Strategic Intellectual Property Litigation, the Right of Publicity, and the Attenuation of Free Speech: Lessons from the Schwarzenegger Bobblehead Doll War (and Peace)

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I. INTRODUCTION: WHY THE BOBBLEHEADS SHOULD HAVE PREVAILED—AND WHY IT MATTERS

The "right of publicity" is an unusual, relatively underdeveloped, and controversial form of state-law created intellectual property that protects against the unauthorized appropriation of one's likeness, image or identity.¹ Even in California, with its prominent entertainment and celebrity industries,² the right of publicity has many vague and uncertain contours and its scope remains undefined. In particular, one issue that remains unclear in California (and in most other jurisdictions that recognize rights of publicity) is the proper balance between rights of publicity and First Amendment rights of free speech and expression.³ This issue was

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¹ See generally J. THOMAS MCCARTHY, RIGHTS OF PUBLICITY AND PRIVACY (2d ed. 2003).
² Entertainers and other celebrities are not the only ones with rights of publicity, but they are certainly more likely to assert these rights in litigation than non-public figures.
³ U.S. CONST. amend. I.
squarely and dramatically raised by the ODM defendants' sale of an unauthorized bobblehead doll incorporating the likeness of Arnold Schwarzenegger, who is both a Hollywood movie star and, most recently, the governor of California. The ODM defendants claimed that the sale of this doll was protected as expressive speech under the First Amendment, particularly since the doll commented on a political figure, and therefore its sale did not violate the plaintiff's right of publicity. This case also specifically raised the question of whether California's statutory and common law rights of publicity permit a sitting politician to stop the sale of an item—here, a bobblehead doll—that appropriates the politician's image to create a playful caricature, parody, or satire. Indeed, one of the reasons that the Schwarzenegger bobblehead doll litigation garnered so much worldwide publicity is precisely because Schwarzenegger has two separate, but related, personas: not just "movie star" but also "governor." And it was virtually unprecedented for a sitting politician to sue in order to control the use of his or her image in similar circumstances. The ODM defendants sold an entire series of bobbleheads depicting both living and deceased politicians; yet they had never previously been subject to legal threats or proceedings to prevent the sales of these dolls. In fact, as many news reports gleefully explained the Bosleys had previously sent copies of dolls to several politicians who apparently appreciated (or, perhaps, acquiesced to) having their likenesses made into a bobblehead doll. Some legal commen-

4. This article refers to defendants Todd and Toby Bosley and their company, Ohio Discount Merchandise, Inc. collectively as the "ODM defendants." The two lawsuits filed against these defendants are referred to as the "ODM litigation" or the "ODM case." The first case was filed in state court by plaintiff Oak Productions, Inc. ("Oak Productions"), which is a licensing company established to promote the Schwarzenegger image, alleging right of publicity and related claims. The second was filed in federal court by plaintiff Fitness Publications, Inc. ("Fitness") after defendants removed the case to federal court. The Fitness complaint alleged copyright infringement relating to photographic images used on the packaging for ODM's Schwarzenegger bobblehead doll. See The Schwarzenegger Bobblehead Case: Introduction and Statement of Facts, 45 SANTA CLARA L. REV. 547, 548 (2005).
5. See id. at 547-48.
6. Id. at 554.
7. See, e.g., McCarthy, supra note 1, §§ 4:25-4:26, pp. 4-36 to 4-40 (noting that litigation to enforce alleged rights of publicity by politicians is rare).
9. Id. at 547, n.1.
tators offered as an explanation the possibility that politicians were reluctant to sue and thus appear to be humorless or soft-skinned. Yet it is equally plausible that politicians are aware that the sale of such products is likely fully protected by the First Amendment, particularly when the subject being depicted is a political figure.

This article argues that the ODM defendants’ First Amendment defense should have prevailed had the suit advanced to trial, although this outcome was by no means certain, especially given the ambiguities in the right of publicity law in California. The article further contends that plaintiff’s theory of the case was overbroad and legally unsupportable because it presumed that plaintiff had an almost absolute right to control the use of the Schwarzenegger image, at least when that image is used on any product. That broad claim, however, is too simplistic and should have been rejected by the courts. Just as with any other form of intellectual property, the right of publicity is a limited right. The primary justification for the right of publicity is to permit the owner of the rights to control uses of an image or likeness that detract from the ability to derive economic value from such use. Where an expressive and creative appropriation of a celebrity image constitutes caricature, parody, or satire, as in the

10. See, e.g., John Broder, Schwarzenegger Files Suit Against Bobblehead Maker, N.Y. TIMES, May 18, 2004, at A16 (quoting UCLA Law Professor Eugene Volokh, who suggested that politicians rarely file right of publicity lawsuits because of concerns that such litigation might make them look humorless to their constituents); see also Arlen W. Langvardt, The Troubling Implications of a Right of Publicity “Wheel” Spun Out of Control, 45 KAN. L. REV. 329, 340 at n.67 (1997) (noting that there are few cases that deal with the scope of the right of publicity for political figures and opining that this may be because politicians may simply not bring lawsuits to protect rights of publicity because they assume they may not have strong rights, or might be too busy to sue).


12. See, e.g., JAY DRATLER, JR., INTELLECTUAL PROPERTY LAW: COMMERCIAL, CREATIVE AND INDUSTRIAL PROPERTY, § 1.01[2], n.16.1 (2004) and accompanying text (discussing rights of publicity as “limited property rights”); see also id. § 1.08 (analyzing two models of intellectual property law as limited rights). The recent U.S. Supreme Court decision in Eldred v. Ashcroft, 537 U.S. 186 (2003), discussed some of the constitutional limitations on intellectual property law, specifically, copyright law.

Schwarzenegger bobblehead doll example, there can be no legitimate argument that the right of publicity has been violated because there is little possibility that the rights-owner's ability to derive economic value from the likeness or image has been lessened. Moreover, where the caricature, parody, or satire involves a politician, First Amendment rights to creative free expression should properly override any claimed right of publicity except in the most limited circumstances, such as where the celebrity image is used as an advertisement or in other circumstances that create confusion as to sponsorship or affiliation.

The Schwarzenegger bobblehead doll case settled before the intriguing issues it raised could be analyzed by the courts. At one level this settlement is unremarkable, since most civil litigation settles well before full adjudication and judgment. But the settlement in this case raised troubling issues about the ability of a powerful owner of rights of publicity to over-enforce and over-protect those rights through the use of strategic litigation, especially since the publicity rights at issue were those of a celebrity-politician. Scholars have warned how the over-protection of various intellectual property rights by court decisions can chill expressive speech or result in the diminution of the public domain. But there is an additional threat that scholars are only just beginning to explore: how the private enforcement of intellectual property rights in the pre-litigation and pre-judgment contexts can potentially over-broaden the scope of intellectual property owners' rights. One lesson from the Schwarzenegger bobblehead doll war is that a plaintiff's aggressive legal strategy in this litigation permitted it to over-enforce tenuous rights of publicity in circumstances where the courts should have (and, I believe, would have) determined that defendants' activities were privileged. The troubling result is that a powerful ce-


15. See Marc Galanter, Reading the Landscape of Disputes: What We Know and Don't Know (and Think We Know) about Our Allegedly Contentious and Litigious Society, 31 UCLA L. REV. 4 (1983) for a general overview on the empirical literature on the topic of pretrial civil litigation outcomes, including the fact that the vast majority of civil lawsuits settle before trial or adjudication on the merits. See also Marc Galanter & Mia Cahill, "Most Cases Settle:" Judicial Promotion and Regulation of Settlements, 46 STAN L. REV. 1339 (1994).

16. See discussion infra Part IV.

17. See id.
lebrity and politician was able to censor expressive activity—the sale of the Schwarzenegger bobblehead doll with an assault rifle—that was apparently deemed objectionable. That is exactly the circumstance where a court should find that First Amendment protection most strongly applies. This suggests that courts should take a stronger stance to clarify and articulate the limitations and defenses to the right of publicity in California and elsewhere to give full effect not just to the rights of owners of the right of publicity, who often are powerful corporate entities, but also to defendants targeted by right of publicity claims. The latter are susceptible to threats of litigation because the costs and uncertainties of an infringement lawsuit make settlement of even objectively meritless or weak legal claims more likely (and less burdensome) than pursuing a vigorous legal defense.

Part II of this article analyzes the “transformative” test set forth by the California Supreme Court in two recent cases to determine when the First Amendment trumps California rights of publicity. The article argues that under this framework, the Schwarzenegger bobblehead doll and its accompanying packaging should have easily been found to be transformative and therefore protected expression that does not violate California’s statutory or common law rights of publicity. Part III briefly analyzes the copyright issues raised by the Fitness plaintiff’s claims that the ODM defendants’ use of two Schwarzenegger photographs on the bobblehead doll packaging constituted copyright infringement. It concludes that the use of these images should have been found by the courts to constitute “fair use” under 17 U.S.C. section 107.

Lastly, in Part IV, the article concludes that plaintiff’s strategic use of litigation and threats of litigation produced a settlement in this case that, while acceptable to both sides in the litigation, permitted plaintiff to squelch expressive speech that it did not like. That result, the article argues, is the diminution of free expression that creatively incorporates and manipulates the celebrity image for purposes of social commentary and entertainment. The ODM litigation and settlement is thus an important example of the harm that can re-

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18. See discussion infra Part II.
19. See discussion infra Part III.
sult from over-enforcement of claimed intellectual property rights—here, the right of publicity—in arenas of private enforcement outside the courts.

II. BOBBLEHEADS AND THE FIRST AMENDMENT

The most significant and dramatic issue posed by the ODM litigation was whether the sale of the Schwarzenegger bobblehead doll fell squarely within the rights of the ODM defendants to appropriate a celebrity-politician's likeness as a form of expression protected under the First Amendment or violated plaintiff's rights of publicity under California law. In this case, the tension between these two rights should have been examined in light of two recent controlling California Supreme Court decisions, and resolved strongly in favor of the ODM defendants.

A. The "Transformative" Test for Determining When the First Amendment Trumps the California Right of Publicity

In two recent unanimous decisions, the California Supreme Court articulated a new test to determine when the right of publicity under California law must yield to the First Amendment right of free expression. First, in Comedy III Productions, Inc. v. Saderup, Inc., the court introduced the "transformative" test and applied it in the context of California's statutory right of publicity as it pertains to deceased celebrities. It held that the works in question, an artist's rendering of the comedy team The Three Stooges on lithographs and silk-screened T-shirts, did not warrant First Amendment protection because the depiction used of these deceased celebrities on these products was not sufficiently "transformative" to meet the requisite threshold for First Amendment protection against a right of publicity claim. Only two years later, in Winter v. DC Comics, the court reached the opposite conclusion, finding that a comic book series that depicted the likenesses of two musicians warranted full First Amendment protection. No other California court has decided a case un-

22. The statute at issue was California Civil Code section 990 (since renumbered as California Civil Code section 3344.1). CAL. CIV. CODE § 990 (Deering 1984).
23. 69 P.3d 473 (Cal. 2003).
24. Since these musicians are very much alive, the DC Comics court inter-
der California’s new test, although one Sixth Circuit court has applied a version of it. These two cases, therefore, set forth the guidelines and the controlling California law as to when an expressive work will be considered sufficiently transformative to trump the right of publicity in a particular case. And while these cases are not without ambiguities, an application of the transformative test to both the Schwarzenegger bobblehead doll and its packaging reveals that both should be protected under the First Amendment against a right of publicity claim in California.


The plaintiff in Comedy III Productions, a corporation that owns various intellectual property rights relating to the long-deceased vaudeville and comedy act known as The Three Stooges, sued an individual artist, Gary Saderup, and his business corporation under California’s right of publicity statute pertaining to deceased celebrities, California Civil Code section 990. The statute proscribes the unauthorized commercial use of a deceased celebrity’s likeness or image. Comedy III Productions sought damages and a permanent injunction to prevent Saderup from selling lithographs and T-shirts that reproduced an original charcoal drawing Saderup created depicting the likenesses of The Three Stooges.

Both the Superior Court and the Court of Appeal ruled in favor of Comedy III Productions on stipulated facts. On appeal, Saderup raised two issues. First, he argued that Civil Code section 990 did not apply to his use of the Stooges’ likeness on his lithographs and T-shirts. Saderup contended that section 990 proscribed only what has traditionally been called “commercial uses” of a celebrity image, which, he argued were limited to instances where the image was used to sell or so-

25. See ETW Corp. v. Jireh Publ’g, Inc., 332 F.3d 915 (6th Cir. 2003) (applying several distinct tests, including the “transformative” test articulated in Comedy III Productions, holding that depiction of golfer Tiger Woods on commemorative lithographs did not violate Wood’s right of publicity). Id.
27. CAL. CIV. CODE § 990.
28. Comedy III Prods., 21 P.3d at 800-01.
29. Id.
licit the sale of products or services. Since the images on Saderup's lithographs and T-shirts constituted the products themselves, as opposed to being used to sell other products, Saderup contended that section 990 did not apply. The court rejected this statutory interpretation argument. It stated that section 990 prohibited the use of a celebrity 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..." Thus, the court concluded, Saderup's products clearly came within the purview of section 990 because the statute applied to the use of a celebrity image "either (1) 'on or in' a product, or (2) in 'advertising or selling' a product." The court determined that Saderup's interpretation would improperly ignore (section 990's application to use of a celebrity image on or in a product, and therefore rejected it.

Saderup's second argument, and perhaps most important to the analysis of the Schwarzenegger bobblehead, was that enjoining the sale of his artwork and products violated his First Amendment right of free speech and expression. The court admitted that this constitutional argument raised "a difficult issue" as to the proper balance between First Amendment principles and the scope of California's right of publicity.

In deciding the constitutional issue, the court began by reaffirming a number of core First Amendment principles that guided its analysis. First, the lithographs and T-shirts depicting The Three Stooges were not mere advertisements but rather constituted expressive works of non-commercial speech entitled to full First Amendment protection even if these products were sold. Second, the fact that Saderup's

30. Id. at 801.
31. Id.
32. Id. (quoting CAL. CIV. CODE § 990(a)).
33. Id. at 802.
34. Id.
35. Comedy III Prods., 21 P.3d at 802.
36. Id.
37. Id. "Saderup's portraits of The Three Stooges are expressive works and not an advertisement for or endorsement of a product. Although his work was done for financial gain... [a]n expressive activity does not lose its constitutional protection because it is undertaken for profit..." Id. (internal brackets and citation omitted).
art was made for purposes of entertainment, was non-verbal expression, and may convey no particular discernable message similarly did not lessen its constitutional protection. Third, the fact that Saderup's art appeared on “nontraditional” media, likewise, did not diminish its First Amendment protection.

The court also highlighted what it believed was the substantial value created by the creative cultural appropriation of celebrity images in our celebrity-obsessed modern world. Such creative work, the court argued, “can be an important avenue of individual expression.” The court recognized that overly strong enforcement of the right of publicity may threaten such creative expression, and it stated that the right of publicity must not be used as a “shield to ward off caricatures, parody, and satire.” The court reiterated this principle in several variations:

- “[T]he right of publicity cannot, consistent with the First Amendment, be a right to control the celebrity’s image by censoring disagreeable portrayals.”
- “[T]he right to comment on, parody, lampoon, and make other expressive uses of the celebrity image must be given broad scope.”
- “What the right of publicity holder possesses is not a right of censorship, but a right to prevent others from misappropriating the economic value gener-

38. Id. at 804 (“Nor do Saderup's creations lose their constitutional protections because they are for purposes of entertaining rather than informing.”).
39. Id. (“Nor does the fact that expression takes a form of nonverbal, visual representation remove it from the ambit of First Amendment protection.”).
40. Id. (“[A] work of art is protected by the First Amendment even if it conveys no discernable message . . . .”).
41. Comedy III Prods., 21 P.3d at 804 (“Nor does the fact that Saderup's art appears in large part on a less conventional avenue of communications, T-shirts, result in reduced First Amendment protection . . . . First Amendment doctrine does not disfavor nontraditional media of expression.”).
42. Id. at 803.
43. Id. (quoting Guglielmi v. Spelling-Goldberg Prods., 603 P.2d 454, 460 (Cal. 1979)). The court also noted that an overly strong application of the right of publicity threatened to give celebrities greater ability to censor “unflattering commentary” about them than permitted under defamation law, which would make actionable only statements or expressions about public figures that are made with actual malice. Id.
44. Id. at 807.
45. Id.
ated by the celebrity’s fame through the merchandising of the [celebrity’s image or likeness].\textsuperscript{46}

Nevertheless, after affirming the substantial First Amendment protection properly accorded noncommercial speech commenting on celebrities, the court also recognized society’s strong interests in encouraging the types of creative efforts that produce celebrities. Whether acknowledged as a natural property (or moral) right or as the type of economic incentive that encourages people to make the creative effort to become celebrities in the first place, the court held that society and the California legislature had determined that the owners of rights of publicity have a legitimate and significant interest in exploiting the commercial value of their celebrity image.\textsuperscript{47}

To properly balance these competing interests between rights of free expression and of publicity, the court adopted a threshold for determining when First Amendment protection would prevail: the transformative test.\textsuperscript{48} As the court explained, “[t]his inquiry into whether a work is ‘transformative’ appears to us to be necessarily at the heart of any judicial attempt to square the right of publicity with the First Amendment.”\textsuperscript{49}

Somewhat confusingly, the court then articulated a number of inquiries related to determining whether a work is transformative or not:\textsuperscript{50}

- Does it do no more than appropriate the economic value of the celebrity image?\textsuperscript{51}
- Is it a mere “literal depiction or imitation of a celebrity?”\textsuperscript{52}
- Is the celebrity likeness one of the “raw materials from which an original work is synthesized” or is

\textsuperscript{46} Id.
\textsuperscript{47} Comedy III Prods., 21 P.3d at 805.
\textsuperscript{48} Id. at 808.
\textsuperscript{49} Id.
\textsuperscript{50} See Eugene Volokh, Freedom of Speech and the Right of Publicity, 40 Hous. L. Rev. 903 (2004). Volokh makes the very important observation that the court’s various statements of its transformative test are not coherent and do not yield the same result when applied to particular forms of expression. See id. at 916-17. As I argue below, the Schwarzenegger bobblehead doll and packaging should easily pass the transformative test under any of its iterations by the court in Comedy III Productions. See discussion infra Part II.B.
\textsuperscript{51} Comedy III Prods., 21 P.3d at 806.
\textsuperscript{52} Id. at 808.
it "the very sum and substance of the work?" 53

- Is the expressive work "so transformed that it has become primarily the defendant's own expression rather than the celebrity's likeness?" 54

- Is the expressive work a "merely trivial variation" of the celebrity likeness rather than "something recognizably [the artist's] own?" 55

Applying the transformative test to Saderup's work, the court determined without much analysis that there was "no significant transformative or creative contribution. [Saderup's] undeniable skill is manifestly subordinated to the overall goal of creating literal, conventional depictions of The Three Stooges so as to exploit their fame." 56 The court thus held that Saderup's First Amendment defense must fail. 57

2. Winter v. DC Comics

Within two years of deciding Comedy III Productions, the California Supreme Court in Winter v. DC Comics, 58 revisited the issue of the scope of California's right of publicity in the context of a First Amendment challenge. In Winter, as in Comedy III Productions, the court applied its transformative test, this time to decide whether a comic book series that used the likenesses of two musician brothers violated California's right of publicity statute pertaining to living individuals. 59 The comic book series at issue in Winter contained a fanciful and strange narrative; it depicted brothers Johnny and Edgar Winter—very thinly veiled as "Johnny and Edgar Autumn"—as "villainous half-worm, half-human offspring born from the rape of their mother by a supernatural worm creature." 60 The Autumn brothers were depicted as long-haired albinos (like the Winter brothers) with tentacles coming from their chests, who decapitated livestock and ate the brains of pigs with whom they fornicated. 61 Perhaps not surprisingly, 62 the Win-

53. Id. at 809.
54. Id.
55. Id. at 810.
56. Id. at 811.
57. Comedy III Prods., 21 P.3d at 811.
59. CAL. CIV. CODE § 3344 (Deering 1984).
60. Winter, 69 P.3d at 476.
61. See id.; see also Mike McKee, THE RECORDER, June 3, 2003, p. 2.
62. All artistic and legal merit aside, a depiction like the Autumn brothers
The Supreme Court, however, found that application of the transformative test was "not difficult" and, in a brief eleven-page opinion, found that the DC Comics' depictions of the Winter brothers were clearly transformative and therefore fully protected speech. The court determined that the comic book depiction of the brothers was decidedly not literal. Rather, the court reasoned, the brothers' images were distorted "for purposes of lampoon, parody, or caricature." Such a depiction, the court continued, was unlikely to constitute a substitute for conventional portrayals of the celebrities—something the court in Comedy III Productions stressed was reserved to the right of publicity owner. The court reasoned, "the comic books are no less protected because they provide humorous rather than serious commentary."

Thus, the California Supreme Court's test has been applied to two quite different examples of expressive work to date, leaving significant questions as to how this test will apply to works that are not as arguably literal depictions of celebrities as those by Saderup in Comedy III nor as wildly distorted as the half-man, half-worm depictions in DC Comics. Nevertheless, the court's test should have been relatively easy to apply to the Schwarzenegger bobblehead doll case (had the case not settled) and the conclusion should have been that the doll is clearly transformative and thus fully protected by the First Amendment.

surely constitutes "fighting words."
63. Winter, 69 P.3d at 476
64. Id. (internal quotations omitted).
65. Id. at 479-80.
66. Id. at 479.
67. Id. (internal quotations omitted).
68. Id.
B. The Transformative Test Applied: Why the Schwarzenegger Bobblehead Doll Is Like a Three-Dimensional Political Cartoon

A proper analysis of whether the Schwarzenegger bobblehead doll and packaging is protected expression under the First Amendment entails applying the transformative test developed by the California Supreme Court in Comedy III Productions and DC Comics. It is certainly possible that the ODM case would have been decided under Ninth Circuit precedent interpreting California’s right of publicity statute rather than under the California Supreme Court’s new transformative test. But a federal district court should have properly deferred to the California Supreme Court when deciding state law issues under the statute, particularly since the California Supreme Court’s recent rulings in Comedy III Productions and DC Comics indicate that it has its own vision of how the statute is to be applied under California law. Moreover, a federal district court applying California law should have determined that both the Schwarzenegger bobblehead doll and its packaging were both transformative and, therefore, fully protected expression under the First Amendment.

1. The Schwarzenegger Bobblehead Doll Is Transformative

The Schwarzenegger bobblehead doll at issue in the ODM litigation features a grinning visage of Arnold Schwarzeneg-
ger outfitted in a suit and tie, wearing a bandolier of bullets, and brandishing an assault rifle. The doll's head is disproportionately large compared to its body, and it is connected to the doll torso by a spring mechanism. This creates the classic "bobble" effect that is characteristic of this type of doll, as the head bounces or bobbles upon movement or touch. The doll is amusing. The doll is also multivocal in that it cleverly juxtaposes design elements to communicate multiple messages about Schwarzenegger, including his dual personas as celebrity and politician, and about the phenomenon of celebrity-politicians itself in our celebrity-obsessed society. But is the Schwarzenegger bobblehead doll "transformative?" Under the test applied in Comedy III Productions and DC Comics, the courts should have determined that it is.

a. The Bobblehead Is Not a Mere Literal Likeness of the Celebrity Image

The Schwarzenegger bobblehead doll is not a mere literal depiction or bare imitation of the Schwarzenegger likeness. The doll certainly resembles Schwarzenegger enough to permit the identification of the subject, but this is due not only to the design of the doll head's visage but also to the inclusion of design elements that are attributes of Schwarzenegger: the "Governor" suit, which evokes Schwarzenegger's new identity as California's governor, and the rifle and bandolier, which evoke Schwarzenegger's history and status as a Hollywood star who rose to prominence primarily in roles in action movies that feature "shoot-em-up" scenes of fake violence. The base of the doll also contains the name "Schwarzenegger" spelled out so that the doll's identity cannot be mistaken.

The doll is not a literal depiction of the celebrity image but rather a playful, yet powerful, interpretation. The head

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72. See Appendix A, Photo One, infra p. 675.
73. The doll is at least a caricature, but the messages it creates are also parody and possibly even satire. See Tyler T. Ochoa, Dr. Seuss, The Juice And Fair Use: How the Grinch Silenced a Parody, 45 J. COPYRIGHT SOC'y USA 546 (1998) (a useful discussion of definitions of parody and satire in the context of a copyright infringement case).
74. See, e.g., Volokh, supra note 50, at 908-09 ("First Amendment jurisprudence provides no support for distinguishing visual art depicting a person (a bust or print) from literary or audiovisual works that use a person's name or likeness") (arguing that right of publicity doctrines that distinguish between supposed "'high information content' works such as books or movies from 'low
features a broad grinning visage, has been rendered disproportionately large compared to the torso, and readily bobbles when moved. But is this enough to constitute a transformative depiction of the celebrity likeness? It should be. The very act of creating a bobblehead doll out of an individual’s likeness sufficiently distorts the likeness beyond a mere literal depiction to create the intended comic effect characteristic of bobblehead dolls. A bobblehead doll thus caricatures the individual likeness to create this effect. The caricature is especially effective when “serious” celebrities, such as politicians, are transformed as bobbleheads into slightly silly and undignified figures with big grinning faces and bobbly heads. Even the most serious and self-important celebrity or politician can be humbled by being made into a bobblehead doll. Such distortion of the celebrity image for the purpose of caricature and parodic effect should be sufficiently transformative to meet the threshold for First Amendment protection announced in Comedy III Productions and DC Comics,75 since, almost by definition, parody76 or caricature results only when a work depicts a likeness in such a way that the artist’s expression predominates over the literal image of a celebrity thus transforming the image to create a comical and critical information content’ works, a category into which some might place sculptures, prints, and T-shirts” is inconsistent with the First Amendment; see also Diane Leenheer Zimmerman, Amicus Curiae Brief of Seventy-Three Law Professors in Support of Defendant/Appellee Jireh Publishing, Inc., 22 WHITTIER L. REV. 389 (2000) (submitted in the case of ETW Corp. v. Jireh Publ’g, Inc., 332 F.3d 915 (6th Cir. 2003)) (arguing forcefully that constitutional distinction between ostensible “commercial” and “newsworthy” or “traditional” media of expression is based on an outdated and incorrect jurisprudence that should be rejected by modern courts in right of publicity cases); Alice Haemmerli, Whose Who? The Case for a Kantian Right of Publicity, 49 DUKE L.J. 383, 443 (1999) (arguing for strong right of publicity but also recognizing the need for strong First Amendment protection for appropriation of celebrity images on merchandise that is not merely an advertisement).

75. Indeed these two cases, read together, strongly suggest that works of parody are presumptively protected under the First Amendment, although the proper analysis under these cases is not to identify precisely what type of work is at issue—whether parody or satire or any other type of expression—but to focus on whether the work is transformative.

76. Black’s Law Dictionary defines parody as:
[a] transformative use of a well-known work for purposes of satirizing, ridiculing, critiquing, or commenting on the original work. In constitutional law, a parody is protected as free speech. In copyright law, a work must meet the definition of parody and be a fair use of the copyrighted material, or else it may constitute infringement.

BLACK’S LAW DICTIONARY 1149 (8th ed. 2004).
effect.\textsuperscript{77} This is in sharp contrast, for instance, to the bust of Dr. Martin Luther King, Jr. at issue in \textit{Martin Luther King, Jr. Center for Social Change, Inc. v. American Heritage Products, Inc.}\textsuperscript{78} which the Georgia courts determined violated that state's right of publicity. One of the difficulties with the bust at issue in that case is that it was primarily a literal depiction of its subject. In a mere literal depiction, such as this bust, the primary message conveyed is the identity of who is being depicted—it's Martin Luther King, Jr.—whereas the image of Schwarzenegger on the bobblehead is merely the raw material for the broad messages the doll conveys—satire, humor, and social commentary. This fact weighs heavily in favor of a finding that the Schwarzenegger bobblehead doll is transformative.

\textit{b. The Bobblehead Constitutes a Creative and Original Expression}

As the court in \textit{Comedy III} stressed, the context of an expressive work can be critical in rendering it transformative, citing as examples the rather literal depictions by Andy Warhol of celebrity likenesses such as Marilyn Monroe, Elizabeth Taylor, and Elvis Presley.\textsuperscript{79} The court concluded that these

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\textsuperscript{77} Thus, I consider most if not all bobblehead dolls to be transformative under the \textit{Comedy III Productions} and \textit{DC Comics} tests precisely because the creation of the doll transfigures any literal image into a caricature and, depending on the context, a parody of the depicted individual. As a practical matter, however, this argument would be especially difficult to make in court. As Professor Tyler Ochoa has suggested in private conversation, a judge may be loath to rule so broadly as to defeat the rights of publicity for any figure made into a bobblehead. Such a ruling would affect numerous celebrities, both dead and alive, who are subjects in the bobblehead doll industry. In the case of the Schwarzenegger and other political bobbleheads, however, the fact that the likenesses appropriated are those of politicians may be an "extra" element that makes it easier to argue that such dolls are especially communicative and transformative precisely because the distortion of a politician's image almost necessarily constitutes some sort of parodic comment on that figure. Because the Schwarzenegger doll presented the issue in a rarified context—where the image depicted is that of someone who is simultaneously a celebrity and a politician—any ruling upholding the ODM defendants' First Amendment defense would likely have been made on narrow grounds that would not necessarily affect non-politicians' rights of publicity.

\textsuperscript{78} 296 S.E.2d 697 (Ga. 1982).

\textsuperscript{79} \textit{Comedy III Prods.}, 21 P.3d at 811. This is similar to the analysis of the court in \textit{ETW Corp. v. Jireh Publ'g, Inc.}, 332 F.3d 915 (6th Cir. 2003), where the court found that literal renderings of Tiger Woods and other golf legends on lithographs was transformative in part because the lithographs used these im-
works “convey a message that went beyond the commercial exploitation of celebrity images and became a form of ironic social comment on the dehumanization of celebrity itself.”

Similarly, in the ODM litigation, the context is the key to concluding that the Schwarzenegger bobblehead doll is transformative. What is this context? In a word, it is the “Governator.” The fact that Schwarzenegger is both a Hollywood celebrity and the governor of California is a substantial part of the context that makes the Schwarzenegger bobblehead doll transformative. The fact that it is a politician’s likeness or image that is being used should enhance the transformative nature of almost any work, short of one that merely uses the image solely to sell an unrelated commercial product.

In the ODM case, the Schwarzenegger likeness was not being used to sell other products but was the product itself, albeit in a creative expression of that image. The Schwarzenegger image was thus part of the “raw materials” or the medium that the bobblehead doll’s creators used to convey the multivocal messages the doll communicated. This message invariably comments, at least in part, on the Schwarzenegger political image and persona even if it also simultaneously comments on the Schwarzenegger Hollywood movie star persona. The governor himself, after all, has certainly made effective use of his Hollywood tough-guy, “Terminator” image in political life. Schwarzenegger, now the governor, has become the “Governator,” a play on words that evokes the dual personas of the current Schwarzenegger image. This image is also used extensively in political cartoons commenting on Schwarzenegger’s new status as a politician. It would be

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80. *Comedy III Prods.*, 21 P.3d at 811.

81. See *McCarthy*, supra note 1, at § 4:23, pp. 4-31 (arguing that politicians give up most of their rights of publicity upon entering public office). What remains is largely the right to prevent the use of a politician’s image for advertising purposes, giving rise to a claim for false endorsement, which is not at issue in the ODM case.

82. See, e.g., Peter Nicholas, *Governor Criticizes Legislators as Girlie-Men*, L.A. Times, July 18, 2004, at B1 (discussing how the Governor told the crowd at a political rally to “terminate” Democratic politicians who refused to support his state budget).

83. See, e.g., http://politicalhumor.about.com/library/images/blarnoldpics.htm (last visited Mar. 11, 2005) (site with collection of political cartoons, many of them using the
disturbing for a court to hold that the right of publicity should trump the ODM defendants' right to sell a doll that similarly comments on the Schwarzenegger image. Such a decision would also be incongruous because it would permit Schwarzenegger to monopolize his image as the "Governator" for both political and private profit.84

The use of the Schwarzenegger image on the bobblehead doll and packaging should be transformative precisely because this kind of speech concerning politicians should be among the most protected speech under the First Amendment, even if it is conveyed by whimsical commercial products. Thus, the use of the Schwarzenegger likeness on any variety of other items, such as on the face of a Mickey Mouse watch, on a political button, on a Halloween mask, or on a punching bag, should also be transformative, so long as the primary message, in context, is one of commentary on the celebrity-politician rather than merely an advertisement to buy a product.85

Plaintiff in the ODM case would have undoubtedly disagreed with such an analysis. The plaintiff may have insisted that the use of a politician's image on products like dolls should not be privileged by the First Amendment because these products are not traditional media for the expression of political ideas or newsworthy information but mere commercial products subject to lessened First Amendment protection. One observer, for example, argues that:

[c]ourts have routinely denied [F]irst [A]mendment immunity from Right of Publicity liability when unpermitted use of identity is used even in 'messages' on T-shirts, dishes, ashtrays, drinking mugs, and the like. This result is usually reached on the basis that these are not the

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"Terminator" or "Governator" names or images as part of their humorous commentary on the Schwarzenegger phenomenon).

84. It is also likely unethical for a sitting politician to use his public image as a politician for purely private gain.

85. This analysis suggests that the use of Schwarzenegger's likeness, or that of any other politician's, on even cruder commercial products, such as toilet seats, should also be viewed as transformative. This is contrary to the result reached by the court in a case dealing with a non-politician, Johnny Carson. *Carson v. Here's Johnny Portable Toilets, Inc.*, 698 F.2d 831 (6th Cir. 1983) (upholding plaintiff's right of publicity claim to prevent use of phrase "Here's Johnny," associated with plaintiff Johnny Carson, in connection with the sale of portable toilets).
usual media for social or political messages, which are typically limited to such media as newspapers, books, movies.

But this argument has several weaknesses. First, consistent with contemporary free speech jurisprudence, the California Supreme Court in *Comedy III Productions* and *DC Comics* rejected any distinction between supposed "traditional" and "nontraditional" media of expression when assessing a First Amendment defense to right of publicity claims. Indeed, the California Supreme Court made clear in developing its transformative test that it was not adopting any distinction between traditional and nontraditional expressive media: "less conventional" media of expression, such as the T-shirts at issue in *Comedy III Productions*, the court stressed, are not subject to lesser protection than supposedly traditional media for the communication of ideas. This is consistent with the approach of the Tenth Circuit in *Cardtoons*. In holding that parody baseball cards depicting celebrity ballplayers did not violate rights of publicity, the court stated that: "[t]he protections afforded by the First Amendment ... have never been limited to newspapers and books. ... Thus, even if the trading cards are not a traditional medium of expression, they nonetheless contain protected speech." Moreover, the distinction between ostensible traditional and nontraditional media of expression for socially significant

86. MCCARTHY, supra note 1, § 7.6, pp. 7-27. However, McCarthy himself notes that the *Comedy III Productions* court rejected his analysis that "what is crucial is the medium, not the message." Id. at n.10; see also Stephen Barnett, *Right of Publicity Versus Free Speech in Advertising: Counterpoints to Professor McCarthy*, 18 HASTINGS COMM. & ENT. L.J. 593 (1996) (critiquing McCarthy's position on rights of publicity and arguing for a strong fair use standard).

87. See discussion supra note 74.

88. *Comedy III Prods.*, 21 P.3d at 804 ("First Amendment doctrine does not disfavor nontraditional media of expression.").

89. See id.

90. See *Cardtoons* v. Major League Baseball Players Ass'n, 95 F.3d 959, 969 (10th Cir. 1996).

91. Id. The *Cardtoons* court rejected plaintiff's argument that baseball cards with parody images of ballplayers were mere commercial products subject to lesser constitutional protection against a right of publicity claim; *see also ETW v. Jireh Publ'g*, Inc., 332 F.3d 915 (6th Cir. 2003) (finding that the use of a celebrity image on commemorative lithographs contained "substantial informational and creative content" privileged under the First Amendment against a right of publicity claim).
ideas is empirically and conceptually problematic. It assumes without any historical or empirical evidence that products other than books, newspapers, or movies have not played a significant role as expressive media in American culture. But much scholarship on our contemporary consumer culture suggests that such artifacts play a potentially rich role in articulating ideas, including complex political expressions.\(^{92}\) Lastly, this reasoning is also unpersuasive because it largely ignores that First Amendment protection is not limited to "social or political" expression: even expression for pure "entertainment" purposes falls within its ambit.\(^{93}\) Any argument by plaintiff that the Schwarzenegger bobblehead is a mere commercial product unworthy of First Amendment protection because it is not a traditional medium of expression of ideas should thus have been soundly rejected by the courts.\(^{94}\)

c. The Bobblehead Does Not Interfere with the Economic Value of the Celebrity Likeness

The central justification for the right of publicity for the California Supreme Court is the need to protect the celeb-

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92. See, e.g., ROSEMARY COOMBE, THE CULTURAL LIFE OF INTELLECTUAL PROPERTY: AUTHORSHIP, APPROPRIATION AND THE LAW (1998). There is an extensive body of scholarship demonstrating that commodity products may be significant media for expression of substantial political beliefs and information.

93. See Comedy III Prods., 21 P.3d at 804 (explaining that entertainment is included in First Amendment protection).

94. It was also anticipated that to support its right of publicity claims plaintiff would have relied on the authority of several Ninth Circuit cases. See Middler v. Ford Motor Co., 849 F.2d 460 (9th Cir. 1988) (sound-alike voice imitating popular singer used in advertisement to sell cars may constitute misappropriation of identify in violation of California common law right of publicity); Waits v. Frito-Lay, Inc., 978 F.2d 1093 (9th Cir. 1992) (unauthorized use of singer's distinctive voice in commercial to sell snack products can violate California right of publicity); Wendt v. Host Inter., Inc., 50 F.3d 1093 (9th Cir. 1997) (use of actors' likenesses as characters they played on television show in order to advertise airport bar may violate California right of publicity); White v. Samsung Elecs. Am., Inc., 989 F.2d 1512 (9th Cir. 1993) (use of image in commercial advertising that invokes celebrity's identity may violate California right of publicity). These cases are potentially strong plaintiff's cases in other circumstances, but are all inapposite in the ODM case because they deal with the unauthorized use of a celebrity image or likeness for the purpose of advertising another product. That is simply not the case in the ODM litigation, where the product at issue is the appropriated likeness of Schwarzenegger on the doll itself. The image is not being used to sell another product, such as cars, snack food, consumer electronics, or ab-cruncher exercise equipment. Moreover, none of these cases deal with a political figure, which itself makes their precedential value to plaintiff problematic in the ODM litigation.
rity's ability to control the economic value derived from non-
transformative, conventional depictions of the celebrity liken-
ness. As the court points out, expressions of the celebrity liken-
ess that are transformative, such as caricatures or paro-
dies, are unlikely to detract from the economic value of the ce-
lebrity image since such non-conventional depictions will be a
poor substitute for fans who want a literal image of the celeb-
ritiy to adorn their walls, T-shirts, coffee cups, or other prod-
ucts. This factor weighs heavily in favor of a finding that
the ODM doll is transformative. Under this analysis, the
Schwarzenegger bobblehead doll is not an adequate substi-
tute for more conventional images of Schwarzenegger because
it is so clearly a transformative and non-literal representation
of Schwarzenegger. It is hard to imagine, for instance, that a
Schwarzenegger fan would fail to purchase any of the author-
ized celebrity paraphernalia available containing the Schwar-
zenegger image simply because the ODM bobblehead doll is
also available. The authorized Schwarzenegger products
available to fans are typically more reverential in tone and do
not draw on the more complex and perhaps critical messages
created by the ODM doll's depiction of the Schwarzenegger
likeness. The courts should thus have found that the Schwar-
zenegger bobblehead doll would not likely affect the ability of
plaintiff to derive economic gain from the Schwarzenegger ce-
lebrity likeness.

2. The Bobblehead Doll Packaging Is Also
Transformative

The box in which the Schwarzenegger bobblehead doll
was sold was also subject to plaintiff's right of publicity
claims. Plaintiff's original theory of the case was that the
doll and box both violated Schwarzenegger's right of public-
ity. The box has seven variously sized photographic images

95. See Comedy III Prods., 21 P.3d at 808.
96. Id. ("[W]orks of parody or other distortions of the celebrity figure are not,
from the celebrity fan's viewpoint, good substitutes for conventional depic-
tions of the celebrity and therefore do not generally threaten markets for celeb-
ritiy memorabilia that the right of publicity is designed to protect.").
97. Introduction and Statement of Facts, supra note 4, at 554 and Appendix
A, Photos Two and Three, infra p. 676.
98. Id. at 553, n.39. After the case was removed to federal court, plaintiff
also claimed that two allegedly copyrighted images reproduced on the box also
constituted copyright infringement. Id. at 554.
of Schwarzenegger. One picture depicts Schwarzenegger as a young man during his professional bodybuilding years with a partial picture of an American flag superimposed over his torso. Another picture contains a partial profile of Schwarzenegger from a movie role. The remaining depictions are of Schwarzenegger in his politician role, either taken during his campaign for governor or at his inauguration. The box also features text on the back, which describes various biographical details of Schwarzenegger's life. These photographic images and text form a collage that not only visually represents the dual personas of Schwarzenegger, but also expressly tells the story of Schwarzenegger's personal successes as professional bodybuilder, movie star, and politician. But is this box transformative, or does it separately appropriate the Schwarzenegger likeness primarily in a literal fashion, adding little of the creator's own expression, so as merely to commercially exploit the celebrity image?

Arguably, the box is more problematic than the doll itself under the transformative test. The box images by themselves do not communicate caricature, parody, or satire, but convey a more reverential and respectful message commemorating highlights and achievements in Schwarzenegger's biography. The box uses photographic images that are largely unaltered, except for cropping of the pictures in places and the deletion of color in one image. This would allow plaintiff to argue that the photos are non-transformative, literal depictions that do not warrant any First Amendment protection since they merely use the celebrity image to sell the bobblehead doll and not to express any transformative image or message. Yet, such an argument would be weak for two reasons. First, the fact that photographs are in themselves largely literal depictions of the celebrity image is irrelevant, since the California Supreme Court expressly declined to create a bright-line test that would remove literal depictions from First Amendment protection. Even the most literal depictions of the celebrity likeness, the court held, can be transformative, especially when analyzed in context to discern the overall effect the artist or creator has achieved in using the likeness in the work.

99. See Appendix A, Photos Two and Three, infra p. 676.
100. Id.
as a whole.\textsuperscript{102}

Under this reasoning, the box is transformative. It presents a collage of images of Schwarzenegger's likeness with text that tells the celebrity's story. Like the doll, the box communicates a dominant message that is more than the mere identification of who is being depicted. The message that makes the doll so amusing is the Schwarzenegger story. Even if the box is more reverential than parody, this alone cannot remove it from First Amendment protection.\textsuperscript{103}

Moreover, the box images cannot be properly analyzed in isolation. Part of the context for the box is the Schwarzenegger bobblehead doll itself. Indeed, the only evidence from the ODM case is that the box was always depicted alongside an image of the doll, whether on the ODM defendants' Web site or in retail locations.\textsuperscript{104} This makes sense, of course, since it is the doll, rather than the box, that generated interest and commentary, as evidenced by the amazing worldwide publicity generated by the sale of dolls.\textsuperscript{105} It would be nonsensical to argue, for example, that the box itself was the reason why anyone purchased the Schwarzenegger bobblehead doll. In this context, the same arguments that strongly support the conclusion that the Schwarzenegger bobblehead doll is transformative apply equally to the box as well. The box adds to the messages the doll communicates, and these messages are not simply to "buy this product."

In sum, the Schwarzenegger bobblehead doll is transformative because it creatively appropriates Schwarzenegger's image to comment on the Schwarzenegger phenomenon itself,

\begin{itemize}
\item \textsuperscript{102} \textit{Id.}
\item \textsuperscript{103} In this respect, the box images are similar to those of Tiger Woods and other golf celebrities depicted on commemorative limited edition prints in \textit{ETW Corp. v. Jireh Publ'g, Inc.}, 332 F.3d 915 (6th Cir. 2003). In \textit{ETW}, the court held that defendant's use of a literal likeness of Tiger Woods was protected under the First Amendment against plaintiff's claim under Ohio's right of publicity. Although the court applied several tests in reaching its decision, it also specifically found that defendant's use was "transformative" under the test set forth in \textit{Comedy III Productions}. \textit{Id.} at 938.
\item \textsuperscript{104} Because the case settled before the initiation of pretrial discovery and before any substantial evidence was put forth before the court, this fact was not documented. I am simply asserting that it is accurate, so the reader will have to take that into account.
\item \textsuperscript{105} Also, it would be incredible to suggest that the box images in any way could constitute an adequate substitute for conventional depictions of the celebrity image. The box is a package for the doll, not a separate product of celebrity memorabilia that any purchaser would want without the doll.
\end{itemize}
and the doll's popularity derives primarily from the content of the parodic (and other) messages it communicates, rather than from its use of Schwarzenegger's image or likeness. As such, there can be no serious argument that the bobblehead deprives the plaintiff from any of the economic benefit the right of publicity is intended to protect. The doll is best analogized to a three-dimensional political cartoon about a popular and controversial celebrity-politician who himself has taken advantage of the political capital his celebrity status provides. Accordingly, whether analyzed under California's transformative test or under general First Amendment jurisprudence (as exemplified in the Cardtoons and ETW cases), the courts should have accorded the ODM Schwarzenegger bobblehead the strongest protection against plaintiff's overreaching right of publicity claims.

III. THE COPYRIGHT FAIR USE ANALYSIS

Immediately after the ODM defendants removed the litigation from state to federal court as part of their initial pleading, the Oak Productions plaintiff, through third parties, initiated a new lawsuit against the ODM defendants. It alleged copyright infringement for the unauthorized use of two photographic images of Schwarzenegger on the bobblehead box and packaging. Although this part of the case also settled before an answer was filed, the ODM defendants took the position that their use of these two copyrighted photographs was also permitted under the copyright fair use doctrine.

106. The litigation never proceeded to a stage where the relationship of the new party, the Fitness plaintiff, to Oak Productions was formally identified through discovery. However, the Fitness plaintiff is a Schwarzenegger-owned company and was represented by Oak Productions' attorneys. And it was also clear to defense counsel at the time that Oak Productions was directing the litigation of Fitness as well, including directing it to acquire a copyright of yet another party, Beacon Communications, LLC, for the sole purpose of asserting it against the ODM defendants in retaliation for their removal of the initial litigation from state to federal court.


108. Id.

109. In its filed copyright complaint, the Fitness plaintiff did not sufficiently allege ownership of valid copyrights as is required under 17 U.S.C. § 411(a) (2000), and the case settled before all the alleged copyright registrations were identified. However, counsel for the ODM defendants believe that each of these two photos was registered for copyright protection as part of larger works and not individually. As discussed below, this is one significant element of the fair use analysis under factor three. See discussion infra note 110.
The starting point for any analysis of whether the use of two Schwarzenegger photographs on the ODM bobblehead doll box constitutes copyright "fair use" under 17 U.S.C. § 107 is the United States Supreme Court's opinion in *Campbell v. Acuff-Rose Music, Inc.* In *Campbell*, the Supreme Court determined that the rap music group 2 Live Crew's parody of the Roy Orbison song "Pretty Woman" constituted copyright fair use. The Supreme Court also clarified that all four factors set forth in section 107 were to be analyzed in assessing whether the use of a copyrighted work is fair use and that a finding on no single factor alone would be determinative. The fair use analysis is thus a fact-specific determination that courts must apply on a case-by-case basis, without the aid of any bright-line test. But, as discussed below, the Supreme Court did provide insight into how parodic works, such as the Schwarzenegger bobblehead, are subject to strong protection under the copyright fair use doctrine.

**A. Purpose and Character of the Use**

The first fair use inquiry considers "the purpose and character of the use" made from the copyrighted work. Relevant factors are whether the use is purely commercial or for nonprofit or educational purposes. "The central purpose of this investigation," the *Campbell* court stated, is to determine "whether the new work merely 'supersede[s] the objects' of the original creation ... or instead adds something new, with a further purpose or different character ... [and] whether and to what extent the new work is 'transforma-

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111. Id. at 569.
112. 17 U.S.C. § 107 sets forth four factors to be analyzed in any fair use determination:
(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work.
114. Id.
This factor and the Supreme Court’s language in *Campbell* were relied upon by the California Supreme Court in its *Comedy III Productions* decision, where the court developed the “transformative” test for First Amendment protection in the right of publicity context. Analysis of the first fair use factor is thus similar to the application of the transformative test. And, as in *Comedy III Productions*, determining that a work is a parody tends to weigh in favor of a finding that the challenged use is protected expression under the first fair use factor. As the *Campbell* court stated, “parody has an obvious claim to transformative value.” Moreover, works such as parody necessarily draw on or copy the original work to a significant degree in order to achieve the effect of parody, which can both refer to and comment on the original work. Even a work of parody, however, will not be entitled to fair use protection under this factor where it is used merely to advertise a product rather than to sell the work of parody for its own sake.

Under these general principles, the first fair use factor should weigh strongly in favor of the ODM defendants. Although the bobblehead box was sold commercially as packaging for the doll, its purpose as communicating parody gives it a strong claim for copyright fair use. The box, including the two copyrighted photos, is thus transformative in that it supersedes the original work and adds substantial original expression by its clever juxtaposition of various photos of Schwarzenegger in his bodybuilder, movie star, and governor roles. The Fitness plaintiff certainly would have been expected to argue that the photos on the box are merely (or, perhaps, primarily) used to sell another product, namely, the doll, but such an argument is not convincing. As mentioned above, it is simply not believable to suggest that it is the box that drove the sale of the Schwarzenegger bobblehead doll. The doll itself is what generated demand and worldwide publicity. The box images and text themselves do not primarily convey a message to buy the doll. Their message is more

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118. *Id.* at 579 (internal citations omitted).
120. *Campbell*, 510 U.S. at 579.
121. *Id.* at 580-81.
122. *Id.* at 585.
multivocal, as part of the caricature, parody, and satire of the
doll. This factor thus weighs strongly in favor of a finding of
fair use.

B. Nature of the Copyrighted Work

The second fair use factor focuses on the “nature of the
copyrighted work,” including whether the work is fictional
rather than factual or unpublished rather than published.123
This factor recognizes that copyright law typically has privi­
leged certain types of works as being “closer to the core of in­
tended copyright protection than others,” which will weigh
against copying of such works under this factor.124 However,
as the Campbell court stated, this factor may be of little help
when analyzing works of parody, since such works almost in­
variably copy known, published, and creative works.125

In the ODM case, the two photos at issue were appar­
tently published. Photographs are likely to be considered cre­
a­tive and expressive works. But, as in Campbell, these facts
do little to further the fair use analysis, since the box on
which the photos appear is part of a work of parody.

C. Amount and Substantiality of Use

The third fair use factor analyzes “the amount and sub­
stantiality of the portion used in relation to the copyrighted
work as a whole.”126 The focus of this factor is on the reason­
ableness of the use made by a defendant given the purpose of
the use.127 This factor incorporates both a quantitative and a
qualitative dimension, as a court should analyze not just how
much of a copyrighted work is copied but also how significant
the copied portion is to the copyrighted whole work.128 The
Campbell court recognized that this factor can be particularly
challenging when analyzing works of parody, since, as the
court stated, “[p]arody’s humor, or in any event its comment,
necessarily springs from recognizable allusion to its object

125. Id. “This fact[or], however, is not . . . ever likely to help much in sepa­
rating the fair use sheep from the infringing goats in a parody case, since para­
dies almost invariably copy publicly known, expressive works.” Id.
127. Campbell, 510 U.S. at 586.
128. Id. at 587.
through distorted imitation. Its art lies in the tension between a known original and its parodic twin.” Although the Campbell court was referring specifically to the rap song at issue in that case, this principle certainly applies equally well to parodic works that include the use of copyrighted photographs. The analysis then becomes how much of the photographic work has been used and how valuable the portion used was when compared to the work as a whole, realizing that the use must necessarily incorporate enough of the copyrighted work to create the intended messages.

Here, this factor also strongly favors a fair use defense for the two Schwarzenegger photographs on the ODM bobblehead box. First, the use is reasonable. Neither picture at issue on the box is a complete duplicate of the copyrighted original. The image of Schwarzenegger as a bodybuilder is one picture from a collection of Schwarzenegger photographs copyrighted as a whole. The picture used is cropped to show only the torso, while an American flag image is superimposed partly over the torso. Moreover, another image of Schwarzenegger, depicting him as a politician, is itself superimposed and placed in the forefront of the bodybuilder photo. The effect is to visually convey the message of the two Schwarzenegger personas. The partial use of this bodybuilder photo thus reinforces the messages that are conveyed both by the box’s other pictures and text and by the juxtaposition of this image with the bobblehead doll itself.

The second photo at issue is also a partial selection of a larger photograph depicting a side shot of the face of Schwarzenegger playing a character from his movie End of Days. This photo too is placed in the background on one side of the box, and it has a small photo of the politician Schwarzenegger superimposed over it at the bottom in the foreground. This picture, altered to black-and-white, from the color original, again conveys the messages of the Schwarzenegger story and personas by creatively juxtaposing these photographic images. The partial use of the two copyrighted photos is no more than is necessary to create the intended effect: the caricature, parody, satire, and other messages conveyed to the

129. Id. at 588.
130. See Appendix A, Photo Two, infra p. 676.
131. See id.
purchaser of the doll and box. The use of these two photos is partial because neither photograph is used in its entirety. Moreover, the copyright to the bodybuilder photo covers multiple photographs published in a book format, so the use of this photo is even more limited compared to the copyrighted work as a whole. It makes little sense to suggest that these photos are qualitatively improper or that they take too much of the heart of the original work since any photographic use in a collage of this sort must copy enough of the original to conjure up the original subject.

D. Effect of Use on Market or Value of Copyrighted Work

The last fair use factor focuses both on the actual market harm done to the original copyrighted work due to the defendant's use and on the potential harm to the original that would result from "unrestricted and widespread conduct of the sort engaged in by defendant." The analysis under this factor "must take account not only of harm to the original but also of harm to the market for derivative works." In assessing the potential for market harm generated by the defendant's work, the fact that a work is transformative and a parody tends to weigh heavily in favor of fair use—just as it does in the other three factors—because such works are unlikely to function as substitutes for the original copyrighted work.

In the ODM case, this factor should heavily support the finding of fair use. As part of a product that has strong elements of parody, the bobblehead doll box cannot seriously be considered as a substitute for photographs of the Schwarzenegger image, whether it is the bodybuilder image or that of the movie character. Here, the main function of the box is to continue the expressive commentary on the Schwarzenegger phenomenon that the bobblehead doll also communicates.

134. Campbell, 510 U.S. at 590 (internal quotations omitted).
135. Id. (internal quotations omitted).
136. See id. at 591.

[When . . . the second use is transformative, market substitution is at least less certain, and market harm may not be so readily inferred. Indeed, as to parody pure and simple, it is more likely that the new work will not affect the market for the original in a way cognizable under this factor, that is, by acting as a substitute for it. This is so because the parody and the original usually serve different market functions.]

Id. (internal citations omitted).
Even if this communication is perceived as critical or objectionable, that is not the type of harm that is cognizable under this factor. Since this factor also supports a finding of fair use, the courts accordingly should have rejected the Fitness plaintiff's copyright infringement claim in its entirety.

IV. STRATEGIC IP LITIGATION, THE RIGHT OF PUBLICITY, AND CENSORSHIP

This article has thus far argued that settlement of the ODM litigation silenced expressive activity that should properly have been fully privileged under the First Amendment against plaintiff's claims. The settlement of this case is particularly troubling because by stopping the sales of the Schwarzenegger bobblehead doll with a gun, the settlement resulted in censorship of commentary about a prominent, intriguing, and controversial political figure, to which the right of publicity should clearly yield. The ODM case is an example of what I term strategic intellectual property litigation.137

Strategic intellectual property litigation refers to the use by intellectual property owners (and potential plaintiffs) of threats to sue and to the filing of lawsuits (regardless of whether there is any intent or commitment to fully litigate a case to a judgment in court) to give effect to ostensible intellectual property rights, where the primary goal is not necessarily to obtain a monetary award but to alter the behavior of the threatened target (and actual or potential defendant). A typical intended result is often to force the target to stop using the alleged intellectual property. Strategic intellectual property litigation involves a continuum of practices engaged in by intellectual property owners (and their attorneys), ranging from sending "cease and desist" letters to targeted parties to fully litigating a lawsuit to a judgment. Strategic intellectual property litigation is a particularly salient feature of the intellectual property legal landscape because the law requires rights owners to enforce their claimed rights against unauthorized users or risk losing them entirely.138 It is in this

137. The analysis of strategic intellectual property litigation is brief both due to space constraints imposed by this symposium and also because the research on this topic, of which the ODM case-study is one part, is both preliminary and ongoing.

138. See, e.g., Cecilia Ogbu, I Put Up a Web Site About My Favorite Show And All I Got Was This Lousy Cease-And-Desist Letter: The Intersection of Fan
arena of everyday practice where intellectual property owners' rights are asserted, resisted, negotiated, and, sometimes, acquiesced to in settlement. Understanding how, why, under what circumstances, and with what results these rights are asserted may reveal much about the practical scope of intellectual property rights.

How is the ODM case an example of strategic intellectual property litigation? There can be little doubt that the ODM litigation was primarily motivated by the plaintiff's desire—or that of its client—to censor what it considered to be an objectionable portrait of Governor Schwarzenegger, rather than to enforce ostensible rights of publicity. The ODM defendants were told, after all, that the Sacramento gift shop owner who sold the Schwarzenegger bobblehead doll in her capitol shop was informed by the aide of the Governor's wife that the doll was unauthorized and should not be sold. This message came shortly after both Ms. Shriver and her aide had been in the shop and saw the doll. Moreover, the most reasonable inference to draw from the publicly announced statement of the settlement of this matter—which indicated that an authorized Schwarzenegger doll would be sold by the ODM defendants in the future, but without a gun—is that it was the gun that plaintiff found objectionable. Yet that "admission" should have been fatal to the ODM plaintiff's right of publicity claims. The plaintiff and/or its client may consider the Schwarzenegger bobblehead doll unflattering or undignified, but that is exactly the reason it should have been protected as transformative and expressive speech. Under the First Amendment, an artist should have "broad scope" to "parody, lampoon, and make other expressive uses of the celebrity image." The right of publicity cannot properly be used to censor depictions that a celebrity finds disagreeable or distasteful. But, as the public settlement statement of the ODM case makes clear, that is precisely what happened.

There is other evidence, as well, that suggests that this

Sites, Internet Culture, And Copyright Owners, 12 S. CAL. INTERDISC. L.J. 279 (2003) (discussing practices of entertainment industry copyright holders to censor Internet activities by fans).

139. Introduction and Statement of Facts, supra note 4, at 552, n.38.
140. Id.
141. Id.
143. Id.
case was strategic intellectual property litigation. The initial cease and desist letter sent by plaintiff’s counsel, for instance, was especially threatening in its tone and manifestly intended to stop sales of the offending doll rather than to collect licensing fees or other monetary damages.  

The letter claimed broad rights to monopolize the use of Schwarzenegger’s likeness or image on any commercial product; it threatened substantial monetary damages (alleging that a “market value” measure of damages for use of Schwarzenegger’s image would total “millions” of dollars); it demanded immediate compliance (within forty-eight hours) with plaintiff’s demands to pay monetary damages and cease all sales of the bobblehead doll and threatened a lawsuit if compliance was not forthcoming in that time frame; and, it asserted that the letter listing these demands was itself a “confidential legal notice” protected by copyright and that any “republication” of the letter in any medium, including on the Internet, would subject the ODM defendants and anyone associated with them to liability for copyright infringement.

Lastly, the recent introduction by one of the ODM defendants, John Edgell, of a “Girlie-Man” Schwarzenegger bobblehead doll depicting the likeness of Schwarzenegger in a hot pink dress and sporting high heels also reinforces the conclusion that plaintiff was not engaged merely in asserting legitimate rights of publicity but also sought to control the Schwarzenegger image beyond what is warranted under the law. The “girlie-man” reference invokes a recurring skit from the *Saturday Night Live* television series pseudo-German accented “Hans” and “Franz” characters discussing bodybuilding and “pumping up” and denigrating “girlie-men” who do not meet their masculine standards. As Governor, Schwarzenegger himself has made effective use of this “girlie-man” line to goad California legislators who allegedly were standing in the way of his populist agenda to reform California

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145. *Id.*

146. *Id.* at 555, n.60; Edgell has also sought to obtain a trademark registration for the “Governor Girlie-Man” mark for use on “plastic toy figurines.” See U.S.P.T.O., Serial No. 78486821, filed September 21, 2004, available at http://www.uspto.gov.

147. Nicholas, *supra* note 82 (discussing the “girlie-man” reference as deriving from an old *Saturday Night Live* television show skit featuring fictional bodybuilders who spoke in fake Austrian accents).
politics and get things done.\textsuperscript{148} Although Edgell's "Girlie-Man" bobblehead is not authorized, and despite significant nationwide publicity generated by the doll's sales, the ODM plaintiff has made no efforts to stop sales of the doll.\textsuperscript{149} This failure to assert legal claims against the girlie-man doll suggests that plaintiff recognizes the doll is protected expression that does not impair Schwarzenegger's rights of publicity, since if plaintiff truly believed this doll violated legitimate rights of publicity, it would certainly have taken legal action to stop its sale. Although the ODM plaintiff was successful in squelching an image it found unflattering in this recently settled case, it may have at least learned the lesson that such heavy-handed censorship may not always be as easy to accomplish. Plaintiff's failure to assert right of publicity claims against the girlie-man doll is a tacit admission that there are no legitimate claims to make. This fact also suggests that the ODM litigation was not meritorious, but was initiated because the plaintiff determined its assertion of rights may be successful anyway.

One lesson from the ODM case is that strategic intellectual property litigation tactics permitted the plaintiff to overextend rights of publicity beyond what the law—and likely most courts—would permit. This suggests that courts should constrain plaintiffs' ability to engage in strategic intellectual property litigation in order to enhance the possibilities for creative expression that uses likenesses of celebrities and (especially) politicians and thereby also enhance the public domain and the free expression of ideas.

Legal scholars and commentators have long suggested that the over-protection of intellectual property rights by the courts—including rights of publicity—may have a deleterious effect on both freedom of speech and on the vibrancy of the public domain.\textsuperscript{150} But what the ODM case reveals is that these effects may also result from the private assertion and settlement of intellectual property disputes in the "shadow of

\textsuperscript{149} See Victoria Sind Flor, \textit{The Arnold Bobblehead is Back (This Time the Governator is Pretty in Pink)}, INTELL. PROP. L. & BUS., Dec. 11, 2004, at No. 12.
\textsuperscript{150} See, e.g., Michael Madow, \textit{Private Ownership of Public Image: Popular Culture and Publicity Rights}, 81 CAL. L. REV. 125 (1993) (critiquing rights of publicity and arguing that assertion of these rights threatens to diminish free expression and facilitate private censorship of important ideas and expression).
the law,” well before a case is fully litigated in court.151

V. CONCLUSION

The courts should have determined that the Schwarzenegger bobblehead doll and box constitute “transformative” expression fully protected by the First Amendment against the Oak Productions plaintiff’s right of publicity claims. The bobblehead doll and box should also have been found to be a “fair use” of the Fitness plaintiff’s photographs used in the doll packaging. The settlement of the ODM litigation, which permits ODM to create a bobblehead doll without a gun, is a telling admission that Oak Productions’ chief goal in the ODM litigation was to squelch an image it, and its client, did not like. The settlement outcome also highlights more generally the significant power often held by right of publicity and copyright owners to censor disagreeable messages or images by aggressively asserting even objectively weak intellectual

151. At least one recent case has recognized the power cease-and-desist letters potentially have to censor disagreeable messages that clearly do not violate legitimate intellectual property interests. See Online Policy Group v. Diebold, Inc., 337 F. Supp. 2d 1195 (N.D. Cal. 2004) (holding that a cease and desist letter asserting spurious copyright claims was an improper attempt to suppress content critical of plaintiff corporation warranting award of attorney fees even where the threatened litigation had never been commenced). There is also growing literature addressing similar issues of over-enforcement of various intellectual property rights, including rights of publicity. See, e.g., Michael J. Meurer, Controlling Opportunistic and Anti-Competitive Intellectual Property Litigation, 44 B.C. L. REV. 509 (2003) (arguing that intellectual property owners may benefit from asserting even objectively weak claims and suggesting substantive and procedural reform to address the harm produced when such claims are litigated and settled); Rosemary Coombe, Authorizing the Celebrity: Publicity Rights, Postmodern Politics, and Unauthorized Genders, 10 CARDOZO ARTS & ENT. L.J. 365 (1992) (contending that private actors’ over-enforcement of rights of publicity constitutes a major threat to free expression.); Rosemary Coombe & Andrew Herman, Trademarks, Property and Propriety: The Moral Economy of Consumer Politics and Corporate Accountability on the Worldwide Web, 50 DEPAUL L. REV. 597 (2000) (discussing how aggressive corporate assertion of trademark and related rights threatens censorship of expression and ideas); K.J. Greene, Abusive Trademark Litigation and the Incredible Shrinking Confusion Doctrine—Trademark Abuse in the Context of Entertainment Media and Cyberspace, 27 HARV. J.L. & PUB. POL’Y 609 (2004) (discussing the deleterious social effects of “abusive” and non-meritorious trademark litigation); Sarah Mayhew Schlosser, The High Price of (Criticizing) Coffee: The Chilling Effect of the Federal Trademark Dilution Act on Corporate Parody, 43 ARIZ L. REV. 931 (2001) (arguing that aggressive private enforcement trademark dilution law chills free speech aimed at parodying or criticizing corporations.); Ogou, supra note 138.
property claims. The courts should recognize this context and in future cases establish clearer limits and defenses to both right of publicity\textsuperscript{152} and copyright claims with the goal of encouraging creative appropriation and expression that enhances the public domain and discouraging strategic intellectual property litigation.

\textsuperscript{152} California's right of publicity statute, Cal. Civ. Code section 3344(d) expressly provides for the use of a "name, voice, signature, photograph, or likeness in connection with any news, public affairs, or sports broadcast or account, or any political campaign . . . ." This article suggests that the express defense to liability under this statute should not be limited to news, public affairs, or sports broadcasts or accounts or political campaigns because such a limitation unduly constrains expressive speech.