d 1455, 1460 & n.4 (9th Cir. 1994) (describing the requirements of a right-of-publicity claim under California law); *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1397 (9th Cir. 1992) (defining the right as applying to “the appropriation of plaintiff's name or likeness to defendant's advantage, commercially or otherwise” (quoting *Eastwood v. Superior Court*, 198 Cal. Rptr. 342, 417 (Ct. App. 1983))).

⁵⁴ *See infra* Parts III.A.1, B.1.

A. *Critiquing the Incentive-Based Justification of the Right of Publicity*

By rewarding hard work with a property right, individuals are presumed to be more productive and creative than they otherwise would be, thus benefiting society.⁵⁵ Advocates of a strong right of publicity contend that, just as property rights generally incentivize productive labor, the right of publicity serves the same function with respect to celebrity.⁵⁶ The critics of publicity rights have argued forcefully and persuasively to the contrary. Their reasoning casts significant doubt on this justification's applicability—not only to the right of publicity, but to every recognized form of private property.

1. *Incentives To Generate Publicity Are Unnecessary and Harmful*

Right-of-publicity advocates believe that property rights in publicity incentivize individuals to create performances or works of art that enhance their own celebrity while benefiting society, aesthetically and perhaps economically as well. “[P]roviding legal protection for the economic value in one’s identity against unauthorized commercial exploitation,” the late California Supreme Court Chief Justice Rose Bird wrote, “enrich[es] our society” by providing “a powerful incentive for expending time and resources to develop the skills or achievements prerequisite to public recognition.”⁵⁷

In his take-no-prisoners polemic, *Private Ownership of Public Image: Popular Culture and Publicity Rights*,⁵⁸ Michael Madow challenged this

⁵⁵ JEREMY BENTHAM, *THE THEORY OF LEGISLATION* 68 (Richard Hildreth trans., Oceana Publ'ns, Inc. 1975) (1789).

⁵⁶ See, e.g., *Zacchini*, 433 U.S. at 576–77 (“Ohio has recognized what may be the strongest case for a ‘right of publicity’—involving . . . the appropriation of the very activity by which the entertainer acquired his reputation in the first place.”); *Carson v. Here’s Johnny Portable Toilets, Inc.*, 698 F.2d 831, 837 (6th Cir. 1983) (arguing that “[v]indicating of the right [of publicity] will tend to encourage achievement in Carson’s chosen field”); *Factors Etc., Inc. v. Pro Arts, Inc.*, 652 F.2d 278, 287 (2d Cir. 1981) (Mansfield, J., dissenting) (reasoning that “the public policy of providing incentives for individual enterprise and investment of capital and energy argues for allowing an individual to pass the fruits of his labors along to others after his death”); *Lugosi v. Universal Pictures*, 603 P.2d 425, 441 (Cal. 1979) (Bird, C.J., dissenting) (arguing that “providing legal protection for the economic value in one’s identity against unauthorized commercial exploitation creates a powerful incentive for expending time and resources to develop the skills or achievements prerequisite to public recognition”); Peter L. Felcher & Edward L. Rubin, *The Descendibility of the Right of Publicity: Is There Commercial Life After Death?*, 89 *YALE L.J.* 1125, 1128 (1980) (“The social policy underlying the right of publicity is encouragement of individual enterprise and creativity by allowing people to profit from their own efforts.”); Steven J. Hoffman, *Limitations on the Right of Publicity*, 28 *BULL. COPYRIGHT SOC’Y* 111, 118 (1980) (“Like the copyright and patent regimes, the right of publicity may foster the production of intellectual and creative works by providing the financial incentive for individuals to expend the time and resources necessary to produce them.”).

⁵⁷ *Lugosi*, 603 P.2d at 441 (Bird, C.J., dissenting).

⁵⁸ Madow, *supra* note 2. Although many commentators have criticized the right of publicity after Madow, their reasoning has not strayed significantly from his original approach. See Peles, *supra* note 6, at 309 (noting “the difficulty in finding a balance between the First Amendment and the right of publicity”); Volokh, *supra* note 9, at 905 (noting that “many lower courts have held that the First Amendment precludes right of publicity liability in many cases”); Diane Leenheer Zimmerman, *Fitting*

view on three grounds. First, he argued that incentives generated by the right of publicity are unnecessary because its rewards are merely a collateral source of income for celebrities who already make outstanding livings from their primary professions.⁵⁹ The high earnings of successful celebrities, Madow wrote, “suggest that even without the right of publicity the rate of return to stardom in the entertainment and sports fields is probably high enough to bring forth a more than ‘adequate’ supply of creative effort and achievement.”⁶⁰ Judge Richard Posner agrees with Madow, adding that denying a celebrity the right “to appropriate the entire income from the franchising of his name and likeness . . . [would permit] free riding but not the type that threatens to kill the goose that lays the golden eggs, . . . it is free riding merely on ancillary products.”⁶¹ Celebrities, these commentators believe, will not cut back significantly on their productive work if publicity rights are restricted.

Second, Madow argued that the effect of limiting returns to publicity could actually increase a celebrity’s incentive to produce more of the primary goods and services from which the fame arose.⁶² This would be especially likely if a celebrity wished to maintain a particular income level and could not rely on endorsement income. If returns to publicity were reduced or eliminated, the celebrity would have to work harder in her primary endeavor in order to achieve the desired income level.⁶³

Third, Madow claimed that society would actually gain by reducing incentives to seek celebrity.⁶⁴ Currently, the right of publicity inefficiently encourages individuals to waste resources in taking a very long shot at fame. The potential returns, even without a publicity right, are already so high—and the possibility of achieving them so likely to be

Publicity Rights into Intellectual Property and Free Speech Theory: Sam, You Made the Pants Too Long!, 10 DEPAUL-LCA J. ART. & ENT. L. & POL’Y 283, 307 (2000) [hereinafter Zimmerman, *Fitting Publicity Rights*] (criticizing several justifications for publicity rights). Compare Madow, *supra* note 2, at 136 (asserting that “[c]ontemporary proponents of the right of publicity have, in the main, exhibited surprisingly little interest in the basic question of justification”), with Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1163 (“[A] review of the cases and literature reveals that no one seems to be able to explain exactly why individuals should have this right.”).

⁵⁹ At least one court has employed this analysis in denying a right-of-publicity claim. See *ETW Corp. v. Jireh*, 332 F.3d 915, 938 (6th Cir. 2003) (noting that a particular celebrity earned substantial income from his profession, which was unrelated to his right of publicity).

⁶⁰ Madow, *supra* note 2, at 210; see also Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1187–88 (suggesting that analogies to copyright law do not support the right of publicity); McKenna, *supra* note 6, at 258–63 (arguing that “instrumental labor theory” does not support a property right in one’s identity); Zimmerman, *Fitting Publicity Rights*, *supra* note 58, at 307 (“[L]ots of people who generate publicity values have gotten on quite nicely without collecting a cent from them.”).

⁶¹ Posner, *Misappropriation*, *supra* note 39, at 634.

⁶² Madow, *supra* note 2, at 209–10.

⁶³ *Id.* at 211–12.

⁶⁴ See *id.* at 216 (“Is it not at least possible that society would be better off if some of the kids who are not devoting themselves to perfecting their jumpshots (or guitar riffs) in the usually vain hope of making it to the NBA (or the top of the charts) said ‘to hell with it,’ and started thinking of other ways of making a living?”).

overestimated—that the law would better serve social interests by reducing incentives to pursue fame.⁶⁵

2. *Extending the Incentive Critique to Other Forms of Property*

Madow's critique applies to all forms of property, and thus if publicity rights cannot be justified on incentive grounds then neither can any other form of property.⁶⁶ Madow's critique thus faces a formidable counter-critique: why should publicity lose its status as a property right when other forms of property have the same shortcoming?

a. The Effect of Incentives Across Property Types

Dogan and Lemley have made the strongest case that the pursuit of celebrity (and thus publicity) is fundamentally different from the pursuit of other forms of property. They contend that the monetary rewards made possible by most property rights—such as productive labor, useful inventions, and works of art—benefit society by inspiring individuals to create more wealth than they otherwise would.⁶⁷ By contrast, publicity rights “do[] not encourage the production of any identifiable value.”⁶⁸ Quoting Diane Zimmerman, Dogan and Lemley argue that one can find no evidence that celebrities would “‘invest less energy and talent’ in becoming famous without a publicity right.”⁶⁹

This reasoning begs the question, what evidence establishes that individuals would work less, and create fewer inventions and works of art, if they were denied the incentives that existing property rights provide? In the same article in which Zimmerman concluded that the right of publicity was not needed to encourage the pursuit of fame, she also expressed doubt

⁶⁵ *Id.* at 216–19; Volokh, *supra* note 9, at 910–11; see also Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1164 (“Society doesn’t need to encourage more celebrities or more marketing of celebrity image.”).

⁶⁶ Empirical distinctions among types of property may exist, but the right-of-publicity critics fail to cite the data—or even suggest the type of data—that would be necessary to evaluate the differing effects of incentives on particular property rights.

⁶⁷ See Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1188 (“Unlike copyright law—which aims to promote the production of valuable works of authorship that enhance the quality of discourse and understanding in our society—the right of publicity rewards those who, with luck, hard work, or accident of birth, happen to join the ranks of the famous.”).

⁶⁸ *Id.*

⁶⁹ *Id.* at 1187 (quoting Zimmerman, *Fitting Publicity Rights*, *supra* note 58, at 306); see also Michael A. Carrier, *Cabining Intellectual Property Through a Property Paradigm*, 54 DUKE L.J. 1, 43–44 (2004) (arguing that “the right of publicity is not necessary to promote development”); Rochelle Cooper Dreyfuss, *We Are Symbols and Inhabit Symbols, So Should We Be Paying Rent? Deconstructing the Lanham Act and Rights of Publicity*, 20 COLUM.-VLA J.L. & ARTS 123, 144 (1996) (“As a general matter, the right of publicity does not fit the utilitarian mold because the costs of creating a persona are recaptured through the activity with which the purveyor is primarily associated.”); Posner, *Misappropriation*, *supra* note 39, at 634 (reasoning that “[a] person is unlikely to invest less than he would otherwise do in becoming a movie star or other type of celebrity merely because he’ll be unable to appropriate the entire income from the franchising of his name and likeness”).

about the value of copyright. “Creative writers and scholars,” she recognized, “may be driven by internal needs to express their ideas or by the hope of fame or esteem in their fields.”⁷⁰ As a result, she concluded that “the actual effect on the level of production that results from the presence or absence of any particular protection . . . is highly speculative.”⁷¹ The instrumental incentive argument thus fails to support copyright in virtually the same way that it fails to support the right of publicity.⁷²

K.J. Greene has supported Zimmerman’s hypothesis with a particularly powerful example: African-American musicians operating without creative incentives produced some of the most entertaining and lasting music of the twentieth century.⁷³ Greene contends that all of intellectual property has seen unjustified expansion in scope and power.⁷⁴ Quoting Deborah Tussey, he argues that “[t]here has been little, if any, ‘systematic study of the effects of such [intellectual property rights] on the hundreds of [IP] industries that they are designed to encourage.’”⁷⁵

A similar argument applies to other property. Individuals vigorously pursue all forms of property for reasons of love, honor, respect, personal satisfaction, and subsistence in addition to the returns on their investment.⁷⁶ The desires to succeed in one’s career, live in a comfortable house, and possess nice things are all complex desires that are only partially explained by the desire to acquire property. Even if the legal

⁷⁰ Diane Leenheer Zimmerman, *Information as Speech, Information as Goods: Some Thoughts on Marketplaces and the Bill of Rights*, 33 WM. & MARY L. REV. 665, 706 (1992) [hereinafter Zimmerman, *Information as Speech*].

⁷¹ *Id.* at 706–07; see also MARK KELMAN, A GUIDE TO CRITICAL LEGAL STUDIES 22 (1987) (“To take a ready analogy from the copyright field, only a charlatan would claim to know how much more literary production we would get if novelists had to be paid by parodists of their work, or how much parody we would lose, or how to evaluate these gains and losses objectively.”).

⁷² Zimmerman, *Information as Speech*, *supra* note 70, at 704–07; see also Michael A. Carrier, *The Propertization of Copyright*, in 1 INTELLECTUAL PROPERTY AND INFORMATION WEALTH: ISSUES AND PRACTICES IN THE DIGITAL AGE 345, 345 (Peter K. Yu ed., 2007) (lamenting that copyright has expanded to such an extent that it “now resemble[s] the ‘fee simple’ ownership held by landowners”); Shubha Ghosh, *Decoding and Recoding Natural Monopoly, Deregulation, and Intellectual Property*, 2008 U. ILL. L. REV. 1125, 1131 (recognizing that “invention and creation occurs absent the grant of intellectual property”).

⁷³ Greene, *supra* note 6, at 529; see also *id.* at 522 (noting that “black cultural production is at the center of expressive creativity in American culture and has been since the slave songs of the 1800’s and blues and jazz of the 1900’s, up through the rap music of today”).

⁷⁴ See *id.* at 534–35 (describing the problems with such expansion, including its encouragement of “rent seeking” and its rewarding of entertainment conglomerates).

⁷⁵ *Id.* at 529 (alterations in original) (quoting Deborah Tussey, *iPods and Prairie Fires: Designing Legal Regimes for Complex Intellectual Property Systems*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 105, 118 (2007)); see also Adam D. Moore, *Intellectual Property, Innovation, and Social Progress: The Case Against Incentive Based Arguments*, 26 HAMLINE L. REV. 601, 603 (2003) (arguing that “incentive-based social progress justifications for intellectual property fail” to “justify current copyright, patent, and trade secret models of intellectual property protection”).

⁷⁶ Cf. Lisa P. Ramsey, *Intellectual Property Rights in Advertising*, 12 MICH. TELECOMM. & TECH. L. REV. 189, 216 (2006) (arguing that “other incentive structures exist to stimulate the creation of new works and inventions”).

system failed to protect the returns to labor, real estate, and personal property through a private property regime, other powerful reasons to work and to create and invest in property would still remain. As Mark McKenna wrote, “[h]ighly successful people in any field tend to be intensely competitive and strongly desire recognition among the elite in their particular field.”⁷⁷

Although economic incentives surely impact individual effort, the magnitude of their effect varies depending on the circumstances for all types of property. Novels would still get written without existing forms of copyright, just as individuals would still pursue fame without a right of publicity. On a theoretical level, one simply cannot conclude that the negative effect of reducing property protections on creative output would be significant, while the negative effect on the pursuit of fame more generally would be *de minimis*.

Measuring the empirical effects of incentives across property types may be possible, but our legal system has allocated property rights without reference to this kind of data, and right-of-publicity critics suggest no methods for collecting it. The incentive critique of the right of publicity necessarily, if implicitly, rests on the belief that empirical data is unnecessary. Commercial property managers, laborers, authors, and inventors earn their living directly from their activities and would, therefore, not work hard enough without the returns that strong property rights provide. Because athletes and star actors make so much money from playing sports and making movies, however, the additional income made possible by publicity rights could not possibly play a significant incentivizing role.⁷⁸

This common-sense reasoning is certainly contestable. Unlike athletes in team sports, athletes competing in individual sports tend to earn a greater percentage of their wealth from endorsements.⁷⁹ Although top professional golfers and tennis players may earn enough prize money to keep them playing even if they made nothing from publicity, the same may not be true of, for example, Olympic athletes. And to the extent that Olympians would pursue gold equally vigorously without a right of publicity because they enjoy their sport and the chance to compete with the best athletes in the world, Phil Mickelson and Serena Williams would likely pursue excellence in golf and tennis, respectively, even if they received no money for playing—or at least much less than what they earn now. In fact, many lesser talents dedicate substantial time and money to

⁷⁷ McKenna, *supra* note 6, at 261.

⁷⁸ *Id.* at 261–62.

⁷⁹ For example, “star tennis players and golfers earn three to five times their prize money from endorsements and other nontournament sources.” ROBERT H. RUXIN, AN ATHLETE’S GUIDE TO AGENTS 107 (Stephen Greene Press 1989) (1982). *But see id.* at 107–09 (noting, though, that athletes in team sports earn a lower percentage of their total income from exploiting publicity rights).

improving their own golf and tennis games.⁸⁰ Fanatics of these sports are indistinguishable in many ways from the authors, songwriters, and basement inventors who churn out creative works and inventions with little realistic hope of ever earning a positive return.⁸¹ The need for incentives to create any form of property is thus uncertain.

In this respect, incentives created by the returns to publicity are not different from the rewards attributable to any other kind of property right.⁸² As an empirical matter, no one has more than a foggy notion about the comparative effects of incentives on different types of property. And gathering the relevant data may not even be possible. The incentive argument thus fails to distinguish publicity rights from other property protections. And unless right-of-publicity critics are prepared to reduce the strength of all property rights, this critique is unlikely to convince courts and legislatures to curtail the right of publicity.

b. Reducing Returns May Increase the Incentive To Work

Madow also demonstrated that if returns to publicity were eliminated, celebrities might actually work harder to maintain a desired income level.⁸³ This phenomenon too extends to all types of property. Whether one deals with real or personal property, copyright or patent, or the right of publicity, theory alone cannot predict whether an individual's work output will increase or decrease if returns are lowered. An individual might work less because reduced income will make leisure activities relatively more valuable, or she might work more to maintain an existing or desired standard of living.⁸⁴ Whether Brad Pitt would make more (or fewer) movies if he did not have a right to publicity is an empirical question indistinguishable in form from the question of whether Stephen King would write more (or fewer) novels if copyright law permitted additional forms of copying without compensating the author. Again, right-of-publicity critics fail to differentiate publicity from other kinds of property.

⁸⁰ For example, some professional tennis players will “grind[] it out” for years on tour despite earning far less than higher-ranked players. Editorial, *How Much Do Modern-Day Tennis Players Really Earn?*, SPORT REV. (Mar. 29, 2010, 12:32 PM), <http://www.thesportreview.com/tsr/2010/03/tennis-player-earnings-wages>.

⁸¹ Madow, *supra* note 2, at 216–17.

⁸² See *id.* at 205 (observing that arguments as to the incentives and rewards that private property rights create have been articulated in support of the right of publicity).

⁸³ See *id.* at 205 n.384 (citing prior work critiquing the economic arguments in favor of all forms of private property); *id.* at 212 & nn.412–13 (highlighting prior work showing that the incentive effect of weakening property rights is theoretically uncertain).

⁸⁴ See Duncan Kennedy & Frank Michelman, *Are Property and Contract Efficient?*, 8 HOFSTRA L. REV. 711, 719 (1980) (observing that the idea that individuals will work less where they experience reduced enjoyment of the “fruits of their productive undertakings” can be contrasted with the notion that some individuals may work harder in a less certain environment to protect themselves if some of their property is lost through regulation).

c. The Inefficient Pursuit of Property Rights

Finally, Madow argued that publicity rights create excessive incentives to seek fame.⁸⁵ Once again, however, the same can be said of many types of property. Numerous get-rich-quick schemers waste their time pursuing an impossible dream of success and wealth. Indeed, many people pursue careers in business or law in the fruitless pursuit of a high income that most will never obtain. Those who have explored the issue have concluded that strong publicity rights are not incontrovertibly justified for any type of property right.⁸⁶ As Lawrence A. Sullivan reminds us, it has long been common knowledge that overprotecting intellectual property “can distort allocation, hurt consumers and impede further innovation.”⁸⁷ The possibility that publicity rights over-incentivize celebrity again fails to distinguish them from other property. Any form of property can be subjected to the same critique.

B. *A Critique of the Allocational Defense of the Right of Publicity*

The right of publicity’s most widely accepted justification rests on the

⁸⁵ Madow, *supra* note 2, at 216–18. Dogan and Lemley share this belief. See Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1163–64 (stating that courts have “allow[ed] right of publicity claims to run roughshod over the speech interests of the public,” and that “[s]ociety doesn’t need to encourage more celebrities or more marketing of celebrity image”). Volokh, however, maintains that the right of publicity need not exist in order for these sorts of incentives to arise. See Volokh, *supra* note 9, at 910–11 (arguing that without publicity rights people would still strive to become famous).

⁸⁶ There is considerable support for the conclusion that absolute protection of property rights would be inefficient. See, e.g., 1 FED. TRADE COMM’N, ANTICIPATING THE 21ST CENTURY: COMPETITION POLICY IN THE NEW HIGH-TECH, GLOBAL MARKETPLACE ch. 6, 6 (1996), available at http://www.ftc.gov/opp/global/report/gc_v1.pdf (“[S]ome people jump . . . to the conclusion that the broader the patent rights are, the better it is for innovation, and that isn’t always correct, because we have an innovation system in which one innovation builds on another. . . . [T]he breadth and utilization of patent rights can . . . have adverse effects in the long run on innovation.” (quoting Fed. Trade Comm’n, *Hearings on Global and Innovation-Based Competition* (1995), available at <http://www.ftc.gov/opp/global/GC101295.shtm> (statement of Joseph Stiglitz, Professor, Stanford Univ.))); see also Ian Ayres & Paul Klemperer, *Limiting Patentees’ Market Power Without Reducing Innovation Incentives: The Perverse Benefits of Uncertainty and Non-Injunctive Remedies*, 97 MICH. L. REV. 985, 987 (1999) (“Legal scholars have failed to appreciate that unconstrained monopoly pricing is not a cost-justified means of rewarding patentees. . . . [A]llowing patentees to raise price all the way to the monopoly level is a little like giving them a license to steal car radios—it produces a social cost (to car owners) far greater than the private benefit.”); Linda R. Cohen & Roger G. Noll, *Intellectual Property, Antitrust and the New Economy*, 62 U. PITT. L. REV. 453, 460–61, 473 (2001) (suggesting that recent calls for absolute intellectual property rights effectively abandon the goal of providing incentives to improve consumer welfare in favor of “maximizing the wealth of current rights holders regardless of the effects on aggregate economic welfare”); Michael A. Heller & Rebecca S. Eisenberg, *Can Patents Deter Innovation? The Anticommons in Biomedical Research*, 280 SCIENCE 698, 698–701 (1998) (discussing how more intellectual property rights can lead to fewer innovations in the biomedical research context); Marina Lao, *Unilateral Refusals To Sell or License Intellectual Property and the Antitrust Duty To Deal*, 9 CORNELL J.L. & PUB. POL’Y 193, 215–16 (1999) (citing studies showing that competition is more important to innovation than patent protection).

⁸⁷ Lawrence A. Sullivan, *Is Competition Policy Possible in High Tech Markets?: An Inquiry into Antitrust, Intellectual Property, and Broadband Regulation as Applied to “The New Economy,”* 52 CASE W. RES. L. REV. 41, 62 (2001).

need to efficiently allocate resources to avoid devaluing publicity.⁸⁸ In support of this view, Judge Richard Posner has argued that just as overgrazing the proverbial tragic commons would render it valueless for those raising sheep, eliminating the right of publicity would erode the value of celebrity through over-exposure.⁸⁹ Privatizing the commons efficiently protected its value for shepherders.⁹⁰ By limiting the use of celebrity to the highest bidders, publicity rights also optimize the value of fame. Madow argued that this justification for publicity rights fared no better than the incentive argument.⁹¹ Again, his critique applies to other forms of property and therefore fails to distinguish the right of publicity.

1. *Private Allocation of Publicity Does Not Increase Social Welfare*

Madow presented three critiques of the allocation defense of publicity rights. First, he showed that creating a need to license the use of a celebrity's persona may actually block efficient small-scale uses,⁹² such as the printing of small runs of T-shirts. In these types of situations, the transaction costs of obtaining numerous licenses would exceed the expected return.⁹³

Second, Madow claimed that any loss in value to a celebrity's persona due to overexposure is not a legitimate social concern.⁹⁴ The number of

⁸⁸ See, e.g., *Matthews v. Wozencraft*, 15 F.3d 432, 437–38 & n.2 (5th Cir. 1994) (noting that “[w]ithout the artificial scarcity created by the protection of one’s likeness, that likeness would be exploited commercially until the marginal value of its use is zero,” and that “[the likeness] soon would be overused, as each user will not consider the externality effect his use will have on others”); Grady, *supra* note 39, at 116–24 (arguing that publicity rights should only restrict uses of a celebrity’s identity that would decrease that celebrity’s publicity value).

⁸⁹ See Posner, *Right of Privacy*, *supra* note 39, at 411 (“There is perfectly good economic reason for assigning the property right in a photograph used for advertising purposes to the photographed individual: this assignment assures that the advertiser to whom the photograph is most valuable will purchase it. Making the photograph the communal property of advertisers would not achieve this goal.”). For the classic application of the tragedy-of-the-commons argument to property rights generally, see Garrett Hardin, *The Tragedy of the Commons*, 162 *SCIENCE* 1243, 1244–45 (1968), and for a comparison of the right of publicity with the “common pool problem,” see Grady, *supra* note 39, at 102–04 (internal quotation marks omitted).

⁹⁰ See Hardin, *supra* note 89, at 1245, 1248 (contending that restricting unchecked individual use of the commons preserves its value for society as a whole).

⁹¹ See Madow, *supra* note 2, at 220–25 (calling into question Justice Posner’s argument that the right of publicity “prevents inefficient overexploitation of celebrity personas,” and pointing out that no court has cited the argument in support of the right of publicity).

⁹² Madow explained that efficient uses may not come about where the most efficient use of a celebrity persona would involve numerous small-scale uses that could not reasonably be licensed because of transaction costs. *Id.* at 222–24 & n.445.

⁹³ *Id.*

⁹⁴ See *id.* at 224 (“Advertisers will use [a celebrity’s] photograph until it has been squeezed dry of advertising value. . . . We are not dealing here with a nonrenewable natural resource like land. . . . After all, there would be no ‘tragedy’ in the classic parable if the herdsmen, after depleting their common pasture, could simply move on to another one.”); McKenna, *supra* note 6, at 273–74 (noting that the decline in the value to a celebrity’s persona due to overexposure is uncertain and observing that any loss is not a public one).

celebrities available for advertising purposes is practically limitless.⁹⁵ There is, therefore, no negative social impact when the value of one celebrity persona is reduced because advertisers will simply find a new celebrity persona.

Third, Madow argued that, unlike physical resources, celebrity often becomes more valuable through exposure.⁹⁶ Publicity, like all forms of information, it is argued, is “nonrivalrous” and “cannot be used up.”⁹⁷ A picture of a celebrity, for example, can be distributed widely, providing equal enjoyment to all without diminishing the enjoyment of any. Conversely, once a loaf of bread is eaten no one else can enjoy it.⁹⁸ Since enjoying a celebrity persona does not reduce its availability for others, charging anything to permit the use of a celebrity’s persona would inefficiently reduce consumption.⁹⁹

2. *Extending the Allocational Critique to Other Forms of Property*

Once again, Madow’s critique is powerful and persuasive, but it cannot be limited to the right of publicity. All property rights will be inefficiently exploited if the transaction costs of licensing outweigh individual returns. And efficient small-scale uses of publicity are unlikely to be substantially more prevalent than efficient small-scale uses of other property rights. The transaction costs of individually licensing patents and copyrights, for example, may outweigh the benefit of individual uses just as those costs may inhibit the use of celebrity images and personas.¹⁰⁰ Even real estate, in some cases, could be utilized most efficiently through open access. Permitting the free use of empty lots in urban areas for community farming, for example, could lead to more efficient use of vacant land, because transaction costs might otherwise discourage efficient uses.¹⁰¹

Madow’s overexposure critique also extends to other forms of property. Although inventors and authors would suffer private losses if they could not maximize the price of their creations, greater use of patents

⁹⁵ Madow, *supra* note 2, at 224; McKenna, *supra* note 6, at 273–74.

⁹⁶ Madow, *supra* note 2, at 221–22.

⁹⁷ Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1185 (internal quotation marks omitted); *see also* Grady, *supra* note 39, at 99–100 (explaining the theories of public goods and private goods in the context of the right to publicity); McKenna, *supra* note 6, at 257, 269 (stating that identity is nonrivalrous).

⁹⁸ *See* Grady, *supra* note 39, at 99 (“One person’s consumption of a loaf of bread limits the ability of another person to get utility from the same bread.”).

⁹⁹ *See id.* (using air as an example of a good for which it would not make economic sense to charge for its use).

¹⁰⁰ In the copyright area, this problem is partially addressed through large licensing organizations that reduce transaction costs. *See* *Broad. Music, Inc. v. Columbia Broad. Sys., Inc.*, 441 U.S. 1, 4–6, 10–13, 15, 20–23 (1979) (explaining the copyright licensing system).

¹⁰¹ For example, a recent effort to set up an urban garden on an undeveloped strip of land in San Diego recently took more than two years and \$46,000 in permits. Rebecca Tolin, *The \$46,000 Question*, SAN DIEGO CITY BEAT (Jan. 13, 2009), [http://www.sdcitybeat.com/sandiego/article-6173-the-\\$46000-question.html](http://www.sdcitybeat.com/sandiego/article-6173-the-$46000-question.html).

and copyrights would benefit the public by stimulating improved inventions and new creative works.¹⁰² A particular invention, song, or work of fiction might lose value from overexposure, but there would always be additional inventions, songs, and stories to take their place. Likewise, with real estate, owners of large tracts of open land might lose some value if trespassing were permitted, but the public at large could benefit from greater access for hiking and recreational uses.¹⁰³

In some cases, allocating the use of property carefully would produce efficient results, but each case requires individualized empirical analysis. As Lemley writes, “[r]educing the distribution of information is a good thing if, but only if, such information is in fact overproduced or overdistributed. In other words, this justification for intellectual property depends on proof that there is in fact a tragedy of the commons in information.”¹⁰⁴ Commentators cannot definitively conclude that private property rights always yield efficient allocations of land, copyrights, and patents, but are unnecessary to the efficient use of publicity. Neither Madow nor any other publicity right critic has shown that publicity rights are significantly less likely to lead to efficient allocations of the use of celebrity personas than other forms of property.

Madow’s third argument concerning publicity’s nonrivalrous nature is as applicable to all forms of intellectual property as it is to the right of publicity, because they are all intangible.¹⁰⁵ At first glance, however, this

¹⁰² Mark Lemley has persuasively demonstrated the shortcomings of the allocational justification for all forms of intellectual property. He recognizes that:

The idea of a tragedy of the information commons . . . is fundamentally flawed because it misunderstands the nature of information. A tragedy of the commons occurs when a finite natural resource is depleted by overuse. Information cannot be depleted, however; in economic terms, its consumption is nonrivalrous. It simply cannot be “used up.” Indeed, copying information actually multiplies the available resources, not only by making a new physical copy but by spreading the idea and therefore permitting others to use and enjoy it. The result is that rather than a tragedy, an information commons is a “comedy” in which everyone benefits. The notion that information will be depleted by overuse simply ignores basic economics.

Mark A. Lemley, *Ex Ante Versus Ex Post Justifications for Intellectual Property*, 71 U. CHI. L. REV. 129, 143 (2004); see also *id.* at 144 (“[T]he argument that we need to grant control over distribution to encourage less distribution [of intellectual property] is at base anti-market.”).

¹⁰³ Such access has been recognized in a variety of contexts. England, for example, recently enacted a right to roam that grants public access to undeveloped private land. Jerry L. Anderson, *Britain’s Right To Roam: Redefining the Landowner’s Bundle of Sticks*, 19 GEO. INT’L ENVTL. L. REV. 375, 377–78 (2007). A similar customary right, known as “*allemansrätten*,” exists in Finland, Norway, and Sweden. *Id.* at 404. Some American states recognize a public right to beach access over private land. See, e.g., *Matthews v. Bay Head Improvement Ass’n*, 471 A.2d 355, 365–66 (N.J. 1984) (recognizing that “private landowners may not in all instances” deny members of the public access to the beach across their privately-owned land).

¹⁰⁴ Lemley, *supra* note 102, at 143.

¹⁰⁵ See, e.g., Constance E. Bagley & Gavin Clarkson, *Adverse Possession for Intellectual Property: Adapting an Ancient Concept To Resolve Conflicts Between Antitrust and Intellectual Property Laws in the Information Age*, 16 HARV. J.L. & TECH. 327, 365 (2003) (explaining that intellectual property is nonrivalrous).

aspect of Madow's critique appears to distinguish the right of publicity from real and personal property—both of which are presumed to be consumable, rivalrous, and excludible.¹⁰⁶ Upon closer examination, however, one cannot neatly distinguish among different types of property based on whether enjoyment by some prevents others from also enjoying the property. From a practical perspective, physical property is often as nonrivalrous as many forms of intellectual property. Although any particular loaf of bread is consumable, so is any particular picture of a celebrity.¹⁰⁷ In both instances, the real issue is whether the available supply of substitutes enables most consumers to obtain all that they would reasonably demand. One person's consumption of a loaf of bread is as irrelevant to the ability of others to acquire and enjoy bread as one person's consumption of a picture of a celebrity is irrelevant to others' ability to enjoy the picture. Indeed, it may be easier to create scarcity in a picture—for example, in a limited-edition high-quality poster—than in a loaf of bread.¹⁰⁸

Theoretically, distinguishing the right of publicity from other forms of property cannot rest solely on the right's potentially nonrivalrous nature, because, in significant cases, personal property may be just as nonrivalrous.¹⁰⁹ Distinguishing among types of property on this ground would again require empirical data demonstrating the degree to which publicity is in fact less rivalrous than other forms of property. None of the critics have gathered the data necessary to make that empirical claim or even explained how one might obtain it. As a result, the right-of-publicity critique again cannot distinguish publicity from other forms of property.

IV. A CRITIQUE OF PROPERTY'S MORAL JUSTIFICATIONS

Proponents of the right of publicity have advanced two moral justifications for the right—first, that a celebrity creates and thus deserves her fame, and second, that autonomous individuals should have the right to

¹⁰⁶ Peter T. Wendel, *Protecting Newly Discovered Antiquities: Thinking Outside the "Fee Simple" Box*, 76 *FORDHAM L. REV.* 1015, 1030–31 (2007).

¹⁰⁷ To be sure, intellectual property protects the concepts of invention, expression, and publicity, rather than particular manifestations. But as a practical matter, it is the physical manifestations that matter. The law could not prevent individuals from imagining copies of inventions, using their own photographic memories to recall copyright-protected material word-for-word, or visualizing a celebrity in one's mind. Only the physical manifestations—making, using, or selling a patented invention; copying a work protected by copyright; or using a celebrity's identity—are, or could be, the concern of the law.

¹⁰⁸ Conversely, the quintessential public good, air, might be quite rivalrous and excludible with respect to individuals who need supplements of oxygen to survive.

¹⁰⁹ The law has historically viewed real property as unique and excludible. See *United Church of Med. Ctr. v. Med. Ctr. Comm'n*, 689 F.2d 693, 701 (7th Cir. 1982) ("It is settled beyond the need for citation . . . that a given piece of property is considered to be unique . . ."). For many uses, however, the same principles apply to real property as to personal property. That is, there are sufficiently acceptable substitute parcels of real property that are reasonably available for most uses.

control the use of their identity. However powerful the prevailing critique of these purported justifications may be, each theory can be applied with roughly equal vigor to any form of property. The critique's persuasiveness is, therefore, again blunted by its overbreadth.

A. *Critiquing the Lockean Moral Defense for the Right of Publicity*

Lockean moral theory proposes that one deserves the product of one's labor, and it has been used to justify all forms of property rights, including the right of publicity.¹¹⁰ Madow argues that Locke's theory is inapplicable to celebrities because they do not deserve the value flowing from their fame.¹¹¹ Famous people, he contends, are rarely solely responsible for their success, both in the sense that others help the celebrity directly and because fame is dependent on the fans whose adoration constitutes the celebrity's fame.¹¹² This reasoning once again applies to all forms of property. Artists and inventors build on what came before and all property owners depend on social structures that create demand and facilitate markets. Without society, property would have no value. So, if a celebrity is not morally entitled to the value of fame, because others help create it, then no one is entitled to the value of any form of property.

1. *Lockean Theory Fails To Justify the Right of Publicity*

Proponents of the right of publicity often contend that the Lockean labor theory of property applies to publicity, because celebrities have a moral right to the wealth that they create in their public personas just as an artisan, author, or inventor deserves the wealth generated by his or her physical creations.¹¹³

Madow attacked the application of Lockean theory to publicity, arguing that fame is often unearned.¹¹⁴ “[P]lenty of people become famous nowadays,” he maintained, “through sheer luck, through involvement in

¹¹⁰ 2 JOHN LOCKE, TWO TREATISES OF GOVERNMENT §§ 25–33, 44 (Peter Laslett ed., Cambridge Univ. Press 1970) (1690); Adam Mossoff, *What Is Property? Putting the Pieces Back Together*, 45 ARIZ. L. REV. 371, 382, 396 (2003).

¹¹¹ Madow, *supra* note 2, at 175–76 & n.239.

¹¹² *Id.* at 195.

¹¹³ For an overview of the origins of the right of publicity, see *supra* Part II.A. For articulations of the labor theory of property, as applied to intellectual property, see *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831, 837 (6th Cir. 1983); *McFarland v. E & K Corp.*, Civil No. 4-89-727, 1991 U.S. Dist. LEXIS 1496, at *4–5 (D. Minn. Jan. 17, 1991); *Uhlaender v. Henricksen*, 316 F. Supp. 1277, 1282 (D. Minn. 1970); *Palmer v. Schonhorn Enters., Inc.*, 232 A.2d 458, 462 (N.J. Super. Ct. Ch. Div. 1967); Mossoff, *supra* note 110, at 396; David E. Shipley, *Publicity Never Dies; It Just Fades Away: The Right of Publicity and Federal Preemption*, 66 CORNELL L. REV. 673, 677, 682, 686 (1981).

¹¹⁴ See Madow, *supra* note 2, at 160–61 (observing that technological innovation in the early twentieth century allowed for the fabrication of fame); see also Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1183–84 (“[I]n a capitalist economy, people should not be punished for making money from something they have a right to do. A right of publicity interferes with this fundamental moral right and is therefore unjustified.”).

public scandal, or through criminal or grossly immoral conduct.”¹¹⁵ Moreover, even the most successful celebrities owe their fame to social factors over which they have no control or to others who are instrumental in creating the value in the celebrity’s persona.¹¹⁶ Because no celebrity is entirely self-made, celebrities have no moral entitlement to the value of their publicity.

2. *Can One Ever Deserve One’s Property?*

Lockean theorists assume that property has an identifiable creator who deserves to possess rights with respect to that property.¹¹⁷ But just as fame is rarely created by the celebrity alone, individuals rarely, if ever, create anything in isolation. All property arises from the ideas and labors of others, adding to the foundation upon which others will build.¹¹⁸ In the mid-nineteenth century, Joseph Story recognized that not all authors deserve property rights in their books.¹¹⁹ He wrote that “[l]anguage is common to all,” and that

literary works must contain much which is old and well known, mixed up with something which perhaps is new, peculiar, and original. . . . The difficulty here is to distinguish what belongs to the exclusive labors of a single mind, from what are the common sources of the materials of the knowledge, used by all.¹²⁰

Just as a celebrity cannot take full credit for her fame, all creative work is

¹¹⁵ Madow, *supra* note 2, at 179.

¹¹⁶ *See id.* at 184–95 (describing the ways in which celebrity images are not the product of labor); *see also* Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1179 (“The personality the court assigns to the celebrity in those cases is not simply the celebrity’s own image, but an amalgam of the contributions of writers, cinematographers, and fellow actors.”); *id.* at 1180–84 (discussing the moral basis for the right of publicity); McKenna, *supra* note 6, at 252–58, 263–68 (arguing that labor theories do not provide a basis for the right of publicity).

¹¹⁷ *See supra* note 110 and accompanying text.

¹¹⁸ John Rawls recognized that the distribution of goods depends on talents and abilities that are shaped “by social circumstances and such chance contingencies as accident and good fortune. Intuitively, the most obvious injustice of the system of natural liberty is that it permits distributive shares to be improperly influenced by these factors so arbitrary from a moral point of view.” JOHN RAWLS, *A THEORY OF JUSTICE* 72 (1971). Even if efforts are made to control socially-contingent factors such as educational opportunity, the distribution of wealth is still “to be determined by the natural distribution of abilities and talents. . . . [D]istributive shares are decided by the outcome of the natural lottery; and this outcome is arbitrary from a moral perspective.” *Id.* at 73–74.

¹¹⁹ 2 JOSEPH STORY, *COMMENTARIES ON EQUITY JURISPRUDENCE* § 939 (8th ed. 1861).

¹²⁰ *Id.* § 940; *see also* Emerson v. Davies, 8 F. Cas. 615, 618–19 (C.C.D. Mass. 1845) (No. 4,436) (“[I]n literature, in science and in art, there are, and can be, few, if any, things, which, in an abstract sense, are strictly new and original throughout. . . . Virgil borrowed much from Homer; Bacon drew from earlier as well as contemporary minds; Coke exhausted all the known learning of his profession; and even Shakespeare and Milton, so justly and proudly our boast as the brightest originals would be found to have gathered much from the abundant stores of current knowledge and classical studies in their days.”).

constructed from the shoulders of the giants who came before.¹²¹

Story, like Locke, assumed that a creator more deserving than others could, at least, sometimes be identified, even though others also contributed.¹²² But it is not so. Although individual talent is highly relevant to creativity, personal assets of any sort (and our ability to cultivate them) are, in a sense, bestowed upon us rather than self-created.¹²³ Some individuals are born with certain abilities that others lack. Likewise, a supportive upbringing creates certain opportunities for some people, but not others.¹²⁴ Those who lack these opportunities are better classified as less lucky than as less deserving.¹²⁵

Even if it were possible to identify a single potentially deserving individual, property would have no value without what the Supreme Court has referred to as an “organized society”¹²⁶ to appreciate the creation and make a market in which it can be sold.¹²⁷ To be sure, an individual creator of something valuable may be morally entitled to some reward. But that reward need not be a property right. It could instead be what the Supreme Court has called “the privileges of living in an organized society,”¹²⁸ and

¹²¹ See 1 ROBERT BURTON, *THE ANATOMY OF MELANCHOLY* 25 (J.M. Dent & Sons, Ltd. 1961) (1628) (“A dwarf standing on the shoulders of a Giant may see farther than a Giant himself; I may likely add, alter, and see farther than my predecessors.”); UMBERTO ECO, *Borges and My Anxiety of Influence*, in *ON LITERATURE* 118, 121 (2002) (recognizing “the debts [we all] owe[] to the universe of culture”).

¹²² See 2 STORY, *supra* note 119, § 940 (“The character of some works . . . may, beyond question, be in the highest sense original . . . although [they may] have freely used the thoughts of others.”).

¹²³ See, e.g., MALCOLM GLADWELL, *OUTLIERS* 19 (2008) (“People don’t rise from nothing. We do owe something to parentage and patronage. . . . The culture we belong to and the legacies passed down by our forebears shape the patterns of our achievement in ways we cannot begin to imagine.”).

¹²⁴ *Id.*

¹²⁵ The discussion in the text raises clear parallels to the philosophical debate over moral luck. Thomas Nagel set forth a taxonomy of the ways luck may impact moral judgments, including luck with respect to (1) results, (2) the circumstances in which one finds oneself, (3) the way in which one is constituted, and (4) the antecedent circumstances that are relevant to particular conduct. THOMAS NAGEL, *MORAL LUCK IN MORTAL QUESTIONS* 28 (1979); see also BERNARD WILLIAMS, *MORAL LUCK* 39 (1981) (“Scepticism about the freedom of morality from luck cannot leave the concept of morality where it was, any more than it can remain undisturbed by scepticism about the very closely related image we have of there being a moral order, within which our actions have a significance which may not be accorded to them by mere social recognition.”).

¹²⁶ *Commonwealth Edison Co. v. Montana*, 453 U.S. 609, 623 (1981) (quoting *Carmichael v. S. Coal & Coke Co.*, 301 U.S. 495, 522 (1937)).

¹²⁷ Value in real estate, for example, exists only because we live together in a society whose members desire to possess it. See David Westfall & David Landau, *Publicity Rights as Property Rights*, 23 *CARDOZO ARTS & ENT. L.J.* 71, 119 (2005) (“[T]he critical importance of the media and the public in creating value for a celebrity’s right of publicity can be taken to support the view that most of that value may be socially created, not unlike the value of a choice piece of real estate in an urban area.”). More generally, Felix Cohen, in a somewhat different context, made plain the direct connection between society and value. He derided the notion that the law should recognize as property anything of value, explaining that “[t]he vicious circle inherent in this reasoning is plain. It purports to base legal protection upon economic value, when, as a matter of actual fact, the economic value of a sales device depends upon the extent to which it will be legally protected.” Felix S. Cohen, *Transcendental Nonsense and the Functional Approach*, 35 *COLUM. L. REV.* 809, 815 (1935).

¹²⁸ *Commonwealth Edison Co.*, 453 U.S. at 623 (quoting *Carmichael*, 301 U.S. at 522).

the creator's responsibility to share the value of a creation with others can be understood "as part of the burden of common citizenship."¹²⁹ Whatever competing moral entitlement a particular individual may have to her creations, she cannot claim a moral right to exclude entirely, and without qualification, the very society that gives her property value.¹³⁰

Nonetheless, one can make evaluative judgments. Lazy individuals who treat their parents poorly may have less of a moral claim to the wealth they inherit than those who had little parental support through their formative years yet still became financially successful through hard work. But property rights in American society are not allocated in this way. The law does not distinguish the deserving from the undeserving on a relative scale. An inventor receives the same patent rights whether he labored for years or came upon the invention in an afternoon. With respect to all traditional forms of property, what's mine is mine, whether I deserve it or not.

Neither Madow nor those critics who have come after him provide a convincing basis for treating the right of publicity differently. Some celebrities, as Madow emphasizes, have fame bestowed upon them.¹³¹ His most evocative example is Donna Rice, who earned a "No Excuses" Jeans advertising spot as a result of her forays with Senator, and then-presidential candidate, Gary Hart.¹³² At the other end of the spectrum, however, are entertainers, such as Bruce Springsteen¹³³ and Chuck D.,¹³⁴ who, with few

¹²⁹ *Kimball Laundry Co. v. United States*, 338 U.S. 1, 5 (1949).

¹³⁰ To be clear, allowing property owners to exclude other members of society from using their property may be a wise policy decision in most cases, but it cannot be derived from Lockean moral theory. See McKenna, *supra* note 6, at 254–55 (stating that Lockean morality is grounded in labor).

¹³¹ Madow, *supra* note 2, at 179.

¹³² See *id.* (citing the Rice example, among others).

¹³³ Springsteen, a successful musician for over thirty years, is well-known for supporting many charitable causes, including human rights, workers' rights, and local food banks in the cities in which he plays. See Gary Shelton, *Re-Born in the USA*, ST. PETERSBURG TIMES (Fla.), Apr. 2, 2006, at 3X ("Over the years, Bruce Springsteen has donated time, effort or proceeds to help fight world hunger, Parkinson's disease and pediatric AIDS. He has supported the Special Olympics, Amnesty International and the rain forests."). He is also well known for refusing to permit his image or identity to be used for endorsement purposes. He humorously described his reluctance to associate his persona with products during his speech inducting U2 into the Rock and Roll Hall of Fame:

Well[,] there I was sitting down on the couch in my pajamas . . . I was doing one of my favorite things—I was tallying up all the money I passed up in endorsements over the years . . . and thinking of all the fun I could have had with it . . . Now, personally, I live an insanely expensive lifestyle that my wife barely tolerates. I burn money, and that calls for huge amounts of cash flow. But I also have a ludicrous image of myself that keeps me from truly cashing in. . . . You can see my problem. Woe is me.

Jonathan, Posting of *Transcript: Bruce Springsteen Inducts U2 into the Rock and Roll Hall of Fame*, U2 STATION NEWS BLOG (Mar. 17, 2005, 7:35 AM), http://www.u2station.com/news/archives/2005/03/transcript_bruc.php.

¹³⁴ Chuck D. was the lead rapper for the groundbreaking group Public Enemy. According to K.J. Greene, who once represented the group, "Chuck D. had long vehemently denounced the sale of [forty-ounce malt liquor] in black communities and was outraged over the use" of his voice in a beer commercial. Greene, *supra* note 6, at 540.

advantages, have cultivated a particular persona at significant personal cost. When contrasted with Rice, Springsteen and Chuck D. are more deserving of the fruits of their accomplishments, whether those fruits come as returns from music sales or publicity.

In *The Path of the Law*, Oliver Wendell Holmes wrote that, to distinguish law from morality, one must take the perspective of the “bad man” who cares nothing about moral principles.¹³⁵ In allocating property rights, however, American society awards rights based on the prospective of the *good man* who deserves his creations as much as anyone can. The law apparently prefers to reward Rice undeservingly, rather than deprive Springsteen and Chuck D. of the power to control their publicity.¹³⁶ Rights are awarded whether or not they are deserved. Although one can imagine a property rights allocation system that prioritizes the degree to which an individual deserves to be rewarded, American property law generally does not do so. The right of publicity thus cannot be distinguished from other property on the ground that it too does not limit its rewards to the deserving.

B. Critiquing the Autonomy-Personality Defense of the Right of Publicity

Alice Haemmerli contends that publicity rights are necessary to enable individuals to properly define (or constitute) themselves as individual human beings by exerting control over aspects of the world around them.¹³⁷ “Identity remains something intrinsic to the individual,” she claims, “subject to individual control as an autonomy-based property right, no

¹³⁵ See Oliver Wendell Holmes, *The Path of the Law*, 10 HARV. L. REV. 457, 459 (1897) (“A man who cares nothing for an ethical rule which is believed and practi[c]ed by his neighbors is likely nevertheless to care a good deal to avoid being made to pay money, and will want to keep out of jail if he can.”).

¹³⁶ Moreover, that one may be morally entitled to keep what one needs to survive, or even flourish, from what he creates does not mean that a society is morally compelled to grant an individual a property right in all, or even the predominant share, of the social surplus flowing from his efforts:

[I]t is often assumed that once one speaks of someone having a “right” . . . to something one has concluded all debate on the question whether justice requires that he should receive it. But one can accept the notion that there are legitimate claims of entitlement without being driven to the position that they must be absolute.

. . . .
 . . . [A] great deal of coercive dispossession through taxation, may be permissible or even morally required in a just society.

Thomas C. Grey, *Property and Need: The Welfare State and Theories of Distributive Justice*, 28 STAN. L. REV. 877, 885 (1976).

¹³⁷ Haemmerli, *supra* note 9, at 431. Similar arguments have been made with respect to other types of property. See, e.g., Barbara Friedman, *From Deontology to Dialogue: The Cultural Consequences of Copyright*, 13 CARDOZO ARTS & ENT. L.J. 157, 167–71 (1994) (discussing Hegel’s deontological justification of property, his rejection of the idea of copyright, and his emphasis on self-expression); Justin Hughes, *The Philosophy of Intellectual Property*, 77 GEO. L.J. 287, 337–39 (1988) (examining Hegel’s treatment of intellectual property); Wendy Lim, *Towards Developing a Natural Law Jurisprudence in the U.S. Patent System*, 19 SANTA CLARA COMPUTER & HIGH TECH. L.J. 561, 579–80 (2003) (attempting to reconcile Hegel’s personality theory with patent and copyright law).

matter what or who has affected its level of fame.”¹³⁸ She contends that a person’s identity is her own not because she has earned it, but because a just society must respect the manner in which its members define and constitute themselves.¹³⁹

Haemmerli’s defense of publicity rights has been critiqued most effectively by Dogan and Lemley. As with the earlier critiques, they effectively counter Hammerli’s justifications for publicity rights,¹⁴⁰ but they do so in a way that could also be used to critique all other forms of property.

1. *Autonomy-Personality Theory Cannot Justify the Right of Publicity*

Dogan and Lemley first demonstrate that the right of publicity enhances the autonomy and personality interests of one person only by harming the interests of another.¹⁴¹ Those who desire to use celebrity images on clothing and other products, for example, are expressing their own personality through the use of those images. Recognizing publicity rights thus reduces and limits the autonomy and personality rights of fans who seek to use celebrity personas, just as failing to recognize publicity rights would negatively impact celebrities.¹⁴² A celebrity is not morally entitled to deny others the ability to autonomously express their own personalities simply to protect his or her own reciprocal interest.¹⁴³ Therefore, the right of publicity cannot be justified in this way.

¹³⁸ Haemmerli, *supra* note 9, at 431.

¹³⁹ *Id.*; see also Hanoch Dagan, *The Limited Autonomy of Private Law*, 56 AM. J. COMP. L. 809, 830 (2008) (explaining that “holders of constitutive resources are personally attached to their properties since and insofar as they reflect their identity, because such resources are external projections of their personality”).

¹⁴⁰ See *infra* notes 141–49 and accompanying text.

¹⁴¹ See Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1179 (suggesting that a strong right of publicity “comes at a significant cost to the public”).

¹⁴² See *id.* at 1182–83 & n.100 (criticizing Haemmerli on the ground that, in advancing the autonomy justification for the right of publicity, “she offers no reason to privilege the autonomy of the celebrity protected by the right of publicity over the autonomy of speakers such a right would curtail”); see also Timothy W. Havlir, Note, *Is Fantasy Baseball Free Speech? Redefining the Balance Between the Right of Publicity and the First Amendment*, 4 DEPAUL J. SPORTS L. & CONTEMP. PROBS. 229, 238–39 (2008) (“A celebrity or athlete who is able to market his persona is afforded the opportunity to preserve the full commercial value of his fame, as well as prevent others from free riding on that value.”). *But cf.* Friedman, *supra* note 137, at 168 (making a similar point with respect to copyright, noting that Hegel “argues that when the copy, or by extension, the derivative work, embodies the ‘intellectual and technical skill of the copyist,’ the new author is entitled to property in the creation” (quoting G.W.F. HEGEL, *ELEMENTS OF THE PHILOSOPHY OF RIGHT* § 68 (Allen W. Wood ed., H.B. Nisbet trans., Cambridge Univ. Press 1991) (1821))).

¹⁴³ See, e.g., *Cardtoons, L.C. v. Major League Baseball Players Ass’n*, 95 F.3d 959, 976 (10th Cir. 1996) (“The right of publicity allows celebrities to avoid the emotional distress caused by unwanted commercial use of their identities. Publicity rights, however, are meant to protect against the loss of financial gain, not mental anguish.”), *aff’d*, 182 F.3d 1132 (10th Cir. 1999); *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 808 (Cal. 2001) (“As has been observed, works of parody or other distortions of the celebrity figure are not, from the celebrity fan’s viewpoint, good substitutes for conventional depictions of the celebrity and therefore do not generally threaten markets for celebrity memorabilia that the right of publicity is designed to protect.” (citing *Cardtoons*, 95 F.3d at 974)).

Second, Dogan and Lemley recognize that the right of publicity is not limited to the high-minded protection of autonomy interests; rather, it allocates the revenue generated by the use of a celebrity's identity.¹⁴⁴ "Even assuming that human dignity includes the right to prevent people from making true statements about you to sell a commercial product," they contend that such a right "fits uneasily" with current law because publicity rights are rarely used to prevent undignified uses.¹⁴⁵ "[A]lmost always," Dogan and Lemley argue, the right of publicity is employed to "maximiz[e] the celebrity's profit."¹⁴⁶

Third, they contend that autonomy advocates have failed to explain why the law should protect publicity in some situations—including advertising and merchandising—but not others, such as news reporting, documentary films, and biographies.¹⁴⁷ "A moral rights theory," Dogan and Lemley argue, "needs to be able to explain not just why we grant certain rights, but also why we don't grant others."¹⁴⁸ Even accepting that celebrities have a moral right to control their personas, Dogan and Lemley argue, any such right would not find support in the existing right of publicity.¹⁴⁹

2. Extending the Dogan and Lemley Critique to All Forms of Property

Each aspect of the Dogan and Lemley critique of the autonomy and personality justifications for publicity rights applies to other forms of property. Just as the right of publicity restrains the autonomy and personal development of non-celebrities, other property rights restrain the ability of non-owners to autonomously form their own personalities. To the extent that my ownership of something plays a role in constituting me, others are

¹⁴⁴ See Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1181 ("The celebrity, the argument goes, has rights to the fruits of her labor and, at the very least, has the right to prevent others from taking those fruits for their own personal gain.").

¹⁴⁵ *Id.* at 1181–82.

¹⁴⁶ *Id.* at 1182. Dogan and Lemley further note that, with trademarks

[t]here is simply no inherent right to be the only one to make money by trading on the value of a trademark. The law permits such "free riding" in numerous cases where the defendant benefits from proximity to the plaintiff's mark, so long as the use does not increase consumer search costs.

Id. at 1204.

¹⁴⁷ For example, Haemmerli asserts that "the publicity rights conversation is [not] about . . . all uses of identity that might offend a person's autonomy as such, but—by definition—with commercial exploitation of that identity." Haemmerli, *supra* note 9, at 433.

¹⁴⁸ Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1183. They acknowledge that current law could be wrong in failing to recognize an across-the-board publicity right, but they correctly point out that those who seek to justify the right on autonomy grounds do not make that claim. *Id.* at 1183 n.101. Nimmer, who was the first to rely on Lockean moral theory, was also the first to declare that news reporting should be exempt from the right of publicity. See *supra* notes 31–35 and accompanying text. Haemmerli did not question that certain uses of publicity should be exempted from the right's scope. See Haemmerli, *supra* note 9, at 433 ("We are concerned *not* with all uses of identity that might offend a person's autonomy as such, but—by definition—with commercial exploitation.").

¹⁴⁹ Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1182–84.

denied the use of that property in constituting themselves. For example, if one sibling takes an heirloom of great sentimental value from a deceased parent's estate, other siblings are denied property that may be critical to their autonomy and personality as well. Possession of any property that truly serves to constitute an individual is therefore unavailable for constituting others in much the same way that a celebrity's control of her image denies fans the right to use that image in certain self-constituting ways.¹⁵⁰

The similarity of effect on non-owners is even clearer with other forms of intellectual property. By protecting the inventor or creator through patent and copyright, the law supports the creator's autonomy and personality while simultaneously restricting the autonomy and personality of others who seek to invent or create in ways that would be deemed infringing or copying. In this regard, these types of property are also indistinguishable from the right of publicity.

The most powerful aspects of Dogan and Lemley's criticism of Haemmerli's defense of the right of publicity are that she (1) fails to account for the right's protecting returns that are unrelated to autonomy and personality interests, and (2) permits exceptions to the protection of publicity rights in certain instances that do raise autonomy and personality concerns.

All property rights, however, are riddled with similar anomalies.¹⁵¹ Estates, for example, are divided among heirs based on the property's market value. The property's constitutive character for the particular heirs involved is a peripheral concern at best.¹⁵² And real estate ownership rights must give way to zoning regulation, aircraft over-flight, and eminent domain regardless of the impact on autonomy and personality interests.¹⁵³ Personal property rights may also be limited, for example, to protect

¹⁵⁰ The problem may be even greater with real and personal property, because only one person can practically possess a particular tangible object at a given time. Indeed, real and personal property with significant constitutive value may be among the few types of property that are truly excludable and consumable, because reasonable substitutes generally do not exist. Rights of publicity may thus be distinguishable from real and personal property in this regard, but in a way that makes protection of publicity rights more appropriate, not less so.

¹⁵¹ See Kennedy & Michelman, *supra* note 84, at 715–17 (mentioning several arguments for private property and contending that “each depends on empirical assumptions additional to that of rational maximizing behavior”).

¹⁵² Compare *Johnson v. Hendrickson*, 24 N.W.2d 914, 917–18 (S.D. 1946) (giving no consideration to constitutive interests in a partition action), with *Ark Land Co. v. Harper*, 599 S.E.2d 754, 761–64 (W. Va. 2004) (taking constitutive interests into account).

¹⁵³ See, e.g., *Kelo v. City of New London*, 545 U.S. 469, 489 (2005) (“In affirming the City's authority to take petitioners' properties, we do not minimize the hardship that condemnations may entail, notwithstanding the payment of just compensation. We emphasize that nothing in our opinion precludes any State from placing further restrictions on its exercise of the takings power.” (footnote omitted)).

endangered species of animals.¹⁵⁴ Similarly, patents have exceptions for scientific research,¹⁵⁵ and owners are not always entitled to enjoin infringers.¹⁵⁶ And copyright, of course, does not prohibit fair uses.¹⁵⁷ Moral rights grounded in autonomy or personality may be unable to explain the limits on the right of publicity, but they also fail to explain the limits on other forms of private property. Again, the critique of publicity rights is also a critique of all property rights.¹⁵⁸

C. *The Right of Publicity's Lack of Pedigree*

The analysis above demonstrates that the prevailing critique extends beyond publicity rights to all property rights. Although that alone cannot justify the right of publicity, it does help explain why such an undeniably powerful critique has failed to influence courts or legislatures. Unless judges and lawmakers are prepared to contest all forms of private property, the critique's ability to influence policy is unsurprisingly blunted.

Some critics might argue that this analysis ignores history.¹⁵⁹ Whereas most forms of property have existed for centuries, courts did not recognize publicity rights until the mid-twentieth century, and broad recognition did

¹⁵⁴ See, e.g., Endangered Species Act of 1973, 16 U.S.C. § 1538(f) (2006) (prohibiting the sale or offer for sale of endangered species generally); *Andrus v. Allard*, 444 U.S. 51, 64–68 (1979) (holding that commercial trade in eagle feathers without paying compensation to those who own them is prohibited).

¹⁵⁵ A longstanding exception to patent law protection permits the use of patented technology for research purposes. See *Merck KGaA v. Integra LifeSciences I, Ltd.*, 545 U.S. 193, 195 (2005) (describing a special exception applicable to research designed to support a new drug application with the FDA); *Embrex, Inc. v. Serv. Eng'g Corp.*, 216 F.3d 1343, 1349 (Fed. Cir. 2000) (construing the experimental use exception narrowly and acknowledging the narrow defense to infringement performed “for amusement, to satisfy idle curiosity, or for strictly philosophical inquiry” (quoting *Roche Prods., Inc. v. Bolar Pharm. Co.*, 733 F.2d 858, 863 (Fed. Cir. 1984), *superseded by statute as recognized in Glaxo, Inc. v. Novopharm, Ltd.*, 110 F.3d 1562 (Fed. Cir. 1997))); *Madey v. Duke Univ.*, 266 F. Supp. 2d 420, 425 (M.D.N.C. 2001) (explaining that “the experimental use defense remains viable and may be asserted in those cases in which the allegedly infringing use of the patent is made for experimental, non-profit purposes only” (citations omitted)), *aff'd in part, rev'd in part* 307 F.3d 1351 (Fed. Cir. 2002); *Giese v. Pierce Chem. Co.*, 29 F. Supp. 2d 33, 35–37 (D. Mass. 1998) (using the restrictive definition of the traditional common-law-doctrine experimental use exception established in *Roche*).

¹⁵⁶ See *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 393 (2006) (rejecting the rule that patent infringement should always be enjoined).

¹⁵⁷ See *infra* Part V.B for a distinction between the right of publicity and other forms of property on free speech grounds.

¹⁵⁸ Haemmerli's autonomy theory may simply be a poor justification for property of any sort. But that is precisely the problem with each of the publicity rights critics' arguments. They demonstrate that all purported justifications for property are, in fact, poor justifications.

¹⁵⁹ Dogan and Lemley, for instance, observe:

Before the late nineteenth century, individuals had little recourse against the use of their names or images by unauthorized parties . . . for either commercial or noncommercial purposes. It is hard to overstate the contrast between then and now. These days, virtually any profit-oriented use of a name or identity is presumed to be wrongful, with the defendant bearing the burden of establishing that its use falls within some protected exception.

Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1167 (footnote omitted).

not occur until the 1970s.¹⁶⁰ In his 1993 article, Madow identified numerous parallels between modern publicity rights disputes and conflicts arising prior to the development of the right of publicity that affected similar interests.¹⁶¹ For example, he cited the unauthorized use of Benjamin Franklin's likeness on snuffboxes and other paraphernalia, contending that eighteenth-century celebrities saw no need for publicity rights.¹⁶² This lack of pedigree might counsel in favor of demanding stronger justification for the right of publicity than for other more established property forms.

Celebrity, however, undeniably plays a greater role in modern society than it did in eras before the right of publicity emerged. Professional sports, the movie and television industries, and popular fiction either emerged or expanded exponentially during the twentieth century. As Nimmer recognized, when the right of publicity arose in the 1950s, "the needs of Broadway and Hollywood" were far different from the use of celebrity in popular culture in earlier times.¹⁶³

In the last century, advertising's significance to the economy has also expanded dramatically.¹⁶⁴ Obvious examples include radio and television, which came to serve as important free sources of information and entertainment that are supported entirely through advertising. The role of advertising, however, has also expanded in print media and helped make possible the revolutionary social changes brought on by the World Wide Web. As the business of advertising has grown, the need for law to regulate the use of celebrity persona in the advertising context seems obvious, even if the particulars of that regulation may not be.

Courts and legislatures presumably see the enhanced role of celebrity and the importance of advertising to the modern economy as justifying some form of publicity rights.¹⁶⁵ Limitations on that right are certainly

¹⁶⁰ See *id.* at 1172–75 (outlining the impact of *Haelan v. Topps Chewing Gum*, 202 F.2d 866 (2d Cir. 1953), on the evolution of the right to privacy from 1953 onward).

¹⁶¹ See Madow, *supra* note 2, at 148–54 (citing examples of the commodification and marketing of images of famous persons dating back to the eighteenth century).

¹⁶² See *id.* at 149 ("Franklin did not begrudge these entrepreneurs the profits they were deriving from his image, nor did he resent their failure to seek his consent.").

¹⁶³ Nimmer, *supra* note 31, at 203; see also Sheldon W. Halpern, *The Right of Publicity: Commercial Exploitation of the Associative Value of Personality*, 39 VAND. L. REV. 1199, 1210 (1986) ("Commercialization of personality only recently has invaded our daily lives."); Note, *An Assessment of the Commercial Exploitation Requirement as a Limit on the Right of Publicity*, 96 HARV. L. REV. 1703, 1713 (1983) ("If earlier conceptions of property failed to comprehend a property right in publicity, that failure can be attributed to the fact that nothing in our experience before the early 1900's would have made such a right necessary.").

¹⁶⁴ See Madow, *supra* note 2, at 156–57 (describing dramatic changes in the scale and content of advertising in the early nineteenth century).

¹⁶⁵ See, e.g., *Matthews v. Wozencraft*, 15 F.3d 432, 438 (5th Cir. 1994) ("[I]f a well-known public figure's picture could be used freely to endorse commercial products, the value of his likeness would disappear. Creating artificial scarcity preserves the value to him, to advertisers who contract for the use

appropriate. But courts and legislatures will likely demand rationales that rest on more than historical parallels from times when celebrities played a far different role than they do today. Part V addresses the shortcomings in the free speech limitation that courts have tried to impose on the right of publicity, and Part VI posits that competition policy could more rationally and effectively bind publicity rights without affecting the scope of other types of property.

V. DISTINGUISHING THE RIGHT OF PUBLICITY FROM OTHER FORMS OF PROPERTY ON FREE SPEECH GROUNDS

Because the right of publicity limits the speech of those who seek to exploit the identity of a celebrity, some courts have cited free speech principles to limit the right of publicity's scope.¹⁶⁶ Courts have held that

of his likeness, and in the end, to consumers, who receive information from the knowledge that he is being paid to endorse the product.”)

¹⁶⁶ See, e.g., *ETW Corp. v. Jireh Publ'g, Inc.*, 332 F.3d 915, 931 (6th Cir. 2003) (“There is an inherent tension between the right of publicity and the right of freedom of expression under the First Amendment.”); *Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180, 1185–86 (9th Cir. 2001) (holding that the First Amendment allows magazines to use celebrities’ names and likenesses in feature articles without it being considered commercial speech); *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1401 n.3 (9th Cir. 1992) (“[F]or celebrity exploitation advertising to be effective, the advertisement must evoke the celebrity’s identity. . . . [E]ven if some forms of expressive activity, such as parody, do rely on identity evocation, the first amendment hurdle will bar most right of publicity actions against those activities.”); *Rogers v. Grimaldi*, 875 F.2d 994, 1004 n.11 (2d Cir. 1989) (“Commentators have also advocated limits on the right of publicity to accommodate First Amendment concerns.” (citing James M. Treece, *Commercial Exploitation of Names, Likenesses, and Personal Histories*, 51 TEX. L. REV. 637, 671–72 (1973))); *Valentine v. CBS, Inc.*, 698 F.2d 430, 433 (11th Cir. 1983) (“Use of a name is not harmful simply because it is included in a publication sold for profit.”); *Lane v. MRA Holdings, LLC*, 242 F. Supp. 2d 1205, 1220 n.70 (M.D. Fla. 2002) (“Florida continues to recognize the common law tort of invasion of privacy—commercial misappropriation of likeness.”); *Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 808–10 (Cal. 2001) (seeking to determine whether the use is transformative, as “when a work contains significant transformative elements, it is not only especially worthy of First Amendment protection, but it is also less likely to interfere with the economic interest protected by the right of publicity”); *Tyne v. Time Warner Entm’t Co.*, 901 So. 2d 802, 810 (Fla. 2005) (“Not only do these decisions demonstrate that the common usage of the term ‘commercial’ in the commercial misappropriation and right of publicity context is indeed limited to the promotion of a product or service . . . but they also indicate that such works should be protected by the First Amendment.” (citations omitted)); *Doe v. TCI Cablevision*, 110 S.W.3d 363, 374 (Mo. 2003) (recognizing that the weakness of the “relatedness” and “transformative” tests “is that they give too little consideration to the fact that many uses of a person’s name and identity have both expressive and commercial components,” and seeking to identify the dominant purpose of these tests (internal quotation marks omitted)); see also Treece, *supra*, at 671 (“Thus, when a plaintiff claims that the unauthorized advertising use of his name has injured him, the initial inquiry should be how, not whether, the first amendment protects advertising.”); Volokh, *supra* note 9, at 904 (dividing right-of-publicity claims into four categories: “(1) ‘noncommercial speech’ genres that right of publicity law favors, such as news, movies, and the like; (2) commercial advertisements for those noncommercial speech genres; (3) other kinds of commercial advertisements; and (4) ‘noncommercial speech’ genres that right of publicity law disfavors, such as sculptures, prints, T-shirts, and the like”). But see *Midler v. Ford Motor Co.*, 849 F.2d 460, 463 (9th Cir. 1988) (holding that “when a distinctive voice of a professional singer is widely known and is deliberately imitated in order to sell a product, the sellers have appropriated what is not theirs and have committed a tort in California”); *Carson v. Here’s Johnny Portable Toilets, Inc.*, 698 F.2d 831, 836 (6th Cir. 1983) (holding that a celebrity’s right of publicity

the right of publicity does not apply if the use of the celebrity's identity is sufficiently transformative, original, and creative.¹⁶⁷ Right-of-publicity claims based on the use of a celebrity's name in a movie, novel, song, or their image in a painting have thus repeatedly been rejected.¹⁶⁸ A recent case also refused, on First Amendment grounds, to find a right of publicity where Major League Baseball player names and statistics were used to operate a for-profit commercial fantasy baseball league.¹⁶⁹ But courts have been unable to apply the approach consistently, upholding right-of-publicity claims involving the use of a celebrity's name or likeness for advertising¹⁷⁰ or sale of the celebrity's likeness.¹⁷¹

Commentators suggest that publicity rights have a more significant impact on speech than other property rights and that the scope of the right of publicity should therefore be narrowed to guard against excessive speech restraints.¹⁷² The harshest right-of-publicity critics deride this

was invaded because a local entrepreneur "intentionally appropriated his identity for commercial exploitation"). Dogan and Lemley similarly recognize a distinction between merchandising, where the right of publicity applies, and "news reporting, biography, film, and certain forms of art," where it does not. Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1177. Roberta Kwall proposes accommodating the right of publicity and free speech interests by varying the available remedy. Kwall, *Right of Publicity*, *supra* note 41, at 47-49.

¹⁶⁷ See, e.g., *ETW Corp.*, 332 F.3d at 937-38 (refusing to enforce a celebrity's right of publicity because of First Amendment interests); *Hoffman*, 255 F.3d at 1184-85 (determining that a feature article in a magazine using altered photographs of film stills did not constitute pure commercial speech, as "[a]ny commercial aspects are 'inextricably entwined' with expressive elements, and so they cannot be separated out 'from the fully protected whole'" (quoting *Gaudiya Vaishnava Soc'y v. City & Cnty. of S.F.*, 952 F.2d 1059, 1064 (9th Cir. 1990))); *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 969 (10th Cir. 1996) ("Speech that entertains, like speech that informs, is protected by the First Amendment because '[t]he line between the informing and the entertaining is too elusive for the protection of that basic right.'" (quoting *Winters v. New York*, 333 U.S. 507, 510 (1948))).

¹⁶⁸ See, e.g., *ETW Corp.*, 332 F.3d at 938 ("While the right of publicity allows celebrities . . . to enjoy the fruits of their labors, here [the artist] has added a significant creative component of his own Permitting [the] right to publicity to trump [the artist's] right of freedom of expression would extinguish [the] right to profit from his creative enterprise.").

¹⁶⁹ *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 505 F.3d 818, 823 (8th Cir. 2007).

¹⁷⁰ See *Midler*, 849 F.2d at 463 ("To impersonate [the distinctive] voice [of a celebrity singer] is to pirate her identity.").

¹⁷¹ See *Comedy III*, 21 P.3d at 811 (applying the right of privacy to a charcoal sketch of the Three Stooges and noting that the court is "concerned not with whether conventional celebrity images should be produced but with who produces them and, more pertinently, who appropriates the value from their production"); *Martin Luther King, Jr., Ctr. for Soc. Change, Inc. v. Am. Heritage Prods., Inc.*, 296 S.E.2d 697, 706 (Ga. 1982) (applying the right of publicity to the sale of a bust of Martin Luther King, Jr., and extending any valid reasons for recognizing the right to privacy during life to celebrities and their families even after death).

¹⁷² See Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1178 (describing current law as embodying "a presumption that celebrities have an absolute right to the economic value of their identity, subject only to special First Amendment concerns that will rarely apply in a merchandising case"); F. Jay Dougherty, *All the World's Not a Stoooge: The "Transformativeness" Test for Analyzing a First Amendment Defense to a Right of Publicity Claim Against Distribution of a Work of Art*, 27 COLUM. J.L. & ARTS 1, 67-69 (2004) (examining and critiquing the economic rationales that have been offered to justify intellectual property rights in United States jurisprudence); Volokh, *supra* note 9, at 905 (arguing that typical definitions of the right of publicity "can't be accepted at face value" because they would block uses such as unauthorized biographies that have been protected by the First

approach as inherently unlikely to give speech rights their due.¹⁷³

This Article attacks the free speech approach from the opposite end, arguing that it fails to give property rights their due. Neither free speech analysts, nor their traditional critics, fully confront the core question: is publicity a legitimate form of property? Critics who believe that the right of publicity is not a legitimate property interest do not understand why publicity rights should ever trump speech rights.¹⁷⁴ But if one accepts publicity's status as property—as many legislatures and courts do—then speech rights should never limit the right of publicity. After all, a homeowner is not required to make his front yard available to those who want to use it to speak. Ultimately, the free speech approach simply begs the question whether publicity is property.

A. *The Standard Critique of Free Speech Principles To Limit Publicity Rights*

Many commentators have shown that attempts to identify particular instances in which a right of publicity would violate the First Amendment cannot be reconciled with free speech jurisprudence. Properly applied, they maintain, First Amendment principles do not just limit the right of publicity; they swallow it entirely.¹⁷⁵ No existing First Amendment theory adequately explains why the use of a celebrity's identity to sell automobiles, potato chips, or T-shirts violates the celebrity's property rights,¹⁷⁶ but the use of celebrity identity to sell movies, lithographs, or

Amendment). The *Restatement (Third) of Unfair Competition* limits the scope of the right of publicity, excluding at least "ordinarily" from the scope of the right "the use of a person's identity in news reporting, commentary, entertainment, works of fiction or nonfiction, or in advertising that is incidental to such uses." RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 47 (1995). Some states, by statute, adopt a similar limitation. See, e.g., IND. CODE ANN. § 32-36-1-1(c) (LexisNexis 2002) (providing a similarly broad exception); OHIO REV. CODE ANN. § 2741.09 (LexisNexis 2008) (same); 42 PA. CONS. STAT. ANN. § 8316(e) (West 2007) (same); WASH. REV. CODE ANN. § 63.60.070(1) (West 2005) (exempting any "matters of cultural, historical, political, religious, educational, newsworthy, or public interest"). Other states carve out a narrower exemption. See, e.g., CAL. CIV. CODE § 3344(d) (West 1997) ("[I]n connection with any news, public affairs, or sports broadcast or account, or any political campaign . . ."); OKLA. STAT. ANN. tit. 12, § 1449(D) (West 1993) (adopting the same limited exclusion); TENN. CODE ANN. § 47-25-1107(a) (2001) (same); see also FLA. STAT. ANN. § 540.08(3)(a) (West 2007) (excluding only "bona fide news report[s] or presentation[s] having a current and legitimate public interest"); NEB. REV. STAT. § 20-202 (2007) (excluding only news reports and noncommercial advertisements); cf. 765 ILL. COMP. STAT. ANN. 1075/35(b) (West 2009) (excluding a broad range of portrayals of people, but covering uses of people's names in songs or books that are outside the scope of "portray[al], descri[ption], or impersonat[ion]").

¹⁷³ See *supra* Part III.A.1.

¹⁷⁴ See *supra* Part III.A.1.

¹⁷⁵ See Volokh, *supra* note 9, at 929 ("But, when applied to expression, 'my property' is another way of saying 'legally forbidden to be another's speech.'"); Diane Leenheer Zimmerman, *Who Put the Right in the Right of Publicity?*, 9 DEPAUL-LCA J. ART. & ENT. L. & POL'Y 35, 53-54 (1998) ("Publicity rights, in other words, are a kind of content-based regulation of speech.")

¹⁷⁶ See *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093, 1100 (9th Cir. 1992) (noting that the singer's claim was for "infringement of voice, not for infringement of a copyrightable subject such as a sound recording or musical composition"); *Midler v. Ford Motor Co.*, 849 F.2d 460, 463 (9th Cir. 1988)

comic books does not.¹⁷⁷ As Shubha Ghosh states, “[t]he form of speech protected under the First Amendment in right-of-publicity cases is a mystery awaiting a solution.”¹⁷⁸ Dogan and Lemley explain that attempts to solve that mystery “inevitably lead[] courts to engage in content-based analysis, favoring certain types of speech over others without any compelling justification.”¹⁷⁹ Assuming there is a way to balance speech and property interests, judges are unqualified to do it.

B. *An Alternative Critique of Free Speech Analysis*

The concern that the right of publicity impinges free speech implicitly rests on the assumption that publicity rights are not property rights. If one accepts the conclusion of many legislatures and courts that publicity is property, then the concern about free speech vanishes. But a new problem emerges: why should the First Amendment limit the right of publicity at all?¹⁸⁰

The ability to speak freely is a privilege, an aspect of liberty that the government may not deny, but that it has no obligation to foster. While an individual can compel the government to ensure that individual’s ability to exercise a right, the government cannot prevent private restraints on the exercise of privileges.¹⁸¹ In contrast to speech, property ownership creates

(upholding a celebrity’s right of publicity when the celebrity’s singing style was used in an automobile advertisement); *Comedy III*, 21 P.3d at 811 (upholding a right of publicity when celebrities were depicted in a charcoal drawing on a T-shirt).

¹⁷⁷ *ETW Corp. v. Jireh Publ’g, Inc.*, 332 F.3d 915, 938 (6th Cir. 2003) (denying a right-of-publicity claim when a celebrity’s image was used in prints of an original collage); *Rogers v. Grimaldi*, 875 F.2d 994, 1004–05 (2d Cir. 1989) (denying a similar claim where a celebrity’s name was used in a movie title); *Winter v. DC Comics*, 69 P.3d 473, 476 (Cal. 2003) (denying a similar claim where a celebrity’s identity was used in comic books).

¹⁷⁸ Ghosh, *Bobbling Heads*, *supra* note 47, at 635.

¹⁷⁹ Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1189.

¹⁸⁰ Commentators have implicitly recognized this point. *See id.* at 1183 (“The labor and unjust enrichment rationales also fail to explain uses that the law treats as beyond the celebrity’s control. If a celebrity has a right to appropriate the full value of her persona and to prevent others from profiting from the use of her name, that right logically would seem to extend to control over references in the for-profit news media, documentaries, biographies, and a variety of other creative works to which the right of publicity does not extend even today. A moral rights theory needs to be able to explain not just why we grant certain rights, but also why we don’t grant others.”); Zimmerman, *Information as Speech*, *supra* note 70, at 668 (“[O]nce the court has decided which label to attach to a dispute—free speech or property—the outcome is by and large determined.”).

¹⁸¹ In a prior article, I explained Wesley Hohfeld’s seminal analysis of rights and privileges as follows:

[L]awyers tend to use the term *right* to encompass at least two separate concepts: a privilege, which is an individual entitlement with which the government may not interfere; and a right, which is an individual entitlement to call upon the government to stop others from doing something. Individuals have a privilege to engage in free speech, and individuals have a right to exclude trespassers from their real property. A privilege, then, is something that no other person has a right to call upon the government to stop. If person *A* has a privilege to speak in a public forum, then person *B* might be said to have a non-right to call upon the government to stop *A* from speaking. The correlative legal entitlement to a *right* is a *duty*. If *A* has a right

rights; an owner can both use property without government interference and invoke the government's authority to prevent others from trespassing or otherwise appropriating his or her property.¹⁸² In this sense, private property rights trump free speech privileges whenever they conflict. A property owner may exclude anyone from using his property—real, personal, or intellectual—as a figurative soapbox from which to engage in speech, regardless of the subject matter of the intended speech. This bright-line rule is applicable to all existing forms of property.¹⁸³ The property owner's right to exclude others from using the property is unaltered by a non-owner's desire to use the property to speak. No

to exclude individuals from real property, then *B* has a duty to stay off of *A*'s property unless invited.

Steven Semeraro, *Sweet Land of Property?: The History, Symbols, Rhetoric, and Theory Behind the Ordering of the Rights to Liberty and Property in the Constitutional Lexicon*, 60 S.C. L. REV. 1, 55 (2008) (citing Wesley Newcomb Hohfeld, *Fundamental Legal Conceptions as Applied in Judicial Reasoning*, 23 YALE L.J. 16, 30–33 (1913)).

¹⁸² *Id.*

¹⁸³ Examples involving real property tend to be the richest and most prominent in the case law. These typically involve an owner of real property excluding a trespasser who wants to deliver a message—even a purely political one—from that property. See *Frisby v. Schultz*, 487 U.S. 474, 485 (1988) (explaining that “[t]here simply is no right to force speech into the home of an unwilling listener” and that “we have repeatedly held that individuals are not required to welcome unwanted speech into their own homes and that the government may protect this freedom”). The Court has extended this principle to property used for commercial purposes. See *Lloyd v. Tanner*, 407 U.S. 551, 568–69 (1972) (explaining that “this Court has never held that a trespasser or an uninvited guest may exercise general rights of free speech on property privately owned and used nondiscriminatorily for private purposes only” and that “property [does not] lose its private character merely because the public is generally invited to use it for designated [commercial] purposes”). It has similarly extended the principle to government-owned property not traditionally open for free speech purposes. See *Adderley v. Florida*, 385 U.S. 39, 48 (1966) (“The United States Constitution does not forbid a State to control the use of its own property for its own lawful nondiscriminatory purpose.”). The only exceptions have been situations in which the owner controls property that bears the earmarks of public property on which free speech generally is permitted, such as a company town, *Marsh v. Alabama*, 326 U.S. 501, 505–08 (1946), or, more controversially, a shopping center serving the purposes of a public town square. See *Pruneyard Shopping Ctr. v. Robins*, 447 U.S. 74, 78–79 (1980) (upholding a state law requiring a shopping center owner to permit non-disruptive political speech); *Lloyd*, 407 U.S. at 567–68 (suggesting in dicta that free speech and property rights may be subject to balancing in the shopping center context). The Second Circuit has recognized that free speech rights do not trump property rights in the context of a trademark dispute, explaining that because “plaintiff’s trade mark is in the nature of a property right, . . . it need not ‘yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist.’” *Dall. Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 206 (2d Cir. 1979) (quoting *Lloyd*, 407 U.S. at 567, and recognizing that enjoining the use of a trademark is *not* a prior restraint on speech).

Examples with respect to other types of property include:

- (1) The owner of personal property, such as a public address system, may prohibit others from using that property to advocate their cause.
- (2) The owner of a patent on a new method of amplification can similarly refuse a license for speakers wishing to use the invention to better communicate their messages.
- (3) A copyright protects against the copying and distribution of original creative works in tangible form, even when the copier seeks to use the work to advance core political speech.

balancing of speech and property rights is necessary.

First Amendment commentators may counter that speech interests do play a role in defining the scope of copyright in a way that is similar to defining the scope of the right of publicity. Copyright, they may argue, limits the content that a speaker may employ, rather than the place or manner of the speech. It thus includes a unique balancing mechanism to determine whether a particular use of the content is fair.¹⁸⁴ Because the right of publicity also restrains the content of speech, some claim that it too should incorporate a fair use exception.¹⁸⁵

This purported distinction between copyright and the right of publicity, on the one hand, and other forms of property, on the other, does not withstand careful scrutiny. To the extent that copyright limits the content of speech, other forms of property do so as well. The content of the message that a speaker conveys is often as dependent on the location and manner of the speech as it is on the specific words chosen. As the Supreme Court has recognized, “[a]n espousal of socialism may carry different implications when displayed on the grounds of a stately mansion than when pasted on a factory wall or an ambulatory sandwich board.”¹⁸⁶ Nevertheless, prohibiting speakers from invading a homeowner’s property rights against his or her will has survived First Amendment challenge.¹⁸⁷ Similarly, broadcasting support for a ballot proposition by sound truck communicates a distinctly different message than distributing handbills on a street corner. Yet, courts have upheld the regulation of sound trucks because property owners have the right to exclude speech from their property, and they may thus adopt reasonable steps to prevent sound-truck messages from invading their private space.¹⁸⁸

¹⁸⁴ Dogan and Lemley claim that copyright doctrine has not been adequately limited by free speech concerns. See Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1164 (“For better or worse, copyright laws have gotten a free ride when it comes to the First Amendment.”). This approach misconceives the distinction between property and the First Amendment.

¹⁸⁵ See Risa J. Weaver, *Online Fantasy Sports Litigation and the Need for a Federal Right of Publicity Statute*, DUKE L. & TECH. REV., Feb. 9, 2010, at ¶¶ 44, 48–50 (urging the adoption of a fair-use exception to the right of publicity).

¹⁸⁶ *City of Ladue v. Gilleo*, 512 U.S. 43, 56–57 (1994); see also *id.* at 56 (“Displaying a sign from one’s own residence often carries a message quite distinct from placing the same sign someplace else, or conveying the same text or picture by other means. . . . A sign advocating ‘Peace in the Gulf’ in the front lawn of a retired general or decorated war veteran may provoke a different reaction than . . . the same message on a bumper sticker of a passing automobile.”).

¹⁸⁷ See *Frisby*, 487 U.S. at 486, 488 (upholding a ban on picketing an individual house, and noting that, “even if some such picketers have a broader communicative purpose, their activity nonetheless inherently and offensively intrudes on residential privacy”).

¹⁸⁸ For this reason, the Court has rejected governmental attempts to bar particular means of communication, such as hand-billing or door-to-door solicitation, while at the same time recognizing that private property owners may prohibit precisely the same speech on their property. See *id.* at 486 (listing cases invalidating ordinances against marching, soliciting, and hand-billing, but reiterating that an individual property owner may prohibit the speech on his property or invading his property rights); *Kovacs v. Cooper*, 336 U.S. 77, 86 (1949) (“While this Court, in enforcing the broad protection the Constitution gives to the dissemination of ideas, has invalidated an ordinance forbidding a distributor

Time, place, and manner limits, of course, are not as restrictive as completely prohibiting someone from communicating an idea. But neither copyright nor publicity rights bar all discourse on a particular topic. Copyright cannot prevent a speaker from expressing particular ideas; it reaches only the manner in which the copyright holder has expressed those ideas.¹⁸⁹ Nor can the right of publicity stop individuals from speaking about celebrities. Although the law may block the sale of T-shirts depicting a celebrity, it does not prohibit commentary through a fanzine or blog. Just like other property rights, publicity rights merely limit the manner in which the speech takes place.

In some cases, the right of publicity may prevent the most effective means of communicating a message, such as advertising or merchandising. The postcard of John Wayne wearing lipstick is an example of a powerful message that was extinguished by the right of publicity.¹⁹⁰ An academic paper, however, could adequately address the same gender issues raised by the image and even describe the offending postcard without affronting the right of publicity. A paper would not communicate the intended message as effectively as the postcard. But the Supreme Court has held only that speakers have a right to adequate means of communication, not the most effective possible means.¹⁹¹

As troubling as this restraint may be for a free speech advocate, property rights regularly curtail a speaker's potential effectiveness. Like the John Wayne postcard image, a protest on the mayor's lawn, a labor picket line on the grounds of a shopping mall, or a political campaign's use of a sound truck may be the most effective means of communicating certain messages, but real and personal property rights allow owners to prohibit them,¹⁹² just as publicity rights enabled the owner of Wayne's persona to block the postcard's sale.

All types of property rights sufficiently prevent speakers from using the most effective means of communicating when the speaker exploits

of pamphlets or handbills from summoning householders to their doors to receive the distributor's writings, this was on the ground that the home owner could protect himself from such intrusion by an appropriate sign 'that he is unwilling to be disturbed.' The Court never intimated that the visitor could insert a foot in the door and insist on a hearing. We do not think that . . . [we must] expand this interdiction of legislation to include ordinances against obtaining an audience for the broadcaster's ideas by way of sound trucks with loud and raucous noises on city streets." (quoting *Martin v. Struthers*, 319 U.S. 141, 143, 148 (1943)).

¹⁸⁹ See *Mazer v. Stein*, 347 U.S. 201, 217 (1954) (explaining that "a copyright gives no exclusive right to the art disclosed; protection is given only to the expression of the idea—not the idea itself").

¹⁹⁰ Madow, *supra* note 2, at 144.

¹⁹¹ See *Frisby*, 487 U.S. at 486, 488 (upholding a ban on picketing an individual house); *Members of City Council of L.A. v. Taxpayers for Vincent*, 466 U.S. 789, 812 (1984) (holding that there is no right to a particular means of communicating if "there are ample alternative modes of communication"); *Lloyd v. Tanner*, 407 U.S. 551, 567 (1972) (explaining that only "adequate alternative avenues of communication" must remain open).

¹⁹² See *supra* notes 181–91 and accompanying text.

another's property rights. Property, however, does not exclude particular viewpoints from the marketplace of ideas; it merely requires that such viewpoints be presented without using someone else's property.

Speech interests thus fail to serve as a basis for distinguishing the right of publicity from other forms of property. The balancing approach never engages the real issue whether publicity rights are property rights. Because if they are, then the cases most vilified for upholding the right of publicity become simple. The speech interests of marketers of celebrity paraphernalia become as irrelevant to publicity rights as the speech interests of a sound-truck operator broadcasting from someone's private driveway. But those cases that truncate publicity rights on free speech grounds—including some merchandising cases as well as the news-reporting and biography decisions—then appear unjustifiable because the desire to speak does not limit the scope of property rights.¹⁹³ Existing judicial and academic literature fails to grapple with this problem.

VI. DISTINGUISHING THE RIGHT OF PUBLICITY THROUGH COMPETITION POLICY

Competition policy has been used to limit the scope of all types of property. Its application in right-of-publicity cases, however, remains largely unexplored.¹⁹⁴ This Part examines how competition-policy analysis could coherently limit publicity rights.

A. *Defining Competition Policy*

At both the federal and state levels, American law favors competition

¹⁹³ Property rights that are so broad as to cut off all forms of speech would likely violate the Constitution. *See Marsh v. Alabama*, 326 U.S. 501, 506 (1946) (holding that the owner of an entire town could not prevent speech on what would traditionally be public property).

¹⁹⁴ Although references to competition policy considerations in right-of-publicity case law are rare, one court cited competition concerns in holding that the right of publicity should not extend beyond the death of the celebrity. *Memphis Dev. Found. v. Factors Etc., Inc.*, 616 F.2d 956, 959–60 (6th Cir. 1980). *But see Factors Etc., Inc. v. Pro Arts, Inc.*, 579 F.2d 215, 219 (2d Cir. 1978) (holding that the right of publicity is inheritable); *Martin Luther King, Jr., Ctr. for Social Change, Inc. v. Am. Heritage Prods., Inc.*, 296 S.E.2d 697, 706 (Ga. 1982) (same). Judge Cornelia Kennedy also argued that competition policy is relevant to the scope of the right of publicity in her dissent in *Carson v. Here's Johnny Portable Toilets, Inc.* *See* 698 F.2d 831, 840 (6th Cir. 1983) (Kennedy, J., dissenting) (“Protection under the right of publicity creates a common law monopoly that removes items, words and acts from the public domain.”). Her use of competition policy, however, was really just free speech analysis in disguise. She would have held that Johnny Carson's right of publicity did not extend to the use of “Here's Johnny” in the name of a company, because doing so would “take[] this phrase away from the public domain.” *Id.* at 840. This point, while relevant to free speech considerations, is irrelevant from the perspective of competition policy, because a particular phrase is virtually never essential to competition concerns and certainly was not necessary for the defendant there to compete effectively in the portable toilet market. The scholarship largely ignores competition policy, though Madow makes some oblique references to it. *See Madow, supra* note 2, at 130 (recognizing that the right of publicity permits celebrities “to capture (and monopolize)” the merchandising and advertising that makes use of their personas).

over monopolistic ordering.¹⁹⁵ “The heart of our national economic policy,” the Supreme Court has explained, is a long-held faith “in the value of competition” and the belief that it constitutes “the best method of allocating resources in a free market”¹⁹⁶ and will “ultimately . . . produce not only lower prices, but also better goods and services.”¹⁹⁷

The Court has also recognized, but never clearly articulated, that to achieve these goals competition is required only when rivalry will efficiently lower costs, increase quality, and stimulate efficient resource allocation.¹⁹⁸ Were competition required at all times and in every dimension, chaotic uncertainty would lead to the inefficient use of resources. The law must therefore enable firms that succeed in the competitive marketplace to secure their gains. It does this by recognizing property rights that insulate firms from certain types of competition.

Both the general antitrust laws and industry-specific competition-based regulatory programs are designed to balance the duty to compete and the right to property.¹⁹⁹ Traditionally, competition policy regulation required natural monopoly²⁰⁰ utilities—like gas, electric, and telephone companies—to provide service at reasonable rates on non-discriminatory terms.²⁰¹ The antitrust laws were believed to be ineffectual for industries like these that could not efficiently support more than one supplier.²⁰²

¹⁹⁵ See *FCC v. RCA Comm'ns*, 346 U.S. 86, 89 (1953) (referring to the “national policy in favor of competition” and concluding that “competition is in the public interest where competition is reasonably feasible” (internal quotation marks omitted)).

¹⁹⁶ *Nat'l Soc'y of Prof'l Eng'rs v. United States*, 435 U.S. 679, 695 (1978) (quoting *Standard Oil Co. v. FTC*, 340 U.S. 231, 248 (1951)).

¹⁹⁷ *Id.*; see also *United States v. Topco Assocs., Inc.*, 405 U.S. 596, 610 (1972) (describing the antitrust laws as “the Magna Carta of free enterprise” which are “as important to the preservation of economic freedom and our free-enterprise system as the Bill of Rights is to the protection of our fundamental personal freedoms”).

¹⁹⁸ See *Bd. of Trade of Chi. v. United States*, 246 U.S. 231, 238 (1918) (explaining that the antitrust laws do not prohibit all conduct that restrains competition, because restraint in one dimension may “promote[] competition” in another); see also *id.* at 237–38 (recognizing that the Court will uphold a regulation that “merely regulates and perhaps thereby promotes competition”).

¹⁹⁹ The federal antitrust laws, for example, are principally Sections 1 and 2 of the Sherman Act, which govern anticompetitive agreements in restraint of trade and unilateral conduct in restraint of trade, respectively, Sherman Act, ch. 647 §§ 1–2, 26 Stat. 209, 209 (1890) (current version at 15 U.S.C. §§ 1–2 (2006)), and Section 7 of the Clayton Act, which protects against anticompetitive mergers and acquisitions, Clayton Act, ch. 323 § 7, 38 Stat. 730, 731–32 (1914) (current version at 15 U.S.C. § 18 (2006)). Many states have similar laws that generally track the scope of the federal antitrust laws. U.S. DEP'T OF JUSTICE, ANTITRUST ENFORCEMENT AND THE CONSUMER § 3, available at http://www.justice.gov/atr/public/div_stats/211491.pdf.

²⁰⁰ A natural monopoly is a market that will efficiently support only one competitor. For example, electric power distribution requires the construction of an elaborate wired network. Creating duplicate networks to permit competition would inefficiently increase overall costs to consumers. Electric utilities distributing power are thus viewed as natural monopolies.

²⁰¹ See, e.g., Robert L. Hale, *Commissions, Rates, and Policies*, 53 HARV. L. REV. 1103, 1104–05 (1940).

²⁰² See Ray S. Bolze et al., *Antitrust Law Regulation: A New Focus for a Competitive Energy Industry*, 21 ENERGY L.J. 79, 79–80 (2000) (explaining that Congress chose regulation over antitrust in

More recently, regulatory schemes have sought to create competition in what were once thought to be natural monopoly industries. These competition policy programs impose competitive duties that have been described as “more ambitious than the antitrust laws.”²⁰³

Together, these laws constitute a broad competition policy designed to ensure that competitive threats stimulate innovation and efficient production, while permitting firms to retain sufficient profit to ensure adequate risk-taking.²⁰⁴ The precise mixture of these components is neither consistent nor precisely articulated.²⁰⁵ As the Supreme Court has explained, “[w]hat is required . . . is an enquiry meet for the case, looking to the circumstances, details, and logic of a restraint.”²⁰⁶

In established markets where the risk of loss is minimal, antitrust laws encourage copying a competitor’s products, ensuring a constant threat of direct price and quality competition.²⁰⁷ The ability to exploit a new product or service during the time that it takes competitors to market copies is thought to provide sufficient profit to stimulate efficient innovation.²⁰⁸

In markets where risk is more substantial, the profits made possible simply by being the first to innovate are deemed inadequate. The law thus prohibits copying for periods of time or in particular contexts—by recognizing property rights—and thereby lessening competition in order to provide greater incentives to bear the risk of innovating. The patent system, for example, prohibits copying for twenty years, blunting the direct price competition on or incremental improvements to the patented product

industries such as electric power and natural gas distribution because these industries “were generally perceived as natural monopolies, because they can be provided more efficiently by one supplier”).

²⁰³ *Verizon Commc’ns, Inc. v. Law Offices of Curtis V. Trinko, LLP*, 540 U.S. 398, 415 (2004) [hereinafter *Verizon I*].

²⁰⁴ See 15 U.S.C. § 18 (“This section shall not apply to persons purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to substantially lessen competition.”).

²⁰⁵ Justice Breyer articulated the relevant issues in some detail in his dissent in *Verizon v. FCC*. See 535 U.S. 467, 549–52 (2002) [hereinafter *Verizon II*] (Breyer, J., concurring in part and dissenting in part) (explaining that the ability to immediately copy a competitive input would render competition impossible because there would be no way to recoup sufficient profit to justify the risk of developing new inputs); see also J. Gregory Sidak & Daniel F. Spulber, *Deregulation and Managed Competition in Network Industries*, 15 YALE J. ON REG. 117, 124–25 (1998) (“If deprived of a return to capital facilities after capital has been sunk in irreversible investments, or if faced with reduced returns to investments already made, any economically rational company will eliminate or reduce similar capital investments in the future.”).

²⁰⁶ *Cal. Dental Ass’n v. FTC*, 526 U.S. 756, 781 (1999).

²⁰⁷ 35 U.S.C. § 154(a)(1)–(2) (2006).

²⁰⁸ *Cf. Verizon II*, 535 U.S. at 505–06 (explaining that even where access to a competitor’s property is compelled by regulation, the delay between implementation and competitive use can be sufficient to stimulate innovation).

or process that would result absent patent protection.²⁰⁹ Nonetheless, some competitive threats remain. A patent holder continues to face the threat of a competitive innovator obtaining a patent first or developing a more efficient, non-infringing technology.²¹⁰

In other markets, a single firm or a small group of large competitors dominate, and no ongoing competitive threat exists. Here, competition policy requires affirmative conduct by the dominant firms to create a sufficient competitive threat. Examples include regulatory programs that (1) stimulated competition in the market to generate electric power while continuing to regulate monopoly-power distributors,²¹¹ and (2) compelled landline telephone service providers to share the last mile of wiring with competitors.²¹² In antitrust cases, the courts have imposed similar obligations on dominant firms.²¹³

²⁰⁹ See Oskar Liivak, *Maintaining Competition in Copying: Narrowing the Scope of Gene Patents*, 41 U.C. DAVIS L. REV. 177, 207–08 (2007) (explaining that the patent system blunts price and incremental improvement competition).

²¹⁰ Shubha Ghosh has made similar arguments, though explaining the channeling of competition in a somewhat different way, in advancing his theory that intellectual property should be viewed as a form of regulation. See Shubha Ghosh, *Carte Blanche, Quanta, and Competition Policy*, 34 J. CORP. L. 1209, 1216 (2009) [hereinafter Ghosh, *Carte Blanche*] (contending that “intellectual property and antitrust can be understood more clearly as a disagreement over what norm of competition is appropriate in the marketplace”).

²¹¹ An example of competition-policy-driven electric-power utility regulation at the federal level is the Public Utility Regulatory Policies Act of 1978 (PURPA), which sought to create competition in electric-power generation. 16 U.S.C. § 824 (2006); see also *id.* §§ 796(14), 824a-3(e)(1) (directing the Federal Energy Regulatory Commission (FERC) (then the “Federal Power Commission”) to prescribe implementing rules). The Act’s legislative history recognized that:

[T]wo problems impeded the development of nontraditional generating facilities: (1) traditional electricity utilities were reluctant to purchase power from, and to sell power to, the nontraditional facilities, and (2) the regulation of these alternative energy sources by state and federal utility authorities imposed financial burdens upon the nontraditional facilities and thus discouraged their development.

FERC v. Mississippi, 456 U.S. 742, 750–51 (1982) (footnote omitted).

²¹² The Telecommunications Act of 1996 imposed a number of specific duties on local telephone providers, requiring that they permit competitors to use their assets. See 47 U.S.C. §§ 251(c)(2)–(5) (2006) (imposing a duty to (1) interconnect with potential competitors; (2) provide unbundled access to elements of the “incumbent local exchange carrier[’s]” (ILEC’s) own network; (3) offer for resale at wholesale rates any service that the ILEC provides to its customers; and (4) notify other carriers of changes to the network that would affect interoperability with other networks); Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, First Report and Order, 11 F.C.C.R. 15,499, 15,508–09 (1996) (noting that the Act “mandat[es] that the most significant economic impediments to efficient entry into the monopolized local market . . . be removed”).

²¹³ See, e.g., *Aspen Skiing Co. v. Aspen Highlands Skiing Corp.*, 472 U.S. 585, 587, 595, 598 & n.23, 599, 610–11 (1985) (upholding a judgment requiring ski areas to sell slope tickets permitting customers to ski at competing areas); *United States v. Microsoft Corp.*, 253 F.3d 34, 45–46, 106–07, 118–19 (D.C. Cir. 2001) [hereinafter *Microsoft I*] (suggesting that Microsoft could be subject to injunctive relief if the lower court reached certain conclusions, but reversing and remanding the particular remedy imposed).

B. *The Interaction Between Competition Policy and Property Rights*

American competition and property law are inextricably intertwined.²¹⁴ The scope of a property right is simply the extent to which immediate competition is proscribed to make way for sufficient return needed to stimulate innovation. And the scope of a competition duty is bounded by property rights that insulate firms from particular types of competition.

This relationship between property and competition has received surprisingly little attention from academic commentators.²¹⁵ Duncan Kennedy and Frank Michelman's seminal article, *Are Property and Contract Efficient?*, is the principal exception. The authors explain that American law has never recognized absolute property rights; if it did, "[c]ompetition [would be] impossible because it presupposes two actors each of whom is privileged to inflict on the other the injury of loss of trade or of some other advantage" that reduces the value of the competitor's property.²¹⁶ Kennedy and Michelman state that individuals have a "universal privilege to act . . . competitively . . . despite adverse consequences for another's enjoyment of his things."²¹⁷ Furthermore, "[n]either competitor has a right symmetrical to this privilege, since neither can sue the other for the loss of the customer (or other advantage) that he is perfectly free to take if he can."²¹⁸ Competition policy thus limits property rights to the degree necessary to make socially beneficial competition possible.²¹⁹

One way of understanding the property-competition relationship is to view competition as de-propertying certain assets in order to create a competitive threat sufficient to stimulate efficient behavior, despite reducing the value of some property.²²⁰ In most cases, business owners

²¹⁴ See Kennedy & Michelman, *supra* note 84, at 763 (explaining that a system of pure, universal private property rights would not permit injuries to property flowing from competitive activity, and thus property rights necessarily must be shaped so as to account for competition policy).

²¹⁵ Shubha Ghosh has explored the relationship between property rights and competition in the context of intellectual property law. See Ghosh, *Carte Blanche*, *supra* note 210, at 1210 ("[I]ntellectual property doctrine is informed by norms of competition."). This Article contends that this relationship extends to all forms of property.

²¹⁶ Kennedy & Michelman, *supra* note 84, at 763.

²¹⁷ *Id.* at 769.

²¹⁸ *Id.* at 763.

²¹⁹ It is important not to overstate this point. In many instances, limiting competition in one dimension will be socially beneficial because it increases competition in another dimension. Patent law constitutes a quintessential example. Limiting short-run competition in a patented technology stimulates longer-run competition to develop new and better technologies. In certain situations, however, the standard calculus may not apply. For example, when dealing with a market that is best served by a single standardized technology, granting patent holders the usual scope of property protection may not be socially beneficial. Requiring licensing on reasonable and non-discriminatory terms may, for example, better balance the property and competition policy interests. See *infra* Part VI.C.2 for a discussion of the balancing of property and competition policy interests in the context of public utilities regulation.

²²⁰ The following scenario illustrates the distinction between the impact of free speech rights and competition policy on property rights. Competitors *A* and *B* compete to publish books of great social

cannot prevent competitors from enticing their customers to switch suppliers.²²¹ This is because American society has chosen to limit the scope of property to accommodate this form of competition. The value of an immediate competitive threat outweighs the social value of permitting a firm to lock in profits by prohibiting a competitor from enticing an existing customer to switch suppliers.

One could imagine a regime in which competition is even more highly valued. A legal system might prohibit a property owner from refusing to share an asset whenever a competitor could not readily duplicate it. In such a regime, patent protection for inventors would be narrower than under current law because patent holders would be compelled to license a patent whenever a competitive technology did not exist.²²² Other property rights, too, would be narrower. For example, if Competitor *A* had a factory operating at less than full capacity, Competitor *A* could be compelled to allow Competitor *B* to use the real and personal property embodied in the factory.²²³

These examples illustrate that American law has adopted property rights and competition policy regimes that authorize a property owner to call upon the government to prohibit competition in some realms, but not others. A firm is guaranteed the exclusive use of its patents and real property, but not the continuity of its customer.²²⁴ Although a factory

and monetary value. Competitor *A* owns a printing press of the finest quality, and Competitor *B*, who owns only a pedestrian press, needs one of a very fine quality in order to create a masterwork that will better the lives of millions throughout the world. Access to Competitor *A*'s printing press would enable Competitor *B* to publish this masterwork sooner and at less expense, compensating the author more generously and resulting in a lower price to book buyers. Despite the interests of the public generally and the free speech interests of both the author and Competitor *B*, property law would permit Competitor *A* to refuse to allow Competitor *B* to use its printing press as long as other high-quality presses are available for purchase or lease in the marketplace. Recognizing a strong right to exclude may increase Competitor *B*'s costs somewhat, but Competitor *A* has no market power. Property law simply allows Competitor *A* to capture the value of its press either by retaining it for its own future use or by licensing it. If, however, Competitor *A*'s printing press was the only high-quality press within the geographic area in which competition was feasible, competition policy might compel Competitor *A* to share the press with Competitor *B*.

²²¹ See *Keeble v. Hickeringill*, (1809) 103 Eng. Rep. 1127 (K.B.) 1128 (providing an early articulation of the principle that reducing the value of property through legitimate competition does not violate the owner's property right). There, the plaintiff set up a duck decoy pond. The court explained that reducing the value of one's property by "a violent or malicious act"—scaring away the ducks with a gun—creates a cause of action for violating the owner's property right, "[b]ut if a man doth him damage by using the same employment; as if Mr. Hickeringill had set up another decoy on his own ground near the plaintiff's, and that had spoiled the custom of the plaintiff, no action would lie." *Id.* at 1127–28.

²²² One could also imagine a legal regime in which property rights received greater protection. Patents, for example, could have 100-year terms.

²²³ Such a regime may not be as far-fetched as one might at first assume. The Telecommunications Act of 1996 effectively required local telephone companies to share underutilized facilities with competitors to facilitate competition. See *supra* note 212.

²²⁴ This approach to property may well reflect the influences of Lockean theory, but not in the way in which Locke is typically read. Those who view Locke as a property absolutist on moral grounds ignore his reference to the river from which all can take a drink so long as sufficient water

owner, for example, can seek government enforcement of her right to exclude others from using her patents or factory, competitors can develop their own patents or build new factories that devalue the original owner's property through competition.²²⁵

C. *Competition-Property Interaction in Specific Cases*

This understanding of the relationship between property and competition is controversial. The alternative views property law as entirely self-contained and self-defining. Within this paradigm, competition begins at property's *natural* end. In a 2001 speech, a former commissioner on the Federal Trade Commission, Mary Azcuenaga, articulated this alternative view: “[Y]ou could actually know everything you need to know about antitrust and intellectual property,” she declared, “by remembering” that if the IP-holder properly obtained the right and did not improperly attempt to expand it, “then there should be no need to apply antitrust law.”²²⁶

This view, though widely held, ignores a century of case law and legislation that conclusively establish that where a property owner actually has the ability to completely avoid the competitive threats necessary to ensure efficient marketplace behavior, competition policy requires the sharing of what is ordinarily viewed as private property.²²⁷ To be sure,

flow exists for others to partake. 2 LOCKE, *supra* note 110, § 33. This passage is generally interpreted to set up a distinction between common property that is free to all and private property from which individuals can be excluded unless they pay a license fee. Cf. Zimmerman, *Information as Speech*, *supra* note 70, at 668 (distinguishing “categor[ies] of ‘free’ to ‘owned’” speech). But this distinction is artificial. Obtaining any form of property requires some effort, and expending that effort has an opportunity cost. So, nothing is free. There are only different prices for different pieces of property; there is no common and private. The difference is a matter of degree. Applying Locke’s drinking from the river example to all property may mean that one can exclude others from particular property only if other reasonably comparable property is available.

²²⁵ This general balance, permitting exclusive use, but not protecting value from competition, is not invariable. Some forms of competition—such as pawning off another’s goods as your own—are deemed unfair, and thus are not permitted. Lanham (Trade-Mark) Act, § 43(a), 15 U.S.C. § 1125(a) (2006), *declared unconstitutional in part* by *Coll. Sav. Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666 (1999).

²²⁶ Azcuenaga, *supra* note 15, at 11. The Federal Circuit has also adopted this view, holding that a patent owner . . . is exempt from the antitrust laws, even though [an infringement] suit may have an anticompetitive effect, unless . . . the asserted patent was obtained through knowing and willful fraud Or he may demonstrate that the infringement suit was a mere sham to cover what is actually no more than an attempt to interfere directly with the business relationships of a competitor. *In re Indep. Serv. Orgs. Antitrust Litig.*, 203 F.3d 1322, 1326 (Fed. Cir. 2000) (citing *Glass Equip. Dev., Inc. v. Besten, Inc.*, 174 F.3d 1337, 1343 (Fed. Cir. 1999)).

²²⁷ The purpose of this Article is to explore how competition policy may act as a limit on a particular property right, the right of publicity. It is worth noting, however, that examples exist in American law in which quasi-property rights may prevent what is ordinarily viewed as legitimate competition. Cases of interference with contractual relations, and the prohibition of certain forms of competition in conjunction with the sale of goodwill even absent a covenant not to compete provide two examples. See, e.g., *Maison Lazard et Compagnie v. Manfra, Tordella & Brooks, Inc.*, 585 F. Supp. 1286, 1290–91 (S.D.N.Y. 1984) (recognizing “an unlawful interference with a person in the

these cases are unusual. But that is not because of some sacrosanct understanding of property's natural scope or the moral compulsion to honor a right to exclude. Rather, these cases are uncommon precisely because property rights rarely create significant market power. And when they do, consumers usually benefit more from enforcing property rights, and thus stimulating competition to obtain those rights, than consumers would benefit from reducing property's scope and thereby encouraging copying and incremental improvements.²²⁸ Strong property protection generally encourages competitors to develop new means to compete, and the threat of new and better innovations is sufficient to ensure efficient behavior.²²⁹ Enforcing a drug patent, for example, provides a strong incentive for other companies to patent competitive drugs, and that threat ensures that the original patent holder must continue to innovate.

In the rare cases in which a property right would significantly restrain beneficial competition, however, American law bends property to the dictates of competition.²³⁰ The following subsections provide examples of representative situations for each type of property: real, personal, and intellectual.

1. *Real Property*

With respect to real property, alternative comparable property is almost always available for competitors, and thus examples of competition policy restricting real property rights are extremely rare. But they are not unheard of. Where substitute assets cannot reasonably be found, and thus the real property owner would have significant, durable market power, antitrust law has been held to create a duty to deal²³¹ that reconfigures the property-competition balance to the extent necessary to allow marketplace forces to govern the provision of goods and services.²³²

performance of his contract with a third party' is 'a legal wrong,' and the tort 'extends to cases in which performance of the contract is rendered more difficult or a party's enjoyment of the contract's benefits is lessened by the wrongdoer's actions'" (quoting *Goodall v. Columbia Ventures, Inc.*, 374 F. Supp. 1324, 1332 (S.D.N.Y. 1974)); *Sager Spuck Statewide Supply Co. v. Meyer*, 710 N.Y.S.2d 429, 432 (App. Div. 2000) (recognizing the implied covenant not to impair the value of goodwill by directly soliciting the former customers of a business that is sold).

²²⁸ See, e.g., *Smith v. Chanel, Inc.*, 402 F.2d 562, 563, 566–70 (9th Cir. 1968) (suggesting that consumers benefit when given the ability to choose from among competitive products).

²²⁹ The Sherman and Clayton Acts, as discussed previously, reflect this understanding. See *supra* notes 199–206 and accompanying text.

²³⁰ See *infra* Part VI.C.3.

²³¹ See *Pac. Bell Tel. Co. v. Linkline Commc'ns, Inc.*, 129 S. Ct. 1109, 1118 (2009) (explaining that "[t]here are . . . limited circumstances in which a firm's unilateral refusal to deal with its rivals can give rise to antitrust liability" (citing *Aspen Skiing Co. v. Aspen Highlands Skiing Corp.*, 472 U.S. 585, 608–11 (1985))).

²³² Steven Semeraro, *The Efficiency and Fairness of Enforced Sharing: An Examination of the Essence of Antitrust*, 52 U. KAN. L. REV. 57, 76–91 (2003). This understanding of property may have antecedents in Locke, who recognized that anyone may drink from a common river so long as there is enough water of the same quality left for the "unprovided." 2 LOCKE, *supra* note 110, § 33.

The Supreme Court first recognized that the antitrust laws can operate to limit property rights in a case involving ownership of the only means of rail access to St. Louis, Missouri.²³³ Ordinarily, the Court recognized, the antitrust laws do not “destroy[] rights of property.”²³⁴ “[I]n ordinary circumstances,” Justice Lurton explained, “a number of independent companies might combine [to] . . . control[] . . . terminals for their common but exclusive use. In such cases other companies might be admitted upon terms or excluded altogether. If such terms were too onerous, there would ordinarily remain the right and power to construct their own terminals.”²³⁵

But “the situation at St. Louis,” the Court recognized, was “most extraordinary.”²³⁶ As a “result of the geographical and topographical situation,” no railroad, “as a practical matter,” could “even enter St. Louis . . . without using the facilities entirely controlled by the Terminal Company.”²³⁷ Because the unusual circumstances made competition impossible under the general scheme of property rights, those rights had to give way, and the Court required the owners to share the terminal.²³⁸

A more recent example involved the ownership of ski mountains in Aspen, Colorado.²³⁹ Because of the geography and land use regulations, only four mountains were available for skiing.²⁴⁰ Aspen Ski Corporation, the owner of three of those four mountains, thus had what the Court assumed to be durable market power in the skiing services market.²⁴¹ Because of that power, the antitrust laws required it to effectively share its mountains with its competitor, Aspen Highlands, forcing it to offer a ski pass that permitted skiers to enjoy either of the two competitors’ facilities.²⁴²

2. *Personal Property*

Perhaps the most well-known cases in which the courts have interpreted antitrust law to require competitors to share assets involve the personal property of public utilities. During the early and mid-twentieth century, a single private telephone company, AT&T, came to own an extremely large percentage of the wiring system interconnecting telephone

²³³ *United States v. Terminal R.R. Ass’n of St. Louis*, 224 U.S. 383, 391–94 (1912).

²³⁴ *See id.* at 409 (quoting *Standard Oil Co. v. United States*, 221 U.S. 1, 78 (1911)).

²³⁵ *Id.* at 405.

²³⁶ *Id.*

²³⁷ *Id.* at 397.

²³⁸ *Id.* at 411–12.

²³⁹ *Aspen Skiing Co. v. Aspen Highlands Skiing Corp.*, 472 U.S. 585 (1985).

²⁴⁰ *See id.* at 587–89 (observing that “[t]he development of any major additional facilities [was] hindered by practical considerations and regulatory obstacles,” and the county government had recently followed a policy of limiting growth).

²⁴¹ *Id.* at 587–89, 593–96, 610–11.

²⁴² *See id.* at 610–11 (finding that “the record in this case comfortably supports an inference that the monopolist made a deliberate effort to discourage its customers from doing business with its smaller rival,” and that it “was not motivated by efficiency concerns”).

users.²⁴³ In the 1970s, competitors emerged for AT&T's long-distance transmission lines, but they could not economically duplicate the so-called last mile of wire to individual homes.²⁴⁴ Oversimplifying a bit, if AT&T were permitted to exclude all others from the use of these lines, competition in the provision of telephone service would have been impossible. AT&T could have displaced market forces and dictated the terms on which telephone service was provided. To blunt that market power, the courts interpreted antitrust law to require AT&T to interconnect with its competitors so that they could use AT&T's last mile of wiring to compete to provide long-distance service.²⁴⁵

A decade later, Congress enacted a new regulatory program that compelled local telephone providers to share the last mile of wiring, and any other asset that could not be readily duplicated by a competitor, to facilitate competition in local telephone service.²⁴⁶ Although displacing property rights to a greater extent than the antitrust laws do,²⁴⁷ this regulatory program nonetheless demonstrates competition policy's role in limiting the scope of property rights in the unusual case in which those rights create market power that would harm consumers.

The Supreme Court reached a similar decision with respect to electric-power transmission.²⁴⁸ Because more than one provider could not feasibly serve each town, meaningful competition to be the sole service provider was the only form of competition.²⁴⁹ Although municipalities were potential competitors for large electric utilities, the Court recognized that "[p]roposed municipal systems have great obstacles; they must purchase the electric power at wholesale. To do so they must have access to existing transmission lines."²⁵⁰ Ordinarily, a transmission provider would be free to withhold its personal property—the transmission lines—altogether, or charge any price that it desired.²⁵¹ Because "[t]he only ones available belong[ed] to" the large utility serving the area,²⁵² and installing a second set of transmission lines would have been inefficient, the Court upheld a

²⁴³ MCI Commc'ns Corp. v. Am. Tel. & Tel. Co., 708 F.2d 1081, 1093–94 (7th Cir. 1983).

²⁴⁴ *Id.* at 1095–99.

²⁴⁵ *Id.* at 1146–50.

²⁴⁶ *See supra* note 212.

²⁴⁷ In reviewing an antitrust challenge based upon a telephone company's failure to comply with its regulatory requirements, the Supreme Court held that no antitrust duty to deal compels local telephone providers to share their assets. *Verizon Commc'ns, Inc. v. Law Offices of Curtis V. Trinko, LLP*, 540 U.S. 398, 410 (2004).

²⁴⁸ *Otter Tail Power Co. v. United States*, 410 U.S. 366, 373–77 (1973), *aff'd*, 417 U.S. 901 (1974).

²⁴⁹ *Id.* at 369–70.

²⁵⁰ *Id.* at 370.

²⁵¹ *See id.* at 387–88 (Stewart, J., dissenting) (stating that the appellant power company "asserted a legitimate business interest in keeping its lines free for its own power sales and in refusing to lend a hand in its own demise by wheeling cheaper power from" a potential competitor).

²⁵² *Id.* at 370 (majority opinion).

decree prohibiting the utility from “[r]efusing to sell electric power at wholesale to existing or proposed municipal electric power systems . . . in [its service area]’ and from refusing to wheel electric power over its transmission lines from other electric power lines to such cities and towns.”²⁵³

Just as the right to exclude is sometimes overridden to serve competition policy interests, so is the right to sell. Companies seeking to merge are routinely required to sell certain assets in order to ensure that the merger does not lead to anticompetitive activity.²⁵⁴ In some cases, firms have also been required to divest assets as a remedy for the anticompetitive exercise of market power outside of the merger context. Most famously, the breakup of AT&T required divestiture of both local telephone providers and equipment and research companies,²⁵⁵ and the initial decree in the *Microsoft* case included a provision requiring the company to divest its applications business.²⁵⁶

3. Intellectual Property

Like real and personal property, intellectual property rights usually do not convey significant market power on their owners,²⁵⁷ although they do much more often than real property. For this reason, we see more explicit references to competition policy limits on the scope of intellectual property rights.²⁵⁸ This subsection provides examples, and then responds to the

²⁵³ *Id.* at 375, 381–82 (alteration in original).

²⁵⁴ See *California v. Am. Stores Co.*, 495 U.S. 271, 280–81 (1990) (“[I]n [g]overnment actions divestiture is the preferred remedy for an illegal merger or acquisition.”). In a recent policy statement, the Antitrust Division confirmed that divestiture remedies are preferred. ANTITRUST DIV., U.S. DEP’T OF JUSTICE, ANTITRUST DIVISION POLICY GUIDE TO MERGER REMEDIES 7–9 (2004), available at <http://www.justice.gov/atr/public/guidelines/205108.pdf>.

²⁵⁵ See *United States v. Am. Tel. & Tel. Co.*, 552 F. Supp. 131, 226–34 (D.D.C. 1982) (modifying a final judgment to include divestiture provisions), *aff’d sub nom. Maryland v. United States*, 460 U.S. 1001 (1983).

²⁵⁶ See *United States v. Microsoft Corp.*, 97 F. Supp. 2d 59, 64 (D.D.C. 2000) (“Not later than four months after entry of this Final Judgment, Microsoft shall submit to the Court and the Plaintiffs a proposed plan of divestiture.”), *vacated by* 253 F.3d 34 (D.C. Cir. 2001). This aspect of the decree was reversed on non-substantive grounds. See *Microsoft I*, 253 F.3d at 107 (“[W]e vacate the District Court’s remedies decree for three reasons. First, the District Court failed to hold an evidentiary hearing despite the presence of remedies-specific factual disputes. Second, the court did not provide adequate reasons for its decreed remedies. Finally, we have drastically altered the scope of Microsoft’s liability, and it is for the District Court in the first instance to determine the propriety of a specific remedy for the limited ground of liability which we have upheld.”).

²⁵⁷ See 1 HERBERT HOVENKAMP ET AL., *IP AND ANTITRUST: AN ANALYSIS OF ANTITRUST PRINCIPLES APPLIED TO INTELLECTUAL PROPERTY LAW* § 4.2 (Supp. 2004) (“The intellectual property laws do not purport to confer any monopoly, however, but only the right to exclude others from producing the good, expression or symbol covered by the intellectual property interest.”).

²⁵⁸ For example, the D.C. Circuit in *Microsoft I* declared that “[i]ntellectual property rights do not confer a privilege to violate the antitrust laws.” *Microsoft I*, 253 F.3d at 63 (quoting *In re Indep. Serv. Orgs. Antitrust Litig.*, 203 F.3d 1322, 1325 (Fed. Cir. 2000)). The Department of Justice, Antitrust Division, and the Federal Trade Commission have jointly issued guidelines with respect to the competition policy limits that the antitrust laws place on intellectual property owners. U.S. DEP’T OF

Federal Circuit's apparently contrary view that the scope of property rights is entirely self-defining, uninfluenced by competition policy.

a. Patent and Copyright

Patent rights have long been riddled with limits designed to serve competitive ends.²⁵⁹ A patent owner, for example, may not use its property rights in an invention to compel a competitor to pay royalties (1) based on the sale of other products,²⁶⁰ or (2) after the expiration of the patent.²⁶¹ Nor can the holder control the use of a patented product after it is sold.²⁶² Both rules were intended to limit the ability of a patent holder to blunt competition. An exception to a patent holder's right to exclude also applies where a competitor uses the patented technology for scientific research.²⁶³ This limitation, too, is motivated by the notion that competition in scientific research will serve the public more effectively than would a robust property right that restrained competition to advance scientific learning.²⁶⁴

Similarly, a copyright owner cannot justify anticompetitive licensing practices on the ground that it has the unfettered right to protect its property interest.²⁶⁵ For example, the D.C. Circuit flatly rejected Microsoft's argument that "[i]f intellectual property rights have been lawfully acquired," then "their subsequent exercise cannot give rise to antitrust liability."²⁶⁶ Just as an owner is not free to make "use of one's

JUSTICE & FED. TRADE COMM'N, ANTITRUST GUIDELINES FOR THE LICENSING OF INTELLECTUAL PROPERTY (1995), available at <http://www.justice.gov/atr/public/guidelines/0558.pdf>.

²⁵⁹ Indeed, the Supreme Court has made clear that "the patent system is one in which uniform federal standards are carefully used to promote invention while at the same time preserving free competition." *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 230–31 (1964).

²⁶⁰ *Zenith Radio Corp. v. Hazeltine Research, Inc.*, 395 U.S. 100, 135–36 (1969), *rev'd on other grounds*, 401 U.S. 321 (1971). For example, the patent holder may not "garner as royalties a percentage share of the licensee's receipts from sales of other products." *Id.* at 136; *see also* *United States v. U.S. Gypsum Co.*, 333 U.S. 364, 400 (1948) ("Patents grant no privilege to their owners of organizing the use of those patents to monopolize an industry through price control, through royalties for the patents drawn from patent-free industry products and through regulation of distribution.").

²⁶¹ *See* *Brulotte v. Thys Co.*, 379 U.S. 29, 32 (1964) (holding that requiring the payment of royalties beyond the expiration of the patent is unlawful per se).

²⁶² *Quanta Computer, Inc. v. LG Elecs., Inc.*, 553 U.S. 617, 636–38 (2008); *see also* Ghosh, *Carte Blanche*, *supra* note 210, at 1233 (explaining that "[t]he first sale doctrine should not be understood as a limitation on rights, but as an essential legal doctrine for the construction of competitive markets driven by intellectual property").

²⁶³ *See supra* note 155.

²⁶⁴ For the observation that American law favors competition, in part, out of the belief that competition encourages the development of better goods and services, *see supra* notes 195–97 and accompanying text.

²⁶⁵ *See* *United States v. Loew's, Inc.*, 371 U.S. 38, 49 (1962) (observing that the "mere presence of competing substitutes" does not "destroy" a copyrighted product's distinctiveness and rarely can justify anticompetitive tying arrangements (citations omitted)), *overruled in part by* *Ill. Tool Works, Inc. v. Indep. Ink, Inc.*, 547 U.S. 28 (2006); *United States v. Microsoft*, 253 F.3d 34, 63 (D.C. Cir. 2001) (disagreeing with the claim that the defendant had "an absolute and unfettered right to use its intellectual property as it wishe[d]").

²⁶⁶ *Microsoft I*, 253 F.3d at 63 (alteration in original).

personal property, such as a baseball bat,” to inflict personal injury, the en banc court observed, a company may not use intellectual property to inflict competitive injury.²⁶⁷

b. Trademark

In defining the scope of trademark rights, the courts have also looked to competition policy. The value of trademarks, like most forms of property, is largely attributable to the hard work and investments of their owners.²⁶⁸ As a result, some courts and commentators assume that the law should reward the creator of that value by granting it exclusive control of the trademark’s use.²⁶⁹ Others, however, have argued persuasively that the interests protected by competition policy counsel strongly against exclusive control of trademarks.²⁷⁰

²⁶⁷ *Id.*

²⁶⁸ See Stacey L. Dogan & Mark A. Lemley, *The Merchandising Right: Fragile Theory or Fait Accompli?*, 54 EMORY L.J. 461, 463 (2005) [hereinafter Dogan & Lemley, *Merchandising Right*] (explaining but not agreeing with this view); see also *Bos. Prof’l Hockey Ass’n v. Dall. Cap & Emblem Mfg., Inc.*, 510 F.2d 1004, 1014 (5th Cir. 1975) (“Through extensive use, plaintiffs have acquired a property right in their marks which extends to the reproduction and sale of those marks What plaintiffs have acquired by use, the substantive law of trademarks . . . will protect against infringement. There is no overriding policy of free competition which would remove plaintiffs . . . from the protective ambit of the Lanham Act.”); *id.* at 1013 (holding that a disclaimer of sponsorship would be per se inadequate to avoid infringement, in that “[o]nly a prohibition of the unauthorized use will sufficiently remedy the wrong”).

²⁶⁹ Dogan & Lemley, *Merchandising Right*, *supra* note 268, at 463; see also *Smith v. Chanel, Inc.*, 402 F.2d 562, 568 (9th Cir. 1968) (explaining that “[d]isapproval of” a competitor’s use of another’s trademark “may be an understandable first reaction, “[b]ut this initial response to the problem has been curbed in deference to the greater public good” (alteration in original) (quoting *Am. Safety Table Co. v. Schreiber*, 269 F.2d 255, 272 (2d Cir. 1959))).

²⁷⁰ See, e.g., *Supreme Assembly, Order of Rainbow for Girls v. J.H. Ray Jewelry Co.*, 676 F.2d 1079, 1083 n.5 (5th Cir. 1982) (“In effect, the courts have allowed the public interest in being able to purchase competing articles with the same useful features to override the producer’s right to protect the goodwill its product has generated.” (quoting Jessica Litman, Note, *The Problem of Functional Features: Trade Dress Infringement Under Section 43(a) of the Lanham Act*, 82 COLUM. L. REV. 77, 80 n.27 (1982))); *Int’l Order of Job’s Daughters v. Lindeburg & Co.*, 633 F.2d 912, 919 (9th Cir. 1980) (criticizing the Fifth Circuit for “bestowing broad property rights on trademark owners” when the “trademark owner has a property right only insofar as is necessary to prevent consumer confusion as to who produced the goods and to facilitate differentiation of the trademark’s owner’s goods” (citing 1 J. THOMAS MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION §§ 2:6–7 (1973))); see also *Medic Alert Found. U.S., Inc. v. Corel Corp.*, 43 F. Supp. 2d 933, 934–35, 938–39 (N.D. Ill. 1999) (finding little evidence of trademark infringement, and finding a minimal likelihood of consumer confusion, where the defendant included in its graphics software an image similar to the plaintiff’s logo); *Bd. of Governors of Univ. of N.C. v. Helpingstone*, 714 F. Supp. 167, 173 (M.D.N.C. 1989) (observing that “similarity or even identity of marks is not sufficient to establish confusion where non-competitive goods are involved,” and rejecting the claim that “intent to capitalize on popularity is sufficient to establish infringement”); *Univ. of Pittsburgh v. Champion Prods., Inc.*, 529 F. Supp. 464, 465–66, 469 (W.D. Pa. 1982) (finding for a manufacturer of soft goods in a case where a university alleged that the manufacturer, in including the university’s insignia on its products, had engaged in trademark infringement and unfair competition with the university), *aff’d in part, rev’d in part* 686 F.2d 1040 (3d Cir. 1982); Dogan & Lemley, *Merchandising Right*, *supra* note 268, at 472–78, 481–84 (suggesting that the licensing market for trademark merchandise has a shaky foundation, and arguing that, while trademark owners should be allowed to prevent a restricted range of merchandising uses that are likely to confuse consumers, a broad merchandising right would have detrimental effects).

For the purposes of this Article, the winner of this debate is less important than that the debate occurs. In defining trademark rights, courts unquestionably consult competition policy. For example, in *Societe Comptoir de L'Industrie Cotonniere Etablissements Boussac v. Alexander's Department Stores, Inc.*,²⁷¹ the Second Circuit held that a lesser-known competitor could use the valuable Christian Dior trademark to advertise that its dresses were copies of the Dior designs.²⁷² In rejecting an infringement claim, the court explained that it was called upon to resolve “a conflict of values which necessarily arises in an economy characterized by competition and private property.”²⁷³ Trademark holders, not surprisingly, sought to use trademark “to create a shield against competition.”²⁷⁴ As the Second Circuit explained, however, “[t]he interest of the consumer here in competitive prices of garments using Dior designs without deception as to origin, is at least as great as the interest of plaintiffs in monopolizing the name.”²⁷⁵

In a similar case in the Ninth Circuit, a copycat perfume manufacturer advertised that its product smelled exactly like Chanel No. 5, thereby exploiting the considerable investment that the originator had made in that famous mark.²⁷⁶ In seeking an injunction, Chanel argued that trademark law prevented this free riding to protect the “consumer good will created through extensive, skillful, and costly advertising.”²⁷⁷ The court disagreed, explaining that trademark protection is limited to uses that mislead consumers about the source of the product “for reasons grounded in the public policy favoring a free, competitive economy.”²⁷⁸ By guarding against confusion as to the source of a good, trademark law increases consumer information and thus stimulates competition.²⁷⁹ Extending trademark law to reward the value that the mark has acquired, however, “would create serious anti-competitive consequences with little compensating public benefit.”²⁸⁰ In a legal regime that values competition, the Ninth Circuit concluded, property rights are not sufficiently robust to enable an owner “to monopolize the public’s desire for the unpatented

²⁷¹ 299 F.2d 33 (2d Cir. 1962).

²⁷² *Id.* at 35.

²⁷³ *Id.* at 37.

²⁷⁴ *Id.*

²⁷⁵ *Id.*

²⁷⁶ *Smith v. Chanel, Inc.*, 402 F.2d 562, 563 (9th Cir. 1968).

²⁷⁷ *Id.* at 566; *see also id.* at 568 (explaining that the plaintiff argued that a “competitor should not be permitted to ‘take a free ride’ on the trademark owner’s ‘widespread goodwill and reputation’” (quoting *Chanel, Inc. v. Smith*, 151 U.S.P.Q. 685, 687 (N.D. Cal. 1966))).

²⁷⁸ *Id.* at 566.

²⁷⁹ *Id.*; *see also id.* at 568–69 (“By taking his ‘free ride,’ the copyist, albeit unintentionally, serves an important public interest by offering comparable goods at lower prices. On the other hand, the trademark owner, perhaps equally without design, sacrifices public to personal interests by seeking immunity from the rigors of competition.”).

²⁸⁰ *Id.* at 566.

product, even though [the owner itself] created that desire at great effort and expense.”²⁸¹

c. Non-Statutory Intellectual Property Rights

On at least one occasion, the U.S. Supreme Court has recognized an intellectual property right that fell outside of the traditional areas of patent, copyright, trademark, and trade secret,²⁸² and in other cases federal courts have considered, without recognizing, similar non-statutory rights.²⁸³ In these cases, too, the courts look to competition policy as a key ingredient in determining the property right’s scope.

In recognizing a limited property right in hot news, Justice Pitney, for a majority of the Supreme Court in *International News Service v. Associated Press* (“INS”), emphasized that permitting a news service to compete by copying another service’s stories and republishing them while they were still hot would be “unfair competition in business” given the “peculiar value of news” and the importance of newsgathering to the public.²⁸⁴ In the majority’s view, if property rights did not prohibit the copying and republication of hot news, the cost of newsgathering would likely be “prohibitive in comparison with the return.”²⁸⁵ This rationale fits squarely within the framework set out in this section. That is, property rights exist to ensure sufficient return to incentivize firms to compete.

Writing in dissent, Justice Brandeis disagreed with the result, but not with the need to balance property and competition interests.²⁸⁶ For Brandeis, “competition is not unfair in a legal sense, merely because the profits gained are unearned, even if made at the expense of a rival.”²⁸⁷ Trusting that Congress would create the appropriate property right if the news industry were truly threatened, he saw no need for the Court to recognize a property right in hot news.²⁸⁸

²⁸¹ *Id.* at 566, 568.

²⁸² *Int’l News Serv. v. Associated Press*, 248 U.S. 215, 236 (1918).

²⁸³ *See, e.g., Nat’l Basketball Ass’n v. Motorola, Inc.*, 105 F.3d 841, 845–46 (2d Cir. 1997) (holding that basketball games do not fall within federal copyright protection because they do not constitute “original works of authorship”); *Cheney Bros. v. Doris Silk Corp.*, 35 F.2d 279, 279–81 (2d Cir. 1929) (refusing to create a common-law copyright for the plaintiff’s non-copyrighted silk designs); *X17, Inc. v. Lavandeira*, 563 F. Supp. 2d 1102, 1103, 1105–09 (C.D. Cal. 2007) (holding that a celebrity photograph archivist could state a claim for misappropriation against a website owner who posted some of the archivist’s images).

²⁸⁴ *Int’l News Serv.*, 248 U.S. at 235; *see id.* at 240 (“[INS’s] process [of copying AP stories for republication] amounts to an unauthorized interference with the normal operation of complainant’s legitimate business precisely at the point where the profit is to be reaped, in order to divert a material portion of the profit from those who have earned it to those who have not; with special advantage to defendant in the competition because of the fact that it is not burdened with any part of the expense of gathering the news. The transaction speaks for itself, and a court of equity ought not to hesitate long in characterizing it as unfair competition in business.”).

²⁸⁵ *Id.* at 241.

²⁸⁶ *Id.* at 259–61 (Brandeis, J., dissenting).

²⁸⁷ *Id.* at 259.

²⁸⁸ *Id.* at 264–67.

Based on similar considerations, Judge Learned Hand adopted a very limited reading of *INS* in a subsequent case seeking property protection for popular dress designs, which, like news, had a relatively short period during which they were valuable.²⁸⁹ For the Second Circuit, Hand wrote that property rights should not extend beyond the actual dresses themselves “to prevent any imitation” that would effectively “set up a monopoly” over the sale of dresses with particular designs.²⁹⁰

More recently, Judge Ralph Winter relied on competition policy to deny the National Basketball Association’s claim that it held property rights in the outcome and statistics of NBA games.²⁹¹ Writing for the Second Circuit, he concluded that the non-statutory property right recognized in *INS* was limited to situations in which the copier did not engage in meaningful competition with the originator.²⁹² There, *INS* did not meaningfully compete with AP when it simply copied and republished a story.²⁹³ By contrast, where “one produces a product that is cheaper or otherwise superior to the other,” and because of that business acumen “prevail[s] in the marketplace,” a non-statutory property right stifling the competition would be inappropriate.²⁹⁴

As with the discussion of trademark rights above, the point here is not that particular non-statutory rights should, or should not, exist. That courts use competition policy principles in making these decisions, however, conclusively establishes that the social benefits of competition have played a critical role in defining property’s end.

4. *Debunking the Federal Circuit’s Approach to the IP-Competition-Policy Dividing Line*

Some lower court opinions, particularly those of the Federal Circuit, could be read to hold that intellectual property rights are immune from competition-based limits. A “patent by its very nature is anticompetitive,” the Federal Circuit has explained, and thus “any adverse anti-competitive effects *within the scope of the . . . patent* could not be redressed by antitrust law.”²⁹⁵

²⁸⁹ *Cheney Bros. v. Doris Silk Corp.*, 35 F.2d 279, 279–80 (2d Cir. 1929).

²⁹⁰ *Id.* at 280.

²⁹¹ *Nat’l Basketball Ass’n v. Motorola, Inc.*, 105 F.3d 841, 853–54 (2d Cir. 1997).

²⁹² *See id.* at 852–53 & n.8 (noting that, for an *INS* claim, the defendant’s use of particular information must place it in direct competition with the plaintiff’s product or service, and that, in many cases, the defendant’s appropriation of that information is what places it in direct competition with the plaintiff).

²⁹³ *Int’l News Serv.*, 248 U.S. at 231, 238, 242, 245–46.

²⁹⁴ *Nat’l Basketball Ass’n*, 105 F.3d at 854.

²⁹⁵ *In re Ciprofloxacin Hydrochloride Antitrust Litig.*, 544 F.3d 1323, 1333 (Fed. Cir. 2008) (emphasis added); *see also id.* (holding that where there are “no anti-competitive effects outside the exclusionary zone of the patent,” there can be no antitrust violation); *In re Tamoxifen Citrate Antitrust Litig.*, 466 F.3d 187, 190 (2d Cir. 2006) (holding that a settlement for patent infringement between a name-brand drug producer and a generic drug producer did not unlawfully restrain trade); *Andrx*

For the purposes of assessing the role of competition policy in shaping property rights, however, the Federal Circuit's bark is worse than its bite. It amounts to nothing more than a declaration that an intellectual property right is not subject to antitrust challenges, except when it is—that is, when the IP holder acts beyond the scope of the right. The Federal Circuit assumes that competition policy has no role in defining that scope. But the Supreme Court has never acquiesced to this truncated view of competition policy, and the high court's decisions, both old²⁹⁶ and new,²⁹⁷ suggest that it will not do so. Even if the Supreme Court were to follow the Federal Circuit's view of antitrust and intellectual property, competition policy, broadly defined, would remain an important factor in defining the scope of property rights.

Congress has imposed competition-based regulatory programs that have reached beyond the antitrust laws on several occasions. In the Telecommunications Act of 1996, it required telephone companies to share the last mile of telephone lines.²⁹⁸ In the Drug Price Competition and Patent Term Restoration Act of 1984,²⁹⁹ better known as the Hatch-Waxman Act, Congress limited the scope of drug patent rights and thus reduced the value of the drug companies' intellectual property in order to permit competitors to seek more rapid FDA approval for generic drugs.³⁰⁰ And in the Federal Environmental Pesticide Control Act of 1972,³⁰¹ it required the first applicant for EPA approval of a pesticide to provide certain test data that was both expensive to prepare and generally protected as a trade secret.³⁰² Effectively imposing a mandatory licensing scheme for this data, the Act required the first applicant to permit the EPA to use its data to assess competitor-submitted pesticide applications so long as the competitor fairly compensated the original applicant.³⁰³ In each case,

Pharms., Inc. v. Elan Corp., PLC, 421 F.3d 1227, 1237 (11th Cir. 2005) (holding that a generic drug maker could not state a claim against the holder of a patent for a potential antitrust violation stemming from a prior settlement against another generic drug maker).

²⁹⁶ See *Zenith Radio Corp. v. Hazeltine Research, Inc.*, 395 U.S. 100, 135–36 (1969) (declaring that “there are established limits which the patentee must not exceed in employing the leverage of his patent to control or limit the operations of the licensee”).

²⁹⁷ See *eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391–93 (2006) (holding that infringing uses need not be enjoined in all cases).

²⁹⁸ 47 U.S.C. § 251 (2006).

²⁹⁹ 35 U.S.C. § 271 (2006).

³⁰⁰ See *id.* § 271(e)(1) (stating that “[i]t shall not be an act of infringement to make, use, offer to sell, or sell . . . a patented invention . . . solely for uses reasonably related to the development and submission of information under a Federal law which regulates the manufacture, use, or sale of drugs”); *Merck KGaA v. Integra Lifesciences I, Ltd.*, 545 U.S. 193, 206–07 (2005) (interpreting this provision broadly).

³⁰¹ 7 U.S.C. § 136a, h (2006), *declared unconstitutional* by *Union Carbide Agric. Prods. Co. v. Ruckelshaus*, 571 F. Supp. 117 (S.D.N.Y. 1983), *and Monsanto Co. v. Acting Adm’rs Env’tl. Prot. Agency*, 564 F. Supp. 552 (E.D. Mo. 1983).

³⁰² See *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 990–98 (1984) (describing the operation of the Federal Environmental Pesticide Control Act).

³⁰³ 7 U.S.C. § 136a(c)(1)(F)(iii) (2006).

Congress limited property rights to increase competition.³⁰⁴

D. Integrating Competition Policy into Right-of-Publicity Analysis

Just as competition policy shapes the scope of property rights generally, it should set limits on the right of publicity. To date, however, neither courts nor commentators have explored this option for limiting the scope of publicity rights.³⁰⁵ This section explains how such an approach would operate.

In most situations, the right of publicity, like other property, does not empower its owner to supplant market forces with monopolistic dictates. In those common cases, publicity rights should be as robust as other forms of property normally are. But when publicity rights would enable a celebrity to restrain competition, those rights should be narrowed just as competition policy has led courts and legislatures to limit other property rights.

Particularly with respect to markets populated by the fans of famous celebrities, publicity rights will tend to create the power to restrain competition because there will often be no reasonable substitute for a substantial group of dedicated fans or consumers.³⁰⁶ Generally, in the intellectual property realm, restraints on competition embodying the

³⁰⁴ See, e.g., *Ruckelshaus*, 467 U.S. at 1015 (“Allowing applicants for registration, upon payment of compensation, to use data already accumulated by others, rather than forcing them to go through the time-consuming process of repeating the research, would eliminate a significant barrier to entry into the pesticide market, thereby allowing greater competition among producers of end-use products.” (citing S. REP. NO. 95-334, at 30–31, 40–41 (1977); 124 CONG. REC. 29,756–57 (1978) (remarks of Sen. Leahy))).

³⁰⁵ Dogan and Lemley argue against the right of publicity on the ground that it permits celebrities to stifle competition. See Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1185–86 (describing the right of publicity as “at base anti-market” and creating “a market distortion”). They argue that the right restrains competition to exploit the celebrity’s identity, contradicting the broader competition policy in favor of competition to drive producer surplus to marginal cost. *Id.* at 1186 & n.114; Lemley, *supra* note 102, at 144. Their concerns are well directed at interference with the competitive process, but their solutions seem misdirected. Because one might use a property right to stifle competition does not lead to the conclusion that there should be no property right even in cases where it could not be used to stifle competition. Competition law trumps would-be property rights, but only when they would permit the owner to exploit market power. See *supra* Part VI.C. Just as many patent holders have no market power despite the ability to restrict the use of a patented technology, most celebrities have no market power in the markets in which their identities are used. Dogan and Lemley effectively take the position that any departures from the norm of a competitive market require a justification. But that position simply assumes that publicity is not property. Competition policy limits the scope of property rights only when the needs of competition provide a justification for doing so. See *Bd. of Trade of Chi. v. United States*, 246 U.S. 231, 238 (1918) (“The true test of legality is whether [a] restraint imposed is such as merely regulates and perhaps thereby promotes competition or whether it is such as may suppress or even destroy competition. . . . The history of the restraint, the evil believed to exist, the reason for adopting the particular remedy, the purpose or end sought to be attained, are all relevant fact[or]s.”).

³⁰⁶ See *Comedy III Prod., Inc. v. Gary Saderup, Inc.*, 21 P.3d 797, 808 (Cal. 2001) (noting that, from a celebrity fan’s perspective, parodies and distortions of celebrity figures are not satisfactory substitutes for conventional depictions of celebrities and, as a result, do not threaten markets for celebrity memorabilia).

property right are tolerated because they create incentives for competitors to develop new and improved intellectual property.³⁰⁷ The risk and expense of creativity, the theory goes, could lead to passivity if the law failed to adequately protect intellectual property. Usually, therefore, the law favors long-run competition to innovate over short-run price and quality competition.³⁰⁸

By contrast, in markets geared toward the fans of popular celebrities, strengthening publicity rights is unlikely to trigger beneficial long-run competition to innovate.³⁰⁹ Those who would market pictures of John Wayne wearing lipstick, for example, are unlikely to create a competitor to John Wayne's persona if they are prohibited from marketing their product. Conversely, if publicity rights are weakened, competition to create products using John Wayne's persona would be invigorated. The balance between short- and long-run competition thus tilts toward the short run in this type of publicity rights case.

Antitrust experts may object to this approach on the ground that there is unlikely to be a relevant antitrust market in goods relating to a particular celebrity. As the recently proposed new merger guidelines recognize, however, traditional notions of market definition may not accurately identify competitive harm.³¹⁰ These guidelines thus explicitly recognize that markets should sometimes be defined with respect to "targeted customers."³¹¹ Where a firm "could profitably target a subset of customers for price increases, the Agencies may identify relevant markets defined around those targeted customers."³¹² This approach is quite relevant to publicity rights cases in which hardcore fans of a celebrity constitute the targeted market that would be subject to exploitation if the celebrity is permitted to use the right of publicity to limit the sale of merchandise depicting the celebrity.

More important, in applying competition policy principles to right-of-publicity cases, courts should not view their task as assessing whether a

³⁰⁷ See Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1163 ("Reasoning that the right of publicity gives individuals the incentive to develop valuable personas, courts conclude that depriving these individuals of the fruits of their labors will interfere with those economic incentives.").

³⁰⁸ See ORG. FOR ECON. CO-OPERATION & DEV., COMPETITION POLICY AND INTELLECTUAL PROPERTY RIGHTS 22–23 (1997), available at <http://www.oecd.org/dataoecd/34/57/1920398.pdf> (indicating that the short-run view of competition has given way to a longer-run view, though cautioning that "competition authorities" would be unlikely to accept "every argument that a particular transaction [deemed] anticompetitive in the short run is nonetheless justified because of its long-run effects").

³⁰⁹ More specifically, strengthening publicity rights may promote the creation of parodies and distortions of celebrity figures rather than more conventional depictions. For fans, the former represent less satisfactory memorabilia than the latter. See *supra* note 306 and accompanying text.

³¹⁰ U.S. DEP'T OF JUSTICE & FED. TRADE COMM'N, HORIZONTAL MERGER GUIDELINES § 4 (2010), available at <http://www.ftc.gov/os/2010/04/100420hmg.pdf>.

³¹¹ *Id.* § 4.1.4.

³¹² *Id.*

celebrity has violated section 2 of the Sherman Act. The specific legal doctrine applicable to antitrust cases is shaped by the concern that weakening property rights and imposing a duty to deal may dampen the long-run competitive instincts of dominant firms in a way that would reduce consumer welfare.³¹³

The Supreme Court has identified three ways in which this concern with aggressive antitrust enforcement manifests itself. None of them apply to the right of publicity. First, forced sharing “may lessen the incentive for the monopolist, the rival, or both to invest in” improving the existing assets in the market.³¹⁴ Restricting the right of publicity in these circumstances, however, would be unlikely to discourage innovation by either the celebrity or the party seeking to employ the celebrity’s identity. On the contrary, it would likely spur competition to develop more popular writings and paraphernalia relating to the celebrity because more competitors could enter the market.

Second, imposing a duty to deal through an injunction would “require[] [the] antitrust court[] to act as [a] central planner[], identifying the proper price, quantity, and other terms of dealing—a role for which [it is] ill suited.”³¹⁵ In publicity rights cases, however, a court can identify when a publicity right blunts competition by simply looking for situations in which the celebrity asserts it. And no complicated judicial oversight would be required to remedy a violation. The court could simply enjoin the exercise of the right of publicity in a particular context.

Third, by forcing competitors together, property sharing could potentially “facilitate the supreme evil of antitrust: collusion.”³¹⁶ This concern, however, is unlikely to arise in right-of-publicity cases. Cooperation between celebrities and those seeking to use their identity raises little competitive concern. As long as the right of publicity cannot stifle competition, entry into markets using the celebrity’s identity should be quite easy. If, for example, a celebrity and a poster distributor agreed on a supra-competitive price for a particular poster, other manufacturers

³¹³ See *Verizon Commc’ns, Inc. v. Law Offices of Curtis V. Trinko, LLP*, 540 U.S. 398, 414 (2004) (explaining that the line between robust competition and predatory market foreclosure is a fine one, and thus “[m]istaken inferences and the resulting false condemnations . . . [would tend to] ‘chill the very conduct the antitrust laws are designed to protect’” (quoting *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 594 (1986))); *id.* (noting that identifying troublesome conduct can be quite difficult, because “the means of illicit exclusion, like the means of legitimate competition, are myriad” (quoting *United States v. Microsoft Corp.*, 253 F.3d 34, 58 (D.C. Cir. 2001))); see also U.S. DEP’T OF JUSTICE, COMPETITION AND MONOPOLY: SINGLE-FIRM CONDUCT UNDER SECTION 2 OF THE SHERMAN ACT 180 (2008), available at <http://www.justice.gov/atr/public/reports/236681.pdf> (“The problem . . . is that even a small number of high-profile cross-border cases with divergent results are likely substantially to impact (and potentially inefficiently chill) how global companies conduct their business, and even how they design the products they bring to market.”).

³¹⁴ *Verizon*, 540 U.S. at 407–08.

³¹⁵ *Id.* at 408.

³¹⁶ *Id.*

could enter the market and offer lower-cost competitive posters.

Because limiting publicity rights would not have the same detrimental effects on competition as limiting other property rights, competition policy counsels in favor of limiting publicity rights to a greater extent than antitrust law generally limits other property rights.³¹⁷

E. *Applying the Competition Policy Approach to Particular Types of Publicity Rights Cases*

Applying this competition-policy approach to right-of-publicity cases would (1) validate the results in a number of controversial cases; (2) compel a different result in a few; and (3) more effectively justify the decisions in areas that have been relatively uncontroversial.

1. *Advertising and Corporate Identification*

In the advertising cases, the courts have interpreted the right of publicity broadly.³¹⁸ Under a competition policy analysis, this approach is appropriate because denying an advertiser the use of a particular celebrity's identity has virtually no impact on competition in the provision of goods and services. If Haynes cannot use Michael Jordan in its advertisements, for example, it can hire a different celebrity or design an advertising campaign that does not reference any celebrity's identity. Marketplace forces continue to govern competition in the sale of underwear, and no celebrity has the power to dictate market conditions. The existing blanket rule permitting celebrities to assert right-of-publicity claims when their identity is used in advertising is thus justified under the competition-policy approach.³¹⁹

Cases in which celebrity identity is used in a company name or slogan will also generally raise no competitive concerns. The Sixth Circuit thus correctly upheld Johnny Carson's right of publicity against the use of "Here's Johnny" to describe a line of portable toilets.³²⁰ The denial of the

³¹⁷ The basis for judicially limiting publicity rights based on competition principles is beyond the scope of this Article. The federal policy favoring competition provides a firm ground for interpreting the right of publicity consistently with that policy. Although states may legislate in ways that conflict with this federal policy, they may do so only when state officials actively supervise any authorized anticompetitive conduct. *FTC v. Ticor Title Ins. Co.*, 504 U.S. 621, 633 (1992). The exercise of publicity rights by celebrities is not supervised by state officials, and thus any state authorization would be insufficient to blunt federal policy.

³¹⁸ See, e.g., *Midler v. Ford Motor Co.*, 849 F.2d 460, 463 (9th Cir. 1988) (holding that "when a distinctive voice of a professional singer is widely known and is deliberately imitated in order to sell a product, the sellers have appropriated what is not theirs").

³¹⁹ The competition policy approach nevertheless does not resolve the difficult question of how broadly to interpret celebrity identity. See *White v. Samsung Elecs. Am., Inc.*, 971 F.2d 1395, 1397 (9th Cir. 1992) (holding that a robot performing a celebrity's role on a game show may exploit the celebrity's identity). But that issue is largely a question of fact. Does the advertisement in fact invoke some aspect of the celebrity's identity that is recognizable and entitled to protection?

³²⁰ *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831, 836-37 (1983).

use of Carson's signature slogan did not stifle competition. Many competitive options were open to the defendant that would not impinge on any celebrity's right of publicity.³²¹

Unlike the advertising cases, however, a blanket rule would not be appropriate in the context of corporate names. Celebrity identity could be so central to meaningful competition in a particular field that a right-of-publicity claim should be excluded. For example, if a celebrity could use publicity rights to block the performances of an impersonator, the celebrity could significantly restrain competition from sound-alike and look-alike performers. The impersonator cases that uphold the right of publicity would thus come out differently under the competition-policy approach.³²² Other examples of markets in which celebrity identity in a business name may be important to competition include clubs, websites, and magazines dedicated to providing (1) information about a celebrity, (2) paraphernalia relating to the celebrity, and (3) forums for fans to air their views. If right-of-publicity claims could be waged against businesses providing these services, the celebrity could restrict competition in information and goods relating to that celebrity in ways that would negatively impact consumers.

2. *Newsgathering and Biography*

The courts have appropriately denied right-of-publicity claims in cases involving the reporting of news, commentary about celebrities,³²³ and biographical books and movies.³²⁴ Competition in the provision of news about, or more complete biographical histories of, celebrities could not meaningfully exist if news organizations, authors, and filmmakers had to obtain a license before reporting about a celebrity.

One might argue that, even if one celebrity exercised the right of publicity to bar reporting, news about other celebrities would still provide enough fodder for competition to go on. But the mere process of determining what can be reported and what cannot would seriously impact competition. Justice Holmes famously wrote that “[g]overnment hardly could go on” if it had to pay for every change in value to property resulting

³²¹ *Id.* at 837.

³²² *See, e.g.,* Estate of Presley v. Russen, 513 F. Supp. 1339, 1360–61 (D.N.J. 1981) (stating that “good-faith imitation of a famous person . . . does not give a privilege to appropriate another’s valuable attributes on a continuing basis,” and that allowing such activity would diminish the “commercial value of the name or likeness of [the celebrity]”).

³²³ *See* Hoffman v. Capital Cities/ABC, Inc., 255 F.3d 1180, 1185–86 (9th Cir. 2001) (denying a right-of-publicity claim where a picture of Dustin Hoffman in his Tootsie costume was used in an artistically-creative commentary on classic films and actors).

³²⁴ *See* Spahn v. Julian Messner, Inc., 260 N.Y.S.2d 451, 453 (App. Div. 1965) (explaining that “certain privileged uses or exemptions” prevent a celebrity from enforcing a right-of-publicity claim, including “matters of news, history, biography, and other factual subjects of public interest despite the necessary references to the names, portraits, identities, or histories of living persons”), *aff’d*, 221 N.E.2d 543 (N.Y. 1966), *vacated*, 387 U.S. 239 (1967) (per curiam).

from regulatory activity.³²⁵ The same is true of the celebrity news-reporting industry. Even if most celebrities were willing to grant licenses, the transaction costs of obtaining them would be prohibitive.

With respect to biography, a licensing scheme would be more feasible, but no less stifling of competition. The potential buyers of a biography about a particular celebrity may not form a relevant market in an antitrust sense. From a broader competition policy perspective, however, permitting a publicity right to block the publication of biographies would significantly impact the ability of authors competing to publish the best account of a particular celebrity's life. The celebrity could selectively license publicity rights to maximize return and control the content of biographies, both of which run counter to competition principles.³²⁶ If marketplace forces are to govern celebrity-related news reporting and biography, publicity rights cannot exist in robust form. Again, current law—essentially a blanket rule refusing to recognize a right of publicity in news-reporting and biography cases—is appropriate.³²⁷

3. *The Merchandising of Celebrity Identity*

Merchandising cases have been among the most controversial right-of-publicity decisions. The following subsections review some of the key cases in light of the competition-policy approach to limiting the right of publicity.

a. Fantasy Sports Leagues

The recent fantasy baseball case is instructive. Major League Baseball (MLB) players asserted that their collective rights of publicity prevented companies from operating fantasy baseball leagues without a license.³²⁸

³²⁵ Pa. Coal Co. v. Mahon, 260 U.S. 393, 413 (1922).

³²⁶ See *supra* Part VI.A for a description of competition policy and its principles.

³²⁷ One exception may be where a media outlet reproduces so much of a celebrity's act that it impacts the ability of the celebrity to profitably compete. Although such situations are rare, the U.S. Supreme Court held that the right of publicity could support a damages action against a television station that broadcast a performer's entire human cannonball act. See *Zacchini v. Scripps-Howard Broad. Co.*, 433 U.S. 562, 574–75 (1977) (“Wherever the line in particular situations is to be drawn between media reports that are protected and those that are not, we are quite sure that the First and Fourteenth Amendments do not immunize the media when they broadcast a performer's entire act without his consent. The Constitution no more prevents a State from requiring respondent to compensate petitioner for broadcasting his act on television than it would privilege respondent to film and broadcast a copyrighted dramatic work without liability to the copyright owner . . .”).

³²⁸ Fantasy baseball is a game in which fans select various players and earn points based on the performance of those players in actual games. *C.B.C. Distrib. & Mktg., Inc. v. Major League Baseball Advanced Media, L.P.*, 443 F. Supp. 2d 1077, 1080 (E.D. Mo. 2006), *aff'd*, 505 F.3d 818 (8th Cir. 2007). The Eighth Circuit described the game as follows:

Before the commencement of the [MLB] season each spring, participants form their fantasy baseball teams by “drafting” players from various [MLB] teams. Participants compete against other fantasy baseball “owners” who have also drafted their own teams. A participant's success, and his or her team's success, depends on the actual performance of the fantasy team's players on their respective actual teams

Operating a league requires systems to track players' records, calculate statistics, and allocate the appropriate points to the participants.³²⁹ Because these tasks are labor intensive, many game players choose to purchase these services from a company that organizes leagues.³³⁰

Historically, the MLB Players Association controlled whatever property rights the players had in their names and records for use in fantasy baseball games, licensing those rights to any company seeking to operate a fantasy league.³³¹ In 2005, however, the Players Association licensed its rights exclusively to Advanced Media, an arm of MLB.³³² This agreement purported to grant Advanced Media alone the right to operate a fantasy league.³³³ Advanced Media then refused to sub-license many companies that had previously operated fantasy baseball businesses.³³⁴

One company that was denied a license, CDM Fantasy Sports, sued seeking a declaratory judgment that MLB players had no enforceable property right entitling them to block CDM's use of the players' names and records in the course of providing fantasy baseball games.³³⁵ To many, the notion that the players have any property right in their statistics appears outlandish.³³⁶ But under Missouri law, which the Eighth Circuit was required to apply, the players did possess a right of publicity that, on its face, empowered them to prohibit the unlicensed operation of a fantasy baseball league.³³⁷ The court was able to hold otherwise only by claiming that the company organizing a fantasy league had a First Amendment right to publish player statistics because this information was "in the public

during the course of the [MLB] season.

Id. at 820–21.

³²⁹ For more information on fantasy baseball, see *Fantasy Baseball*, ESPN, <http://games.espn.go.com/frontpage/baseball> (last visited Jan. 16, 2011).

³³⁰ *C.B.C.*, 443 F. Supp. 2d at 1080. Fees may be charged for the basic task of maintaining the point totals of the fantasy league participants as well as for other services, such as trading players. *Id.*

³³¹ *Id.* The Players Association claimed a property interest in "the names, nicknames, likenesses, signatures, pictures, playing records, and/or biographical data of each player." *Id.* at 1080–81.

³³² *C.B.C.*, 505 F.3d at 821.

³³³ See *id.* at 821 (recognizing that the agreement contained some exclusions not relevant here); *C.B.C.*, 443 F. Supp. 2d at 1081 (same).

³³⁴ *C.B.C.*, 505 F.3d at 821; *C.B.C.*, 443 F. Supp. 2d at 1081. MLB sent former licensees a cease-and-desist letter, ordering them to stop using the names and records of MLB players. Anastasios Kaburakis, *Legal Case Brief*, *C.B.C. Distribution and Marketing, Inc. v. Major League Baseball Advanced Media, L.P.*, 505 F.3d 818 (8th Cir. 2007), INT'L J. SPORT COMM., 2008, at 241, 242; Donna Walter, *St. Louis-Based Fantasy Baseball Web Site Wins in Federal Court*, MO. LAW. WKLY., Aug. 14, 2006, at 2.

³³⁵ *C.B.C.*, 505 F.3d at 820; *C.B.C.*, 443 F. Supp. 2d at 1081–82. Advanced Media and the MLB Players Association admitted that the players had no property rights in their records and argued that their case rested exclusively on the use of the players' names in conjunction with the operation of a fantasy baseball game. *Id.* at 1082. The license, however, purported to include "playing records, and/or biographical data of each player," *id.* at 1080–81, and, of course, mere records—numbers—untethered to player names, would be of little use in running a fantasy league.

³³⁶ Maury Brown, *Fantasy Stats and the Intellectual Property Debate*, *HARDBALL TIMES* (Jan. 30, 2006), <http://www.hardballtimes.com/main/article/fantasy-stats-and-the-intellectual-property-debate/>.

³³⁷ *C.B.C.*, 505 F.3d at 822–23.

domain.”³³⁸ The court’s analysis was illuminating in its emptiness: “[I]t would be strange law that a person would not have a [F]irst [A]mendment right to use information that is available to everyone.”³³⁹

The Eighth Circuit’s opaque decision raises more questions than it answers. If the factual material at issue was in the public domain, how could baseball players simultaneously have a property right in that material, and, assuming they had such a right vis-à-vis for-profit fantasy league providers, as the court held that they did under Missouri law, why should it matter from the perspective of free speech whether material is in the public domain? At a minimum, the decision has failed to convince some commentators.³⁴⁰

Applying competition-policy analysis, by contrast, confirms that the Eighth Circuit reached the correct result. Recognizing a right of publicity would have created substantial market power in the players, enabling them to stifle competition in the market to provide fantasy baseball. Potential competitors literally could not operate a league without access to player names in conjunction with their statistics. The players’ property rights under state law should not trump this competitive interest, because competition policy plays a role in determining the scope of property rights. Denying the applicability of the right in this context was essential to ensure that marketplace forces, rather than the monopolistic dictates of the players, continued to govern the provision of fantasy baseball leagues.

b. Painting of a Famous Golfer

Like the Eighth Circuit in the fantasy baseball case, the Sixth Circuit followed a circuitous path in denying Tiger Woods’s assertion that his publicity rights empowered him to block the sale of a painting celebrating his win at the Masters Golf Tournament.³⁴¹ After first holding that the right of publicity applied, the Sixth Circuit refused to enforce it because of the transformative nature of the painting and the artist’s speech interests.³⁴²

³³⁸ *Id.* at 823.

³³⁹ *Id.*

³⁴⁰ A number of commentators have expressed disagreement with the Eighth Circuit’s analysis. See, e.g., Gabriel Grossman, Comment, *Switch Hitting: How C.B.C. v. MLB Advanced Media Redefined the Right of Publicity*, 14 UCLA ENT. L. REV. 285, 286 (2007) (“[I]n rejecting the players’ claim that fantasy sports infringe their rights, [the district court in] *C.B.C.* . . . abandon[ed] prior approaches to the right of publicity and create[d] its own.”); Havlir, *supra* note 142, at 253 (“Perhaps the court simply did not want MLB to scrape another layer of revenue from the fans. . . . The First Amendment simply does not extend so far as to offer protection to fantasy baseball.”); Gustavo A. Otalvora, Note, *Alfonso Soriano Is Getting Robbed: Why the Eighth Circuit Court of Appeals Made a Bad Call in C.B.C. Distribution and Marketing v. Major League Baseball*, 2008 U. ILL. J.L. TECH. & POL’Y 383, 404 (“In *C.B.C. Distribution & Marketing II*, the Eighth Circuit applied Missouri law, albeit incorrectly. . . .”).

³⁴¹ *ETW Corp. v. Jireh Publ’g, Inc.*, 332 F.3d 915, 918, 938 (6th Cir. 2003) (divided panel).

³⁴² See *id.* at 938 (“[W]e find that Rush’s work . . . does not capitalize solely on a literal depiction of Woods . . . [but] [r]ather . . . consists of a collage of images in addition to Woods’s image which are

Rather than enter the realm of art critics, a court applying competition policy analysis would limit itself to determining whether artists could meaningfully compete to sell sports paintings if athletes were free to assert right-of-publicity claims. If golf art buyers would substitute paintings of anyone golfing for the Woods painting, then recognizing a famous golfer's publicity rights would not stifle competition. A painter could compete by painting fictional golfers. If, instead, a substantial number of consumers would only be interested in paintings featuring Tiger Woods, then Woods could distort competition by exercising a right of publicity to block the sale of particular paintings.

In antitrust cases, a relevant product market is typically defined by asking whether most consumers would switch to another product in response to a "small but significant and nontransitory" price increase.³⁴³ Given Woods's popularity at that time, most consumers of paintings featuring him would be unlikely to switch to paintings of other golfers in response to a modest price increase. A court following the competition-policy approach would thus have reached the same result as the Sixth Circuit.

c. Inexpensive Celebrity Paraphernalia

Among the most controversial cases are those involving relatively inexpensive clothing and trinkets.³⁴⁴ Courts upheld right-of-publicity claims in cases involving a charcoal drawing of the Three Stooges on a T-shirt³⁴⁵ and a bust of Martin Luther King, Jr.,³⁴⁶ on the ground that these inexpensive items did not constitute sufficiently transformative works of art to trigger First Amendment protection.³⁴⁷ Under competition-policy analysis, a court would instead look to whether dealers in these types of goods could meaningfully compete if their subjects could assert publicity rights.

In the circumstances of these two cases, the outcome would likely have been different under competition-policy analysis. The Stooges are an

combined to describe, in artistic form, a historic event in sports history and to convey a message about the significance of Woods's achievement in that event.").

³⁴³ U.S. DEP'T OF JUSTICE & FED. TRADE COMM'N, HORIZONTAL MERGER GUIDELINES § 1.11 (1997), http://www.usdoj.gov/atr/public/guidelines/horiz_book/11.html (internal quotation marks omitted).

³⁴⁴ See Dogan & Lemley, *Right of Publicity*, *supra* note 2, at 1175–76 (describing merchandising cases under the right of publicity as "particularly troubling").

³⁴⁵ Comedy III Prods., Inc. v. Gary Saderup, Inc., 21 P.3d 797, 800, 811 (Cal. 2001).

³⁴⁶ Martin Luther King, Jr., Ctr. for Soc. Change, Inc. v. Am. Heritage Prods., Inc., 296 S.E.2d 697, 698, 706 (Ga. 1982).

³⁴⁷ Both of these cases also involved the controversial question of whether publicity rights should be descendible. That issue is beyond the scope of this Article, but others have given it insightful treatment. See, e.g., Deven R. Desai, *Property, Persona, and Preservation*, 81 TEMP. L. REV. 67, 87–89 (2008) ("The question here is how heirs' interests relate to preservation or why they may desire preservation of the artifacts.").

iconic comedy team with many devoted fans, and King is a beloved historical figure. In both cases, there are likely to be many consumers who would not accept as ready substitutes alternative paraphernalia that did not evoke the identity of the particular celebrity in question. Items involving lesser celebrities, by contrast, might have reasonable substitutes. Although competition-policy analysis may be challenging for courts in some merchandising cases, determining whether reasonable substitutes exist for particular products in the eyes of devoted fans is much closer to the core judicial function than attempting to assess the transformative value of works of art.³⁴⁸

VII. CONCLUSION

The broad-based challenge to the right of publicity has made little headway since Michael Madow so forcefully presented it fifteen years ago. The critique's failure is attributable in large part to its inability to distinguish publicity from other forms of property. One cannot demonstrate that the right of publicity is an invalid property right by accusing it of the same mischief that all forms of property make.

The free speech approach to narrowing the right of publicity, although more successful in the courts, provides an inadequate basis on which to restrict publicity rights. True property rights empower their owners to prohibit speech that uses the owner's property. Free speech analysis thus begs the ultimate question as to whether the right of publicity is a valid property right. If not, speech interests trump the celebrity's interests. But if publicity is property, then the speech interests of exploiters of celebrity identity are irrelevant.

Competition policy, by contrast, can sensibly regulate the scope of the right of publicity. Competition, to a large extent, dictates property's end. All forms of property are thus limited where they stifle marketplace forces and replace them with entrenched monopolistic ordering. And in some cases, publicity rights may be particularly likely to restrain competition. Assuming that the right of publicity is a valid property right, it should be subject to the same form of regulation as other property rights.

Although ultimately unsatisfying to those who would like to turn back the clock and eliminate the right of publicity entirely, the pragmatic approach advanced here may be the best means to convince courts and legislatures to restrict the scope of publicity rights. At least, that is, until legal theorists engage the challenging task of fully exploring the essence of the concept of property in American law and society

³⁴⁸ Cf. Douglas Lichtman, *Property Rights in Emerging Platform Technologies*, 29 J. LEGAL STUD. 615, 641 (2000) ("The prominence of the rule of reason . . . reflects a gradual consensus within the judiciary and also the academy that, when it comes to analyzing market structure, courts can be trusted with at least some degree of discretion.").