

# “A NECESSARY COST OF FREEDOM”? THE INCOHERENCE OF *SORRELL V. IMS*

Tamara R. Piety\*

## ABSTRACT

*On June 23, 2011, the Supreme Court decided an important case that has been largely overlooked—Sorrell v. IMS Health, Inc.<sup>1</sup> In Sorrell the Court struck down a Vermont law prohibiting the sale for marketing purposes of physicians’ prescription records without their permission on the grounds that the law was not “content neutral.” The majority found that because the Vermont statute singled out marketing for special treatment, the law constituted a form of “viewpoint discrimination.” The First Amendment, Justice Kennedy wrote in the majority opinion, requires us to tolerate speech we may not like as a “necessary cost of freedom.”*

*This reading of “content neutrality” makes the commercial speech doctrine incoherent. By definition the doctrine only applies to speech which is “commercial”—that is, speech distinguished by its commercial content. After Sorrell any regulation of marketing could potentially fail the content neutrality test. Moreover, by casting the marketer as a “disfavored” speaker by virtue of regulation, Sorrell turns the rationale for the commercial speech doctrine upside down. The doctrine was not created to protect commercial speakers. It was created to carve out a limited area of First Amendment protection for truthful commercial speech in order to protect consumers’ right to receive accurate product information and to thereby promote the public interest in a properly functioning market. There*

---

\* Professor of Law University of Tulsa College of Law. This work was supported by a summer research grant from the University of Tulsa. I want to thank Adam Benforado, Tom Bennisson, Vincent Blasi, Garrett Epps, Eric Goldman, Samantha Graff, Sam Halabi, Paul Horwitz, Kenneth Karst, Zara Lockshin, Marc Spindelman, Frederick Schauer, Steve Shiffrin, Bob Spoo, Gerald Torres, Rebecca Tushnet and Adam Winkler for very helpful feedback on this Article and/or the submission process (apologies to anyone I may have inadvertently left off this list). I tried to incorporate most of your suggestions. Any remaining shortcomings are my own. I especially thank Morton Horwitz, Colin Diver, John Langbein, Lance Liebman and Steven Schulhofer for their valiant (if ultimately unsuccessful) efforts to help me identify the unknown student author(s) of the *Developments in Law* article entitled *Deceptive Advertising* published in the *Harvard Law Review* in 1967. We did not succeed in identifying those student authors but perhaps future readers will solve the mystery. I also thank the organizers and participants of the symposium on *Sorrell* at the University of New Hampshire and the University of Vermont for which this Article was originally written. Finally, I thank my research assistants, Julia Hangs and Peter Woodson, for their invaluable assistance.

1. Sorrell v. IMS Health, Inc., 131 S. Ct. 2653 (2011).

is no indication in the case establishing the doctrine that the Supreme Court intended to protect merchants' sales pitches as if they were viewpoints. Yet this is what Sorrell seems to provide.

This Article argues that Sorrell's content neutrality test is misplaced with respect to commercial speech because it subverts the rationale for protecting some commercial speech and unduly burdens the government's ability to protect the public from marketing practices which undermine public health, safety, and welfare. The notion that unrestrained freedom for commercial speech is a "necessary cost of freedom" is not just wrong, it is dangerously wrong.

ABSTRACT.....	1
INTRODUCTION .....	2
I. PHARMACEUTICAL SALES: THE DEVIL IS IN THE DETAILING.....	7
II. <i>SORRELL V. IMS HEALTH, INC.</i> : REGULATION OF MARKETING AS VIEWPOINT DISCRIMINATION? .....	12
III. "BAIT"—THE INTELLECTUAL FOUNDATIONS OF THE COMMERCIAL SPEECH DOCTRINE.....	17
<i>A. Harbingers of Change</i> .....	19
<i>B. The First Developed Theory for Protection</i> .....	21
IV. THE COURT TAKES THE BAIT .....	25
<i>A. Nibbling Around the Edges</i> .....	25
<i>B. Hooked: The Commercial Speech Doctrine Born</i> .....	28
<i>C. The Central Hudson Test</i> .....	32
<i>D. The Content Problem: What Makes Speech "Commercial"?</i> .....	36
V. "SWITCH": THE SHIFT TO THE SPEAKER .....	40
<i>A. The Equality Principle in Freedom of Expression</i> .....	41
<i>B. Nondiscrimination and Corporate Political Speech:     "Content" as a Stand-In for Speaker Rights</i> .....	43
VI. THE INCOHERENCE AND DANGERS OF <i>SORRELL</i> .....	47
CONCLUSION.....	53

## INTRODUCTION

In 2010, when the Supreme Court issued its decision in *Citizens United*<sup>2</sup>, it cast the corporation into the role of "disfavored" speaker and thereby signaled it was willing to contemplate an extremely muscular vision of corporate rights. The decision unleashed a firestorm of protest and commentary.<sup>3</sup> In contrast, the Court's 2011 decision in *Sorrell v. IMS*

2. *Citizens United v. Fed. Election Comm'n*, 558 U.S. 310 (2010).

3. See, e.g., Brandon S. Boulter, *Expensive Speech: Citizens United v. FEC and the Free Speech Rights*, 2010 BYU L. REV. 2243 (2010); Robert B. Sobelman, *An Unconstitutional Response to*

*Health*,<sup>4</sup> which similarly expanded corporate rights into an arguably even more dangerous area, one that strikes at the heart of the government’s ability to regulate commerce, has generated much less attention.

There were no presidential denunciations of *Sorrell* and little of the sort of outraged commentary that characterized the coverage of *Citizens United*. The November 2011 issue of the *Harvard Law Review* does not even mention it as a “leading case” in the important First Amendment decisions from 2011.<sup>5</sup> Yet in *Sorrell* the Court substantially extended the protection given to commercial speech under something known as the commercial speech doctrine. The commercial speech doctrine was created in 1976 in a case known as *Virginia Pharmacy*.<sup>6</sup> It announced that truthful commercial speech enjoyed a limited degree of First Amendment protection; truthful speech could be regulated, but only if the government met certain conditions. The controlling test was articulated in 1980 in *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*.<sup>7</sup> The *Central Hudson* test provided a four-part test for the constitutionality of regulation of commercial speech: (1) speech must “concern lawful activity and not be misleading,” (2) the regulation must be motivated by a “substantial” government interest, and (3) directly advance that substantial interest, but (4) do so in a manner “not more extensive than is necessary to serve that interest.”<sup>8</sup>

---

Citizens United: *Mandating Shareholder Approval of Corporate Political Expenditures*, 77 BROOK. L. REV. 341 (2011).

4. 131 S. Ct. 2653 (2011).

5. See 125 HARV. L. REV. tbl. of contents (Nov. 2011), available at <http://www.harvardlawreview.org/issues/125/november11/index.php>.

6. Va. State Bd. of Pharmacy v. Va. Citizens Consumers Council, 425 U.S. 748 (1976). The term “commercial speech doctrine” term can be confusing because it is sometimes used to refer to the announcement by the Court in a much earlier decision, *Valentine v. Chrestensen*, 316 U.S. 52, 54 (1942), that commercial speech received no protection at all under the First Amendment. See Alex Kozinski & Stuart Banner, *Who’s Afraid of Commercial Speech*, 76 VA. L. REV. 627, 627 (1990) (“In 1942, the Supreme Court plucked the commercial speech doctrine out of thin air. The case was *Valentine v. Chrestensen*.”) (citations omitted). But see David Vladeck, *Lessons From A Story Untold: Nike v. Kasky Reconsidered*, 54 CASE W. RES. L. REV. 1049, 1052 (2004) (describing the *Virginia Pharmacy* opinion as the “opening chapter of the [commercial speech] doctrine”) (citations omitted). See also Thomas H. Jackson & John Calvin Jeffries, Jr., *Commercial Speech: Economic Due Process and the First Amendment*, 65 VA. L. REV. 1, 1 (1979) (“Until very recently, the Supreme Court refused to apply the first amendment to ‘commercial speech.’”). However, after *Virginia Pharmacy* the phrase is most often used to refer to the rule announced in that case—see, e.g., Ashutosh Bhagwat, *A Brief History of the Commercial Speech Doctrine (With Some Implications for Tobacco Regulation)*, 2 HASTINGS SCI. & TECH. L.J. 103, 103 (2010)—and that is how I use the term here. For a more contemporaneous statement that *Virginia Pharmacy* marks the beginning of what we now know as the commercial speech doctrine (whether as a completely new thing or as a revision of the prior doctrine), see Burt Neuborne, *A Rationale for Protecting and Regulating Commercial Speech*, 46 BROOK. L. REV. 437, 437-38 (1980).

7. 447 U.S. 557 (1980).

8. *Id.* at 566.

Yet ever since the doctrine was created, it has been the target of attacks. For the most part, these attacks have been intended not to return commercial speech to its prior status under which it received *no* First Amendment protection,<sup>9</sup> but rather to eliminate commercial speech's purportedly "second-class citizen" status and to offer it full First Amendment protection.<sup>10</sup> Although the Court has repeatedly declined such invitations,<sup>11</sup> it has, over time, interpreted the *Central Hudson* test more strictly so that some commentators have observed that what began life as an intermediate scrutiny test has evolved into a strict scrutiny test in all but name.<sup>12</sup> With *Sorrell* the Supreme Court finally gave industry most of what it sought in earlier cases by essentially rendering the *Central Hudson* test irrelevant and engrafting a content neutrality test onto the commercial speech doctrine that will likely make it easier to invalidate any regulation of commercial speech. *Sorrell* may mean that henceforth, in practice, if not formally, commercial speech will be treated as fully protected.<sup>13</sup>

For this reason *Sorrell* is likely to have far-reaching consequences. I very briefly sketched out some of those consequences in an earlier reaction<sup>14</sup> to *Citizens United*,<sup>15</sup> a decision which contained similar anti-discrimination rhetoric and presaged the outcome in *Sorrell*.<sup>16</sup> Here I discuss the intellectual foundations of the commercial speech doctrine, its history and justifications, along with the various other forces that led us to

9. One of the most notable exceptions is the Jackson and Jeffries article, *supra* note 6. Jackson and Jeffries argued that *Virginia Pharmacy* was wrongly decided insofar as it elevated commercial speech to the status of protected speech under the First Amendment because they thought commercial speech did not implicate any of the interests the First Amendment was meant to protect. *Id.* at 5–6. They further argued, as I do here, that First Amendment protection for commercial speech threatens to resurrect the discredited *Lochner*-era substantive due process review of economic regulation. *Id.* at 30–33.

10. See *Va. State Bd. of Pharmacy*, 425 U.S. at 786 (Rehnquist, J., dissenting) (referring to commercial speech rights as second class First Amendment rights).

11. Most recently in 2003 in *Nike v. Kasky*, 539 U.S. 654 (2003).

12. Vladeck, *supra* note 6 at 1059.

13. Others have argued that *Sorrell* has similarly troubling implications for the protection of privacy. See, e.g., Ashutosh Bhagwat, *Sorrell v. IMS Health: Details, Detailing, and the Death of Privacy*, 36 VT. L. REV. 855 (2011). For the distinction between economic and personal rights, see Ernest A. Young, *Sorrell v. IMS Health and the End of the Constitutional Double Standard*, 36 VT. L. REV. 903 (2011). Others have celebrated the decision as one upholding core First Amendment principles. See, e.g., Calvin Massey, *Uncensored Discourse Is Not Just for Politics*, 36 VT. L. REV. 845 (2011).

14. Tamara R. Piety, *Citizens United and the Threat to the Regulatory State*, 109 MICH. L. REV. FIRST IMPRESSIONS 16 (2010), available at <http://www.michiganlawreview.org/articles/citizens-united-and-the-threat-to-the-regulatory-state> (last visited Aug. 24, 2012).

15. *Citizens United v. Fed. Election Comm'n*, 558 U.S. 310 (2010).

16. See Defendant AT&T Mobility, LLC's Reply in Support of Motion for Reconsideration, *Yeager v. AT&T Mobility*, 2011 WL 3847178 (E.D. Cal. Aug. 30, 2011) (No. CIV. S–07–2517 KJM GGH PS), 2011 WL 3383506 at \*4 (arguing that *Sorrell* is the case I predicted would emerge from the reasoning used in *Citizens United*).

the major doctrinal shift in *Sorrell*, a shift that transforms a fairly prosaic regulation of commerce into what sounds like a civil rights case.<sup>17</sup> Yet treating global pharmaceutical companies as if they were embattled, under-represented minorities risks trivializing the real life-and-death struggles of plaintiffs who are in fact relatively powerless and elides the Court’s exercise of its counter-majoritarian power on behalf of the powerful.

Moreover, *Sorrell* completes what has been a decades-long process of turning the rationale for commercial speech doctrine upside down by putting the speaker, rather than the public interest, at the center of the analysis. It completes what I call has been a “bait-and-switch” whereby the protection for commercial speech was offered under one justification, but once it was granted, has morphed into something completely different.<sup>18</sup> This is something different than the normal evolution of a doctrine in the common law tradition. Rather, *Sorrell*’s reasoning eviscerates the rationale on which *Virginia Pharmacy* was based—protection of listeners’ interests—and substitutes for it a rationale which elevates the interests of commercial speakers over that of listeners, such that even where the speech presents a *detriment* to listeners, it is protected because of its value to the *speaker*. Because this reading of the First Amendment is inconsistent with much regulation of commerce, particularly consumer protection regulation, it seems unlikely the Court ever intended to establish such a principle. Instead listeners’ interests served as the attractive “bait” to garner a ruling that later served as a basis to persuade the Court to “switch” to the rationale offered in *Sorrell*.

*Sorrell* is the case I predicted *Citizens United* might generate. It may have gotten comparatively less attention than *Citizens United* because the Court in *Sorrell* was less forthright in signaling that it was making new law than it was in *Citizens United*, but it may also be because the facts and the background of *Sorrell* seemed complicated or technical or of limited

---

17. In some sense this is not “new” because, as will be discussed in more detail below, these arguments started being made almost at the outset of the creation of the commercial speech doctrine. But it is only since the early 1990s that the case law began reflecting some of this tone and only since 2010 and the *Citizens United* case that the Court seems to be prepared to take the rhetoric to its farthest logical conclusion. On the use of civil rights rhetoric in the service of new and unexpected beneficiaries, see Jack M. Balkin, “*Wrong the Day It Was Decided*”: *Lochner* and *Constitutional Historicism*, 85 B.U. L. REV. 677, 690 (2005) (“[T]hey [new generation conservatives] too discovered that they could turn the liberal rhetoric of the Civil Rights Movement and the Rights Revolution to new purposes.”). On another exploration of the rightward shift, loosely speaking, of the use of the First Amendment, see Frederick Schauer, *The Political Incidence of the Free Speech Principle*, 64 U. COLO. L. REV. 935 (1993).

18. I am using the term “bait-and-switch” as a metaphor because it seems so apt. However, I do not think that there was an explicit plan by any person, entity or industry to foist this doctrine on the public through deception about its justifications, although the Powell Memorandum, see *infra* note 221, might suggest some degree of coordination. Rather, I think this was perhaps a case of unintended consequences.

interest if you were not a physician or in pharmaceutical marketing. The case involved Vermont's attempt to limit the sale of physician-identified prescription records to data-mining companies where that information would ultimately be used for marketing purposes. Data mining is one of many tools pharmaceutical companies use to market brand-name drugs. Because heavier use of brand-name drugs over generics raises the cost of health care, Vermont wanted to regulate this practice. The Supreme Court held Vermont could not do so because in singling out marketing for special treatment it infringed on the rights of data miners and pharmaceutical companies to collect, sell and ultimately to use this data.

In what follows I describe the links between the commercial speech doctrine and the emergence of corporate political speech, the vision of the corporation as a legitimate rights holder and participant in the political process, and why *Citizens United* in turn influenced the Court's interpretation of the commercial speech doctrine in a way that turned that doctrine on its head. Part I describes the background against which the Vermont legislation was passed and the public health and welfare issues pharmaceutical marketing may raise, while Part II focuses specifically on *Sorrell* and how the Supreme Court characterized the dispute as one of disputed "viewpoints," thereby fundamentally reframing the rights and interests protected under the commercial speech doctrine.

Part III describes the bait in this bait-and-switch—the intellectual foundations for the commercial speech doctrine. Part IV describes how the Court took the bait and created the commercial speech doctrine. It follows the doctrine's development to the present and notes how Chief Justice Rehnquist repeatedly (and presciently) argued that this new doctrine threatened government's legitimate power to regulate commerce and how, from the beginning, the doctrine was plagued by definitional difficulties, difficulties which illustrate that the entire doctrine depends on content-based distinctions, even if the Court has never offered clear guidance on what makes speech "commercial."

Part V describes how the "switch" to a more speaker-oriented protection came about, describing the scholarly work that argued that protection for freedom of expression necessarily entailed an equality principle. This argument provided the intellectual foundation for first extending protection to corporate participation in political speech, a development which then migrated back to the commercial speech context so that a doctrine which was justified on the basis of protection for *consumers* shifted to one which protected *speakers'* interests, even where such speech was at the consumers' expense or where they did not wish to receive it.

Finally, Part VI brings together these threads and argues that *Sorrell's* reasoning cannot be reconciled with the concept of a commercial speech

doctrine and is therefore incoherent, and that it has troubling implications for a great many areas of heretofore well-settled areas of regulatory authority, in particular, the existing regulation of off-label use marketing of pharmaceutical drugs.

To understand the significance of *Sorrell*, we must begin by looking at why data mining is so important for pharmaceutical companies and how the sale of data implicates speech in any way (since it is not immediately apparent) and how the sale of data becomes speech for purposes of the First Amendment. Data mining is (or was) an integral part of pharmaceutical marketing.

#### I. PHARMACEUTICAL SALES: THE DEVIL IS IN THE DETAILING

“Detailing” is the name given the work done by pharmaceutical sales reps in promoting prescription drugs to doctors to prescribe to their patients.<sup>19</sup> America was introduced to the seemingly no-holds-barred world of detailing in the movie *Love and Other Drugs*.<sup>20</sup> There Jake Gyllenhaal plays Jamie Randall, a breezy, cheerful ladies’ man skating through life on patter and charm, one who rarely stays in one place long enough for his lies to catch up with him. The movie opens with Jamie fleeing his job selling electronics when his boss discovers Jamie having sex with his wife. Jamie, we learn, is something of an underachiever, a slacker who in his family’s view isn’t living up to his potential and doesn’t really want to. What he wants is to make the maximum amount of money for the minimum amount of effort, with plenty of time reserved for casual sex, recreational drugs, and drinking. Jamie has a flexible relationship with the truth and little concern for following rules; this, it turns out, means he is particularly well suited for a career in pharmaceutical marketing.

While ostensibly being about a romance between a pharmaceutical sales rep and a young woman diagnosed with Parkinson’s disease, *Love and Other Drugs* is most interesting as an exposé of the way pharmaceutical companies market prescription drugs. In the movie the “detailers” are ruthless competitors who will use any means, fair or foul, to get their product into the right doctors’ hands. They accost doctors in the parking lot and offer free pens, umbrellas, lunch, and, most importantly, free samples of their drugs.<sup>21</sup> Our hero, Jamie, uses all manner of snooping

---

19. Julie M. Donahue et al., *Effects of Pharmaceutical Promotion on Adherence to the Treatment Guidelines for Depression*, 42 MED. CARE 1176, 1176 (2004).

20. LOVE AND OTHER DRUGS (Twentieth Century Fox 2010) (based on the book *Hard Sell: The Evolution of a Viagra Salesman* by Jamie Reidy). See JAMIE REIDY, *HARD SELL: THE EVOLUTION OF A VIAGRA SALESMAN* (2005).

21. One of the hazards of writing about the pharmaceutical industry is that it is fairly volatile. Some report that the practice of detailing itself is in decline. See, e.g., Ed Silverman, *Pfizer Cuts*

and skullduggery to attempt to worm his way into the relevant doctors' good graces. The doctors are portrayed as cynically putting up token resistance but ultimately extracting the maximum benefit from the drug rep's desperation to have them adopt and prescribe his company's drug. The fictional Jamie steals competitors' drugs, lies to obtain patients' records, woos members of the staff of the physicians he visits, and engages in all sorts of other behavior of questionable ethics in order to gain a competitive advantage.

Real life isn't that different from fiction it seems. The movie was based on *Hard Sell: The Evolution of a Viagra Salesman*,<sup>22</sup> the memoir of Jamie Reidy, a former Viagra sales rep. (The main difference between the book and the movie was that there was no love story in the book.) In *Hard Sell* Reidy recounts a plethora of tactics he used to try to get doctors to adopt his employer's drugs. Among them was the marketing tactic at issue in *Sorrell*—using data mining to track which drugs doctors prescribe. Just as in all sales, Reidy says, “closing” is a critical part of pharmaceutical marketing.<sup>23</sup> But unlike other sales contexts in which a sales pitch is concluded when the customer signs a contract or walks out with the product, in pharmaceutical sales it is difficult to know whether your sales pitch was effective because the sale is only complete when the doctor writes a prescription for your drug.<sup>24</sup> So, using a time-tested selling technique, the detailer tries to get the doctor to make a commitment to prescribing X drug for the next ten patients who present with the condition for which the drug is marketed.<sup>25</sup> Perhaps because people prefer to view themselves as persons who honor commitments, if you get an explicit commitment from a doctor that she will prescribe a drug in the future, she is more likely to do so than if no promise is extracted.<sup>26</sup> But to measure the effectiveness of this tactic, detailers need to know if the doctor has actually kept that promise.

Here is where data mining comes in. “Pharmaceutical companies pay hundreds of thousands of dollars to third-party firms that gather sales data

---

*Employee Severance Packages*, PHARMALOT BLOG (Apr. 6, 2012, 8:36 AM), <http://www.pharmalot.com/2012/04/pfizer-cuts-employee-severance-packages/>. This decline does not mean drug companies are cutting back on marketing, merely that spending may be shifting to other areas. See also Ed Silverman, *The Death of the Sales Rep is Greatly Exaggerated*, PHARMALOT BLOG (Dec. 5, 2011, 8:51 AM), <http://www.pharmalot.com/2011/12/the-death-of-the-sales-rep-is-greatly-exaggerated/>. See also Timothy Stoltzfus Jost, *Oversight of Marketing Relationships Between Physicians and the Drug and Device Industry: A Comparative Study*, 36 AM. J.L. & MED. 326, 333–34 (2010) (describing detailing practice).

22. REIDY, *supra* note 20.

23. *Id.* at 32.

24. *Id.*

25. *Id.*

26. ROBERT B. CIALDINI, *INFLUENCE: THE PSYCHOLOGY OF PERSUASION* 57–113 (rev. ed. 2007).



from the nation’s pharmacy chains; reps get detailed reports informing them how many prescriptions—of their own drugs, as well as those of their competitors—each doctor has written in a particular week.”<sup>27</sup> This allows the rep who discovers that a promise hasn’t been honored to police the promise: “*Now, Doctor, last month you agreed to try Zithromax in your next ten otitis media patients. What stopped you from doing so?*”<sup>28</sup>

If it is true, as the research and the practices of the industry suggest, that an initial promise to prescribe a particular drug will generate more compliance than a sales encounter that does *not* end in a promise because people care about keeping their promises, it would seem to follow that the ability to follow-up on that promise and (in effect) ask people “why didn’t you keep your promise?” would be even *more* effective. The “third-party” data miners who make this follow-up possible are called prescription drug information intermediaries (PDII).<sup>29</sup>

IMS Health, Inc., the plaintiff in the *Sorrell* case, is one such prescription drug information intermediary. It gathers information from pharmacies about the prescriptions doctors write. Although the patients’ names in the data are protected in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPPA), prescribers’ names are not scrubbed.<sup>30</sup> Thus, IMS and other PDII’s can organize the data by physician and by drug, so it is possible to see what drugs, and how much of each, every doctor is prescribing.<sup>31</sup> Companies like IMS Health then buy lists of licensed physicians from the AMA and cross-reference these records against the records obtained from the pharmacies, analyze and summarize all of this data, and then sell it back to interested parties.<sup>32</sup> Although some purchasers are universities, government, and law enforcement, the primary market for this data is made up of pharmaceutical companies.<sup>33</sup>

Armed with this information, the pharmaceutical company’s detailer can go into the sales call with more knowledge about the doctor’s prescribing practices than the doctor herself may have.<sup>34</sup> “Sales

---

27. REIDY, *supra* note 20, at 32.

28. *Id.* at 32–33 (italics in the original).

29. IMS Health Corp. v. Rowe, 532 F. Supp. 2d 153, 158 (D. Me. 2007).

30. See 45 C.F.R. § 160.103 (2011) (defining “protected health information” as “individually identifiable health information,” which includes demographic information, health condition, and payment, but not prescribers’ names); 45 C.F.R. § 164.502(d) (2011) (explaining that de-identified protected health information may be disclosed).

31. REIDY, *supra* note 20, at 32.

32. Michelle M. Mello & Noah A. Messing, *Restrictions on the Use of Prescribing Data for Drug Promotion*, 365 NEW ENG. J. MED. 1248, 1248 (2011).

33. *Id.*

34. Reidy notes that “[m]any physicians are unaware that their reps have access to [their prescription] information.” REIDY, *supra* note 20, at 32.

representatives can use the information to identify physicians who are high or low prescribers and early or late adopters, to decide which points to emphasize in their presentations, and to assess how effective their visits have been in modifying prescribing behavior.”<sup>35</sup>

Predictably, many doctors feel this practice is incredibly intrusive.<sup>36</sup> As one witness testified, having the detailer know so much information about his prescription practices “puts me at a disadvantage that I’m not comfortable being at.”<sup>37</sup> Moreover, the evidence adduced in the cases litigating statutes like that of Vermont demonstrates that the *purpose* of data mining is to stimulate the sales of brand-name drugs.<sup>38</sup> Studies suggest that “detailing has ‘a significant effect on physician prescription behavior.’”<sup>39</sup> Presumably, at least in the industry’s view, data mining contributes to that success.

On the surface this practice seems relatively benign because it enables companies to measure their results and thus to pitch drugs more effectively and efficiently and to minimize the waste of doctors’ time by, for example, reserving pitches for drugs to control diabetes to those doctors who have a great many patients with diabetes and not bothering to pitch it to those who don’t. Yet, as noted above, doctors often feel it impinges on their privacy. Data mining gives the detailer insight into the physician’s practice that he might prefer the detailer not have, not to mention that it permits the rep to manipulate the doctor’s response through the tactics of the hard sell. Data mining creates an asymmetry of information between the rep and the doctor that makes many doctors feel uncomfortable.<sup>40</sup>

As an illustration, imagine this scenario: you are buying a new car. You go to the salesroom and make an offer. At some point in the negotiation,

---

35. Michelle M. Mello & Noah A. Messing, *supra* note 32.

36. Although, as noted above, some survey evidence suggests that overall many doctors still find sales reps visits “very useful and of value” or “somewhat useful and of value.” See Silverman, *The Death of the Sales Rep*, *supra* note 21.

37. *IMS Health, Inc. v. Ayotte*, 550 F.3d 42, 90 (1st Cir. 2008) (Lipez, J., concurring and dissenting) (testimony of Dr. Gary Sobelson, a family practice physician).

38. *Id.*

39. *Id.* at 71 (quoting Puneet Manchanda & Elisabeth Honka, *The Effects and Role of Direct-to-Physician Marketing in the Pharmaceutical Industry: An Integrative Review*, 5 *YALE J. HEALTH POL’Y L. & ETHICS* 785, 809 (2005)).

40. Some have suggested to me that, to the extent many doctors welcomed detailing visits and all the free gifts and perks that came their way as a result of them, we should not be overly solicitous of the invasion of their privacy. There is no question that some (many?) doctors were complicit in encouraging the practice of detailing because of the perceived benefits. Yet there have always been some who objected to the practice and more still who, while perhaps enjoying some aspects of detailing, objected to what they viewed as an invasion of privacy. There are other doctors who profess to be not at all concerned about data mining. I do not attempt here to sort out what proportion of the profession objects or whether the failure to object to detailing as a whole ought to moot any objection to data mining. It is enough for my purposes here to observe that some physicians did object to having their data used this way and looked to the Vermont Legislature for relief.

the salesman goes to “see the manager” to discuss your offer and leaves you and your spouse alone in his office. While you are alone the two of you discuss the car, your real bottom line, all the issues you are concerned about, what you really liked, and what you are willing to give on. Imagine if, unbeknownst to you, the room is bugged so that the salesman has heard everything you said. He can now come back into the room and seem to magically know what you want and how far you can be pushed. Some doctors feel that having detailers know so much about their prescribing practices is like having that salesman listening in on your private conversation; it is an invasion of privacy that tilts the scales toward the seller.

This is not all. Detailers try to promote their drugs for use in the widest possible population of patients, sometimes without proper regard for patient well-being. “Products that doctors prescribe in response to marketing may or may not be the most appropriate for particular patients. Patients who are prescribed inappropriate drugs may, of course, suffer side effects or experience no remediation or even an aggravation of their medical conditions.”<sup>41</sup> Moreover, anything that artificially inflates the prescription of brand-name drugs may jeopardize patients’ health when they receive “new drugs for which safety and effectiveness data are limited.”<sup>42</sup> “Several widely-publicized incidents in recent years have involved heavily marketed drugs such as VIOXX that turned out to be dangerous or ineffective.”<sup>43</sup>

Critics of the practice argue that detailing generally boosts the sales of brand-name over generic drugs, thus driving up health care costs. Cost is a particularly important issue for state governments, which must reimburse for drugs prescribed to citizens covered by governmental medical plans. “Marketing . . . increases the cost of health care by leading to overprescribing of drugs and probably over-diagnosis of illnesses. In this way marketing drives up health care costs, which are often not directly borne by the patient because of public or private insurance.”<sup>44</sup> “Markets . . . generally fail to keep [drug] prices low because of low elasticity of demand driven by moral hazard. Because high prices are often coupled with low production costs, drug and device companies can expand their income by expanding their markets.”<sup>45</sup> They largely accomplish this

---

41. Jost, *supra* note 21, at 334.

42. Mello & Messing, *supra* note 32; see also David Orentlicher, *Prescription Data Mining and the Protection of Patients’ Interests*, 38 J.L. MED. & ETHICS 74 (2010).

43. Jost, *supra* note 21, at 334.

44. *Id.* (footnote omitted).

45. *Id.* For a critique that excessive cost is endemic to the health care system in general, see David A. Hyman, *Follow the Money: Money Matters in Health Care, Just Like in Everything Else*, 36 AM. J.L. & MED. 370 (2010).

through a wide variety of marketing practices like detailing, many of which the FDA attempts (with only limited success) to regulate.

For all these reasons (and others), the states of Maine, New Hampshire, and Vermont passed laws limiting the sales of prescription records for this purpose.<sup>46</sup> In all three states, IMS Health, Inc. brought lawsuits seeking to have enforcement of the laws enjoined and the statutes struck down as unconstitutional.<sup>47</sup> In Maine and New Hampshire, the company lost.<sup>48</sup> But in Vermont the company struck pay dirt—it got a decision striking down the Vermont law. These outcomes paved the way for IMS Health to take its case to the Supreme Court, pointing out the circuit split as to the constitutionality of these three, relatively similar laws.<sup>49</sup> In *Sorrell* the Supreme Court resolved that split by declaring Vermont’s statute unconstitutional; but its reasoning was sufficiently sweeping to render all three unconstitutional.<sup>50</sup>

## II. *SORRELL V. IMS HEALTH, INC.*: REGULATION OF MARKETING AS VIEWPOINT DISCRIMINATION?

Although motivated by similar concerns for doctor and patient privacy, health care costs, and patient safety, the statutes passed in Maine and New Hampshire differed slightly from that of Vermont. The Maine statute allowed for the sale of data unless the physician opted *out*,<sup>51</sup> and the New Hampshire statute banned the sale of prescribing data altogether.<sup>52</sup> The Vermont statute struck a position in-between these two and forbade the sale of prescribing data unless the physician opted *into* the practice.<sup>53</sup> In other words, the Vermont statute allowed the doctor to decide whether he would permit the sale of information about his prescription practices for this purpose. But the default the law established that sales for marketing purposes would be prohibited.<sup>54</sup> William H. Sorrell, the Attorney General

---

46. Mello & Messing, *supra* note 32.

47. *IMS Health, Inc. v. Sorrell*, 131 S. Ct. 2653 (2011) (Vermont); *IMS Health, Inc. v. Mills*, 616 F.3d 7 (1st Cir. 2010) (Maine); *IMS Health, Inc. v. Ayotte*, 550 F.3d 42 (1st Cir. 2008) (New Hampshire).

48. *See Mills*, 616 F.3d 7 (Maine); *Ayotte*, 550 F.3d 42 (New Hampshire).

49. As discussed more fully in the text which follows, the laws were not exactly the same. And these differences might have made a difference to a Court interested in doing a finer-grained analysis under the *Central Hudson* test discussed *infra*. However, the *Sorrell* Court painted instead with a very broad brush and announced a standard that virtually ignored the *Central Hudson* test.

50. *See Mello & Messing, supra* note 32, at 1252.

51. *Mills*, 616 F.3d at 13.

52. *Ayotte*, 550 F.3d at 47.

53. *IMS Health, Inc. v. Sorrell*, 630 F.3d 263, 269 (2d Cir. 2010) (“The statute adopts an opt-in approach, allowing prescribers to opt in to allow the use of their PI data for marketing purposes.”).

54. *See* RICHARD H. THALER & CASS R. SUNSTEIN, *NUDGE: IMPROVING DECISIONS ABOUT HEALTH, WEALTH, AND HAPPINESS* 83–87 (2008) (discussing importance of defaults).

for the State of Vermont, confirmed that one of the purposes of the Vermont law was to permit “doctors—not the government—to decide whether their prescribing information may be sold and used for marketing purposes.”<sup>55</sup> The law was intended to give doctors control over how information about their prescribing practices could be used with respect to marketing efforts directed at them.

The specific language of the Vermont statute, §4631(d), was as follows:

A health insurer, a self-insured employer, an electronic transmission intermediary, a pharmacy, or other similar entity shall not sell, license, or exchange for value regulated records containing prescriber-identifiable information, nor permit the use of regulated records containing prescriber-identifiable information for marketing or promoting a prescription drug, *unless the prescriber consents*. . . .<sup>56</sup>

Subsection (d) was a part of a larger statute entitled “Confidentiality of Prescription Information” which itself was just one part of a larger enactment, entitled “Prescription Drug Cost Containment.”<sup>57</sup> The statute reflected legislators’ judgment that limiting the use of prescribing information for marketing purposes would have the effect of increasing prescriptions of generic drugs, thereby enabling the state to hold down reimbursement costs.<sup>58</sup>

The pharmaceutical companies, in contrast, believed obtaining this prescribing information would boost sales of brand-name drugs, which is why they troubled to buy the data in the first place. They have no incentive to promote generics. When a drug’s patent expires, other companies are free to develop generic versions of the same drug. If doctors prescribe generics, it cuts into brand-name sales. Once a drug becomes very popular, companies vie to develop drugs that are fairly similar to the original. These are known as “me-too” drugs. “Me-too” drugs are re-tooled versions of older drugs that they replace.<sup>59</sup>

As Dr. Marcia Angell, former editor of the *New England Journal of Medicine*, has observed, “the drugs most heavily promoted are me-too

---

55. Brief for Petitioner at 1, *Sorrell v. IMS Health, Inc.*, 131 S. Ct. 2653 (2011) (No. 10-779).

56. VT. STAT. ANN. tit. 18, § 4631(d) (2002) (emphasis added).

57. *Id.* §§ 4601–4634.

58. *Sorrell*, 630 F.3d at 269, 275–79. Cf. Young, *supra* note 13 at 903 (“Simply put, *Sorrell* involved a quintessentially economic regulatory scheme covering activity that happened to be protected speech.”).

59. MARCIA ANGELL, *THE TRUTH ABOUT DRUG COMPANIES* 74–76 (2005).

drugs, like Nexium and Lipitor and Paxil.”<sup>60</sup> Because FDA regulations do not require that a drug company prove that a new drug is necessarily *better* than an older one, only that it is “effective,” it is possible to get FDA approval for a new drug that is pretty much like the old one.<sup>61</sup> The chief advantage of doing so is that while the drug is under patent the company has exclusive rights and can sell it at a higher price. If the seller can convince doctors to prescribe the new, patented drug rather than the older generic form of the drug, this is of obvious financial benefit to the drug company that manufactures it. The benefits to the patient are much less clear.<sup>62</sup> And the sale of more “me-too” brand name drugs where a generic would be effective unmistakably drives up health care costs. Such increases are bad enough in a recessionary time, but they are particularly hard to justify where there is no accompanying increase in the effectiveness of drugs.

The *Sorrell* majority in the Supreme Court saw this as a dispute over “viewpoints”<sup>63</sup> and declared the Vermont statute unconstitutional on the grounds that the statute violated the First Amendment’s guarantee that “Congress shall make no law . . . abridging the freedom of speech.”<sup>64</sup> Justice Kennedy, writing for the majority,<sup>65</sup> asserted that the Vermont statute “disfavor[ed] marketing, i.e., speech with a particular content,”<sup>66</sup> and therefore it needed to be subjected to “[h]eightedened judicial scrutiny.”<sup>67</sup> According to Kennedy, a statute like Vermont’s, which treated marketing differently than other types of speech, is not content-neutral and as such must show that its “discrimination” on the basis of content is justified.<sup>68</sup>

Vermont could not, in the majority’s view, do this, and thus the Court held the statute violated the First Amendment. Throughout the opinion Justice Kennedy characterizes Vermont’s attempt to regulate the marketing of prescription drugs as discriminatory. The opinion is replete with words like “disfavor” or “disfavored,” “discrimination,” “unwanted,” “identity,” “side,” “viewpoint” and “content.”<sup>69</sup> “The law on its face,” Justice Kennedy declared, “burdens *disfavored* speech by *disfavored speakers*.”<sup>70</sup>

---

60. *Id.* at 133.

61. *Id.* at 75.

62. *Id.* at 89–91.

63. *Sorrell v. IMS Health, Inc.*, 131 S. Ct. 2653, 2663 (2011).

64. U.S. CONST. amend. I.

65. The majority included Chief Justice Roberts and Justices Scalia, Thomas, Alito, and Sotomayor in addition to Justice Kennedy.

66. *Sorrell*, 131 S. Ct. at 2656.

67. *Id.* at 2657.

68. *Id.* at 2667.

69. *Id. passim.*

70. *Id.* at 2663 (emphasis added).

Reading the opinion one might be forgiven for thinking that this was a civil rights case rather than an issue of regulated pharmaceutical sales practices.

This is—to say the least—a curious way to frame the issue given that *any* regulation of commercial speech (and presumably “marketing” is encompassed within the definition of commercial speech)<sup>71</sup> could, applying this analysis, fail the content neutrality test because it “singles out” commercial speech for distinct treatment on the basis of its content—that is, *because* it is commercial.<sup>72</sup> But that proposition makes a hash of the commercial speech doctrine and effectively (but not explicitly) overrules *Central Hudson*.<sup>73</sup>

The available evidence suggests that when it created the commercial speech doctrine the Court never intended to allow marketers to assert the same freedom from governmental regulation of their sales pitches as political protesters may assert.<sup>74</sup> Yet that is what *Sorrell* establishes. The *Sorrell* decision, with its antidiscrimination rhetoric, is the culmination of a prolonged “bait-and-switch” in which First Amendment protection for commercial speech, originally justified to protect consumers’ access to

---

71. One of the persistent problems in this area is the conflation of “advertising” as synonymous with “commercial speech.” As discussed below and in the accompanying notes, there has never been a very good definition for what makes commercial speech “commercial” and little recognition that there is a great deal of what might be called “commercial speech” that is not advertising and some advertising that is not “commercial.” This shortcoming was pointed out very early on. See Steven Shiffrin, *The First Amendment and Economic Regulation: Away from a General Theory of the First Amendment*, 78 NW. U. L. REV. 1212, 1213 (1984). However, once the focus of the doctrine moved from listener-oriented protection to content neutrality and the rationale in the political speech cases merged with that of the commercial speech cases (as I discuss more fully below), this issue of the definition was “solved,” albeit indirectly and without much in the way of analytical justification that directly took on the problems raised by Professor Shiffrin. Indeed, the mantle of content neutrality allowed the Court to side-step offering a justification for what is now (at least potentially) a threat of unconstitutionality over a very large swath of regulation that has, heretofore, “been thought to be economic regulation of speech that is beneath the protection of the first amendment.” *Id.* at 1215. Much of the remainder of this Article is intended as a forensic examination of how the doctrine evolved in a manner that permitted this question to be sidestepped.

72. For a very long time, the commercial speech doctrine has been understood to represent a form of content regulation. See, e.g., ROBERT C. POST, *DEMOCRACY, EXPERTISE, & ACADEMIC FREEDOM: A FIRST AMENDMENT JURISPRUDENCE FOR THE MODERN STATE* 42–43 (2012) (“Commercial speech doctrine authorizes the state to engage in content discrimination to suppress misleading information, and it empowers the state to compel the disclosure of information.”); Geoffrey R. Stone, *Content Regulation and the First Amendment*, 25 WM. & MARY L. REV. 189, 194 (1983) (identifying commercial speech as one in a list of examples of content-based regulation of speech); Jeffrey M. Shaman, *The Theory of Low-Value Speech*, 48 SMU L. REV. 297, 317–19 (1995) (identifying commercial speech as in the category of “low value” speech and subject to intermediate scrutiny).

73. *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm’n of N.Y.*, 447 U.S. 557 (1980).

74. *Cf.*, e.g., *Schneider v. State*, 308 U.S. 147 (1939) (anti-littering statute insufficient to permit government to suppress persons wanting to distribute political leaflets) *with* *Valentine v. Chrestensen*, 316 U.S. 52 (1942) (government may suppress on the grounds of an anti-littering statute, distribution of advertising leaflets, even where a political protest was appended to them). In addition there is evidence in the scholarly literature that few observers have thought that marketing as a category constitutes a viewpoint. See, e.g., Cass R. Sunstein, *Low Value Speech Revisited*, 83 NW. U. L. REV. 555, 560 (1989) (suggesting that commercial speech regulation is not regulation of a viewpoint).

truthful commercial information, has become, over time, a doctrine which considers commercial speech from the speaker's standpoint, as if the speaker was promoting a viewpoint rather than a product.<sup>75</sup> However, the Court obscures the degree to which its analysis elevates the speaker's rights over the listener's and perverts the rationale of protection for commercial speech by invoking content neutrality.

Yet it is precisely on the basis of its content—its commercial character—that commercial speech has historically *not* been treated like fully protected speech. The commercial speaker does not speak for the “development of the mind”<sup>76</sup> or express beliefs or opinions<sup>77</sup>—except to the extent that “please buy my product” can be construed as a “viewpoint.” The commercial speaker, no matter what it appears to be talking about, and in no matter what form that communication is delivered, is always attempting to promote a business. The seller's viewpoint is *always* that its product is superior or ought to be purchased, even when that viewpoint is demonstrably false, as in the case of cigarettes, or highly dubious, as in the case of “me-too” drugs.<sup>78</sup> Even an individual who is speaking on behalf of the commercial speaker may not actually personally believe that the product he is promoting is the best or will perform as portrayed. He is not required to. We understand that salespeople may sometimes engage in puffery,<sup>79</sup> that they may be insincere in that they do not have a personal belief in all the claims they make, or are required to make, for a product.

It is axiomatic that much of what sellers wish to say in aid of selling a product is of little use to the public, and a good deal of it may threaten grave harm. So it is not surprising that when the Court created the commercial speech doctrine and extended only limited protection to commercial speech, it justified this limited protection on the basis of the *listeners'*, not the *sellers'*, interests.<sup>80</sup>

---

75. For the most recent example of this treatment see the D.C. Circuit's opinion invalidating the FDA's graphic warning labels. *R.J. Reynolds Tobacco Co. v. FDA*, Nos. 11-5332, 12-5063, 2012 WL 3632003 (D.C. Cir. Aug. 24, 2012). The majority uses very grand language asserting that the FDA's graphic warnings represent an “attempt to level the playing field” with respect to inducements to smoke but that “as the Supreme Court recently reminded us” the government isn't permitted under the First Amendment to regulate speech simply because it finds it “too persuasive,” and it cites *Sorrell. Id.* at \*12.

76. THOMAS I. EMERSON, *TOWARD A GENERAL THEORY OF THE FIRST AMENDMENT* 4-5 (1966).

77. *Id.* at 5.

78. See, e.g., ANGELL, *supra* note 59, at 74-114.

79. Puffery is a doctrine that seems to apply only to advertising whereby a statement, intentionally made and intended to cause reliance and which does cause such reliance to the detriment of the buyer, does not result in liability because the theory is that the buyer should not have believed it or relied upon it as it was obviously exaggerated. See, e.g., *In re Gen. Motors Corp. Anti-Lock Brakes Prods. Liab. Litig.*, 966 F. Supp. 1525, 1531 (E.D. Mo. 1997), *aff'd*, 172 F.3d 623 (8th Cir. 1999).

80. Indeed, some observers seem to argue that at bottom most of the rationales for why we protect freedom of expression are about protecting the interests of listeners and the meaning that they derive



Yet the doctrine had scarcely been announced before it began a subtle process of shape-shifting under a ceaseless and increasingly powerful barrage of arguments that the new doctrine was inherently illegitimate and antithetical to notions of freedom of speech because it gave commercial speech less protection than other protected speech.<sup>81</sup> For the past decade or so, industry has regularly raised the First Amendment as a defense to a number of important governmental attempts to rein in false, deceptive, or harmful commercial speech. And it has been winning.<sup>82</sup> But until now it had not succeeded in doing away with the doctrine altogether and obtaining a declaration that commercial speech is fully protected. For all practical purposes this is what *Sorrell* provides.

### III. “BAIT”—THE INTELLECTUAL FOUNDATIONS OF THE COMMERCIAL SPEECH DOCTRINE

The commercial speech doctrine was created in 1976.<sup>83</sup> Prior to that date, most judges and scholars did not think that commercial speech had

from speech rather than about the speaker’s interest in speaking. See Larry Alexander, *Low Value Speech*, 83 NW. U. L. REV. 547 (1989). Similarly, other commentators argue that the First Amendment’s prohibition on government regulation of speech is (or ought to be) totally focused on the government’s purpose (i.e. whether it intends to ban communication) and not at all on the speaker’s communicative intents, particularly when it comes to the problems of expressive acts or the speech/act distinction. Jed Rubenfeld, *The First Amendment’s Purpose*, 53 STAN. L. REV. 767 (2001).

81. The proponents of this position cast their arguments in a way that makes every victory for commercial or corporate speech a victory for the First Amendment, a proposition that is only true if you agree that the First Amendment is properly extended to these categories. This can result in the feeling you have entered into some sort of strange parallel universe when you read the output of organizations such as the Washington Legal Foundation which describes Justice Kennedy’s opinion in *Sorrell* as a “sweeping, pro-First Amendment” decision. Richard Samp, *Sorrell v. IMS Health: Protecting Free Speech or Resurrecting Lochner?*, 2011 CATO SUP. CT. REV. 129, 129 (2011). Proponents of this argument seem to be epistemically indifferent to whether protection for commercial and corporate speech actually will ensure quantitatively more speech or a greater variety of viewpoints. In fact, because of the wide disparity in resources between commercial and non-commercial speakers, as well as the parallel intellectual property protection for some commercial speech like trade dress and brands, there is some reason to believe that First Amendment immunity from regulation will result in commercial and corporate speech drowning out other speakers. See, e.g., C. Edwin Baker, *Paternalism, Politics, and Citizen Freedom: The Commercial Speech Quandary in Nike*, 54 CASE W. RES. L. REV. 1161, 1176–77, 1182–83 (2004). Moreover, it is abundantly clear as an empirical matter that the “truth will out” proposition is unfounded. See, e.g., Frederick Schauer, *Facts and the First Amendment*, 57 UCLA L. REV. 897, 899 (2010).

82. See Samp, *supra* note 81, at 129.

83. As noted earlier, there is actually some ambiguity about what the phrase “commercial speech doctrine” refers to, see *supra* note 6, as the Supreme Court in *Pittsburgh Press* had identified *Chrestensen* as the genesis of the “commercial speech doctrine.” *Pittsburgh Press Co. v. Pittsburgh Comm’n on Human Relations*, 413 U.S. 376, 384 (1973) (“The commercial-speech doctrine is traceable to the brief opinion in *Valentine v. Chrestensen* . . .”). Presumably what the Court in *Pittsburgh Press* meant by this phrase was the *exclusion* of advertising from First Amendment coverage. See Neuborne, *supra* note 6, at 438 n.3. That is not how the phrase is used today. Today that phrase is generally used to refer to the cases from *Virginia Pharmacy* forward, except by those who argue that it was *Valentine* itself which newly (and inappropriately) established the subordinate status of commercial speech. See,

any First Amendment protection at all because in 1942 the Supreme Court had rather unceremoniously rejected the idea that the First Amendment had any application whatsoever to advertising.<sup>84</sup> In *Valentine v. Chrestensen*, the owner of a submarine docked at a wharf on the East River in New York had sought permission to distribute a handbill advertising the opportunity to tour the submarine for a fee.<sup>85</sup> He was told that this handbill would violate the city sanitation code meant to address littering but that handbills involving informational matters or protests were not covered by this ordinance.<sup>86</sup>

After receiving this advice Chrestensen came up with a plan to reprint his flyers so that on one side they contained a protest against the City Dock Department for refusing to permit him to dock his submarine at the city pier for exhibition purposes.<sup>87</sup> On the other side was essentially the same ad that had been rejected before (minus information about the fee), urging the public to come tour his submarine.<sup>88</sup> Chrestensen attempted to distribute the revised handbills but was restrained by the police.<sup>89</sup> In response, he brought an action seeking an injunction on the grounds that the ordinance violated the Constitution.<sup>90</sup> The trial and appellate courts agreed with him that the ordinance was inconsistent with the First Amendment, but the Supreme Court reversed noting that although the Constitution provided that “the streets are proper places for the exercise of the freedom of communicating information and disseminating opinion” and that the states had limited powers when it came to restraining such activities, this was *not* the case with respect to commercial speech.<sup>91</sup> “We are . . . clear that the Constitution imposes no such restraint on government as respects purely commercial advertising.”<sup>92</sup> It rejected Chrestensen’s argument that the addition of a political protest changed the handbill’s essential character as a commercial appeal.<sup>93</sup>

And this is where the matter lay for the next couple of decades.

---

*e.g.*, Kozinski & Banner, *supra* note 6, at 627 (“In 1942, the Supreme Court plucked the commercial speech doctrine out of thin air.”).

84. *Valentine v. Chrestensen*, 316 U.S. 52 (1942).

85. *Id.* at 53.

86. *Id.*

87. *Id.*

88. *Id.*

89. *Id.*

90. *Id.* at 54.

91. *Id.*

92. *Id.*

93. *Id.*

*A. Harbingers of Change*

By the early 1970s, the way legal scholars thought about advertising in connection with the First Amendment was changing. A number of prominent academics<sup>94</sup> (and some then not so prominent law students)<sup>95</sup> argued that the distinctions between fully protected speech and commercial speech were difficult to sustain. In 1965, a student note in the *Harvard Law Review* observed that the First Amendment was relevant to commercial advertising because of its informational functions.<sup>96</sup> Nevertheless, the anonymous author concluded that “[t]he possibly desirable objectives furthered by advertising would not seem to *require* its protection by the first amendment, *particularly since the primary purpose of commercial advertising is to advance the economic welfare of business enterprises, over which state and federal governments enjoy wide powers of regulation.*”<sup>97</sup>

Two years later, in 1967, the *Harvard Law Review*, in its “Developments in the Law” section, published an enormous comment entitled *Deceptive Advertising*.<sup>98</sup> This comment argued that the distinctions between protected non-commercial and unprotected commercial speech rested on shaky intellectual foundations. “Commercial advertising,” its authors<sup>99</sup> proclaimed, “might well be called the stepchild of the first amendment.”<sup>100</sup> Still, those authors were not prepared to say that *no* restraint on commercial speech was appropriate. And, like the earlier note, the comment identified “information” as one of the social benefits of advertising. Advertising, the comment observed, “serves to facilitate” the process of matching producers and willing consumers.<sup>101</sup> In addition, the authors noted that advertising stimulated demand<sup>102</sup> (an important function

---

94. See Martin A. Redish, *The First Amendment in the Marketplace: Commercial Speech and the Values of Free Expression*, 39 GEO. WASH. L. REV. 429 (1971).

95. See, e.g., Note, *Freedom of Expression in a Commercial Context*, 78 HARV. L. REV. 1191 (1965); Comment, *Developments in the Law, Deceptive Advertising*, 80 HARV. L. REV. 1005 (1967).

96. Note, *supra* note 95, at 1194.

97. *Id.* at 1195 (emphasis added). The author of this note was concerned primarily with the constitutional status of shareholder voting and labor disputes and mentioned commercial advertising only by way of example. It was clear the author took for granted governmental power to regulate commercial speech.

98. Comment, *supra* note 95.

99. According to knowledgeable sources, the “Developments” feature usually involved multiple authors, and like all the student work in the *Harvard Law Review*, it is unattributed. Email from John H. Langbein, Professor of Law, Yale Law School, to Tamara Piety, author (Jan. 14, 2012, 1:13 PM) (on file with author).

100. Comment, *supra* note 95, at 1027.

101. *Id.* at 1008.

102. *Id.* The argument that advertising stimulates demand is somewhat controversial since the tobacco companies (among others) have argued that advertising only stimulates brand *switching*, not *demand*. See, e.g., JOHN E. CALFEE, FEAR OF PERSUASION: A NEW PERSPECTIVE ON ADVERTISING AND

in cases of over-production, which some say characterized the post-WWII American economy)<sup>103</sup> and “enriche[d] mass culture; the images and methods used by advertisers comprise a significant source for humor, satire, and the graphic arts.”<sup>104</sup> Furthermore, advertising was what supported much of broadcast television, newspapers, and magazines.<sup>105</sup>

Despite these early signs that perhaps the categorical treatment of advertising under the First Amendment was about to undergo a major shift, it is clear from both of these works that the authors took for granted the proposition that the government had a legitimate role in regulating marketing.

Indeed, the legitimacy of governmental regulation of commercial speech was so well-settled that the great First Amendment scholar Thomas Emerson could, in 1970, write his magisterial general theory attempting to categorize all of the various grounds for protecting freedom of expression and the purposes the First Amendment serves and barely touch the question of commercial speech. Thus he wrote:

The principles governing commercial speech, and the relations between this sector and the area of free expression, have never been worked out. That task is not attempted here. *Up to the present, the problem of differentiating between commercial and other communication has not in practice proved to be a serious one.*<sup>106</sup>

He was right; it had *not* been a serious problem before. It was about to become one. Those student authors were onto something. The ground was shifting under Emerson’s feet, and what had only been worth a passing

REGULATION 75 (1997) (claiming there is “no substantial effect from advertising on consumption”). On the other hand, it strains credulity to claim that advertising has no impact on demand when advertisers, professionals in the field, and academic sources claim advertising is essential to creating demand. *See, e.g.*, TERENCE A. SHIMP, *ADVERTISING, PROMOTION & SUPPLEMENTAL ASPECTS OF INTEGRATED MARKETING COMMUNICATIONS* 18 (6th ed., 2003) (“The objective [of marketing] . . . is to *move people to action.*”). Moreover, the justification for a tax deduction for advertising expenditures is that they are “ordinary and necessary” business expenditures under the tax code. 26 U.S.C.A. § 162(a) (2011). How could they be “necessary” if it is not as generative of income? Indeed, some argue that because advertising generates long term goodwill, which is an intangible asset, these expenditures ought to be capitalized, not treated as a deduction (which essentially turns them into a tax credit). *See* Mona L. Hymel, *Consumerism, Advertising and the Role of Tax Policy*, 20 VA. TAX REV. 347, 414–22 (2000).

103. I am not aware of any serious dispute about whether the end of WWII meant that American businesses experienced a serious sudden surplus of productive capacity. The evidence suggests that the prevailing wisdom, reflected also in the *Harvard Law Review* Comment above, was that advertising was an important stimulus for consumption of this excess capacity. *See, e.g.*, LIZABETH COHEN, *A CONSUMERS’ REPUBLIC: THE POLITICS OF MASS CONSUMPTION IN POST WAR AMERICA* (2003).

104. Comment, *supra* note 95, at 1016.

105. *Id.*

106. EMERSON, *supra* note 76, at 105 n.46 (emphasis added) (internal citation omitted).

mention in 1970 would become, by the end of the decade, a distinct and developed body of law based on a new theory about what the First Amendment protects.<sup>107</sup>

### B. *The First Developed Theory for Protection*

In 1971 Professor Martin Redish published an extended argument for the proposition that commercial speech ought to be afforded greater First Amendment protection than it currently enjoyed. The article was entitled *The First Amendment in the Marketplace: Commercial Speech and the Values of Free Expression*.<sup>108</sup> It is, as he would be happy to tell you,<sup>109</sup> apparently the first sustained argument for first amendment protection for commercial speech outside of the student pieces mentioned above. However, like those pieces, Redish focused his argument for the protection for commercial speech largely on the grounds of the listeners’ interests in receiving information<sup>110</sup> and in their concomitant interest in self-determination through the exercise of choices with this information and rather less on the interests of the speaker.<sup>111</sup>

Although he acknowledged that “[a] cursory examination of current television and periodical advertising reveals that in practice, comparatively little commercial promotion performs . . . a purely informational function,”<sup>112</sup> Redish thought this was not an insurmountable obstacle to recognizing the informational and indeed *educational* function of advertising, since it was often the case that consumers needed the extraneous entertainment aspects of advertising to know what they *really* wanted.<sup>113</sup> Some advertising he observed serves “to develop an entirely new set of wants on the part of consumers.”<sup>114</sup> Moreover, “entertainment techniques frequently must be employed to effectively attract potential

107. See Neuborne, *A Rationale for Protecting and Regulating Commercial Speech*, *supra* note 6. Note the words “and Regulating” in this title. *Sorrell* suggests that there will be rather more protection than regulation going forward.

108. Redish, *supra* note 94.

109. Martin H. Redish, *First Amendment Theory and the Demise of the Commercial Speech Distinction: The Case of the Smoking Controversy*, 24 N. KY. L. REV. 553, 553 (1997) (“Honest, I really was the first one. . . . Five years before the Supreme Court held that commercial speech was deserving of First Amendment protection, long before any scholarly commentator had even intimated that commercial speech was worthy of consideration as ‘speech’ for purposes of the constitutional guarantee, there I was, arguing that because commercial speech ‘advances [the individual] toward the intangible goal of rational self-fulfillment,’ it was properly characterized as protected expression.”) (footnotes omitted).

110. Redish, *supra* note 94 *passim*.

111. *Id. passim*.

112. *Id.* at 433.

113. *Id.* at 434.

114. *Id.* at 432 (quoting A.C. PIGOU, *THE ECONOMICS OF WELFARE* 196 (4th ed. 1962)).

consumers to the information conveyed.”<sup>115</sup> “Information received in the commercial context . . . is specifically designed to assist the individual in the decision-making process.”<sup>116</sup> “[W]e [should] require an open exchange of ideas and information in the marketplace that will help the individual govern his personal life.”<sup>117</sup>

Indeed, the entire article is an extended encomium on the pride of place of self-fulfillment and self-determination in what he describes as “generally accepted . . . Western thought.”<sup>118</sup> Relying heavily on Alexander Meiklejohn and Thomas Emerson, Redish argued that “[s]elf-government . . . is premised on a belief in the integrity of the individual intellect.”<sup>119</sup> Nevertheless, he wrote, “extensive behavioral research [shows that] the modern individual apparently spends little time and effort concerning himself with affairs of the political process.”<sup>120</sup> Despite this disjunction between aspiration and reality, Redish observed that our system of protection for political speech commits us to trusting this often uninformed individual with political decision-making.<sup>121</sup> It would be paradoxical, Redish argued, to offer less protection where the citizen’s decision-making is arguably more keenly animated by the concerns of his daily life—to wit, in his purchasing decisions.<sup>122</sup>

What is significant about this argument is that it is focused almost exclusively on the *listener’s* interests in hearing the speech rather than on the speaker’s interest in speaking—even as to that aspect of human experience which might naturally seem to describe *speakers’* rather than listeners’ interests—self-fulfillment. The bulk of the article focuses on the ways in which advertising (and other commercial speech) contributes to the

---

115. *Id.* at 434.

116. *Id.* at 445.

117. *Id.*

118. *Id.* at 438.

119. *Id.* Note that this argument, by employing terms like “self-government” and “rational faculties,” is manifestly referring to human beings who live and breathe, not to corporate persons.

120. *Id.* at 440. The reference and reliance on behavioral research is interesting because there is now a great deal more of this type of research, and not just consumer behavior, than there was in 1971. And many observers have argued that the fruits of this research support arguments for more regulation of advertising/marketing rather than less. For a review of the arguments with respect to just one area, food marketing, see Pierre Chandon & Brian Wansink, *Is Food Marketing Making Us Fat? A Multi-Disciplinary Review*, (INSEAD, Working Paper No. 2011/64/MKT/ISSRC, 2011), available at <http://ssrn.com/abstract=1854370>; Adam Benforado, Jon Hanson & David Yosifon, *Broken Scales: Obesity and Justice in America*, 53 EMORY L.J. 1645 (2005); Jon D. Hanson & Douglas A. Kysar, *Taking Behavioralism Seriously: Some Evidence of Market Manipulation*, 112 HARV. L. REV. 1420 (1999). This point is also made by a prominent behavioral economist, Dan Ariely, although he couches it with the maximum ambiguity about just how much governmental intervention he is proposing by referring to “public policy.” DAN ARIELY, PREDICTABLY IRRATIONAL: THE HIDDEN FORCES THAT SHAPE OUR DECISIONS 238–244 (2008).

121. Redish, *supra* note 94, at 440.

122. *Id.* at 442–43.

self-fulfillment of *listeners*. Respect for human self-fulfillment, Redish argued, requires protection of this category of speech, which (in his view) demonstrably contributed to that self-fulfillment.

He hardly discussed the self-fulfillment commercial speech might offer speakers. This was apparently deliberate. Indeed, he wrote, “Since advertising performs a significant function for its recipients, its values are better viewed with the consumer, rather than the seller, as the frame of reference.”<sup>123</sup> He did not make a sustained argument for the “expressive” interests of commercial speakers.

I do not believe this was accidental. The idea that we ought to protect commercial speech because of the speaker’s interest in speaking would have probably been a non-starter. Certainly it would have been far less appealing. Consider what that argument would have looked like. Instead of arguing that human beings’ self-expression finds *one* outlet in consumption decisions, therefore the ability to receive truthful information on which to make those decisions should be protected, the argument would have to be that engaging in commerce is *itself* an expressive activity warranting First Amendment protection. In other words, instead of the argument being, “The consumer has a right to hear about Colgate because choosing a toothpaste is an expressive activity” (already a somewhat dubious proposition), it would be, “Colgate has a right to try to pitch toothpaste because *selling* toothpaste is an expressive activity.” This construction confuses expression with commerce.

While commerce and expression are obviously by no means mutually exclusive—for instance, most artists want to sell their work, not to give it away—it cannot be said they are identical. If they were, how would it be possible to regulate commerce at all? It is difficult to see how you regulate commerce if you cannot regulate commercial speech. Yet if all commerce

---

123. One of the notable exceptions is his observation that “[m]uch advertising which does not convey concrete information nevertheless represents the artistic creation of an individual, and as such deserves recognition as first amendment speech.” *Id.* at 446–47. This is a curious example for a couple of reasons. In the first place, there is no “author” credited in advertising (outside of trade publications which attribute particular campaigns to particular ad agencies or even particular “creatives”). Second, lack of attribution is not surprising since all advertising is work for hire in which the “artist” has no proprietary interest. See Catherine Fisk, *The Modern Author at Work on Madison Avenue*, in *MODERNISM AND COPYRIGHT* 173, 183–84 (Paul Saint-Amour ed., 2010) available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1693973](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1693973). So it is a curiosity, to say the least, to use the artistic nature of the endeavor to justify First Amendment protection but to use copyright to deny the “artist” the fruits of her labor. Query: whose rights are being protected in this construction? If it is really the artist’s, then one would think these interests would similarly extend to copyright. And if they don’t, it suggests that copyright law’s supremacy in this regard reveals advertising as principally *property*, not expression. For more speaker-oriented arguments, see also Redish, *supra* note 94, at 461–68 and accompanying footnotes (discussing distinguishing between speakers on the basis of their financial interests and the specific case of tobacco regulation).

is speech and speech cannot be regulated, it would seem that commerce cannot be regulated.

This is true at both the institutional and the individual level. All work, whether running a business or working as an employee, no matter how menial, routine, or repetitive, offers the worker some opportunity to express herself through how she performs it. But that is different from saying that the *principal* reason for these activities is rooted in their expressive content. To conclude that all work, all business constitutes expressive activity would be wildly over-determined. It would sweep all work into the ambit of expression.<sup>124</sup>

On its face such a construction may, among other consequences, set the First Amendment and the Commerce Clause at odds with one another, since the latter delegates to Congress broad powers to regulate commerce while the former forbids Congress to make laws which encroach on freedom of expression. Without doing a lengthy exegesis into unsolved (and probably unsolvable) problems of proper constitutional interpretation, suffice it to say that it seems implausible that the proper resolution to any conflict between these two provisions would be to read Congress' power to regulate commerce out of the Constitution on the grounds that:

- (1) The First Amendment says Congress shall make "no law" restricting freedom of speech.
- (2) "Speech" = "expression."
- (3) People express themselves through commerce.
- (4) Therefore commerce = expressive activity which Congress may not regulate.

The resolution of this conflict more consistent with our *past* understanding of the First Amendment is:

- (1) Congress may regulate commerce.
- (2) Commercial speech is a part of "commerce."
- (3) Therefore, commercial speech is a part of commerce which may be regulated as a matter of power under the Commerce Clause, the First Amendment notwithstanding.

Even if one concludes that the First Amendment, because it is an amendment, somehow trumps the Commerce Clause, a reading as broad as

---

124. Although I disagree with some of his analysis and conclusions therein, Professor Jed Rubenfeld offers a powerful refutation of the proposition that all conduct is expressive for purposes of the First Amendment. Rubenfeld, *supra* note 80 *passim*.



the first would seem to seriously undermine Congress’ power to regulate commerce.<sup>125</sup>

It is easy to see though how framing the interests at stake as those of the listener presents both a limiting and an equalizing element into the proposition that commercial speech ought to be protected. Listeners are set against big government that would paternalistically keep them ignorant. And there is nothing about empowering consumers with information that suggests a corollary right on the part of the speaker to be free of government regulation. Framed this way it is easy to understand the appeal of the listeners’-rights argument and why the Court was persuaded to conclude that *some* commercial speech deserved First Amendment protection.

Although not everyone was persuaded by this argument—some prominent scholars vigorously objected that the First Amendment had no place for commercial speech<sup>126</sup>—the majority of the legal community appeared to embrace, if somewhat more reservedly than Redish himself, the proposition that consumers ought to enjoy some First Amendment right to receive information. And even before the Supreme Court created the commercial speech doctrine, a few scholars seemed prepared to agree that commercial speech ought to receive *some* protection,<sup>127</sup> although even supporters were not prepared to say that it ought to enjoy full First Amendment protection.<sup>128</sup>

#### IV. THE COURT TAKES THE BAIT

##### *A. Nibbling Around the Edges*

We should not be surprised that those Harvard Law students focused on advertising and its regulation in the late sixties. Advertising had become

---

125. Although the Commerce Clause deals with federal supremacy to regulate *interstate* commerce and not all commerce generally, in practice, at least in modern times, states’ attempts to regulate commercial practices tend, as in *Virginia Pharmacy* itself, to be read as implicating interstate commerce and are thus subject to federal preemption. And of course the First Amendment’s provisions apply to the states as well through the Fourteenth Amendment. Thus, the argument in the text collapses what might be some more subtle distinctions in specific circumstances.

126. Victor A. Brudney, *Business Corporations and Stockholders’ Rights Under the First Amendment*, 91 YALE L.J. 235 (1981); Thomas I. Emerson, *First Amendment Doctrine and the Burger Court*, 68 CALIF. L. REV. 422 (1980); Jackson & Jeffries, *supra* note 6. See also Richard M. Alderman, *Commercial Entities’ Noncommercial Speech: A Contradiction in Terms*, 1982 UTAH L. REV. 731, 731–32 n.4 (1982) (extensive survey of the literature following the *Virginia Pharmacy* decision including these as well as other articles).

127. See, e.g., Kenneth L. Karst, *Equality as a Central Principle in the First Amendment*, 43 U. CHI. L. REV. 20 (1975).

128. See Alderman, *supra* note 126 (discussing reaction to *Virginia Pharmacy*). Note that the Alderman article seems to have been among the first to link the commercial and corporate speech cases.

a significant driver of cultural content, and a handful of important cases had, at least nominally, involved advertising. In *New York Times v. Sullivan*<sup>129</sup> the defendants, who had taken out an ad in the *New York Times* in support of Dr. Martin Luther King and the civil rights marchers in the South, were sued for libel and defamation over factual inaccuracies in the ad. The advertisement was what is known in the advertising business as an “issue ad.”<sup>130</sup> Issue ads are ad spaces purchased to promote social or political causes. The Court found for the defendants and created a new standard for libel and defamation cases involving public figures and issues of public concern. Henceforth, plaintiffs would need to show that the defendants’ misstatements were not just erroneous, but that they were made with “actual malice.” That the statements were contained in an ad was not the focus of the opinion, and the Court observed that the mere fact that money was paid to run the ad did not make it “commercial” (and hence subject to the “no First Amendment protection at all” standard under *Chrestensen*).<sup>131</sup>

A few years later, the Court heard a case involving a challenge to the practice of dividing the help-wanted ads into categories like “Jobs-Male Interest” and “Jobs-Female Interest.”<sup>132</sup> The National Organization for Women had filed a complaint with the Pittsburgh Commission on Human Relations against the *Pittsburgh Press* complaining that this practice was in conflict with a Pittsburgh city ordinance forbidding discrimination on the basis of sex.<sup>133</sup> The Commission held a hearing and enjoined the practice, and the *Pittsburgh Press* appealed.<sup>134</sup> When the case came before the Supreme Court, the Court supported the Commission and ruled that the city ordinance did not violate the First Amendment.<sup>135</sup> It nominally upheld the principle announced in *Chrestensen*, but it also observed that *New York Times v. Sullivan* had made clear that “speech is not rendered commercial by the mere fact that it relates to an advertisement.”<sup>136</sup>

---

129. 376 U.S. 254 (1964).

130. SHIMP, *supra* note 102, at 286. Shimp actually just describes issue advertising in the context of corporate issue advertising, but because the ad in *Sullivan* was paid for by plaintiffs, it fit the definition of advertising even though it was not “commercial.” Shimp defines “advertising” as “[a] form of either mass communication or direct-to-consumer communication that is non-personal and is paid for by various business firms, nonprofit organizations, and individuals who are in some way identified in the advertising message and who hope to inform or persuade members of a particular audience.” *Id.* at 621.

131. *Sullivan*, 376 U.S. at 266.

132. *Pittsburgh Press Co. v. Pittsburgh Comm’n on Human Relations*, 413 U.S. 376 (1973).

133. *Id.* at 376–79.

134. *Id.* at 380–81.

135. *Id.* at 391.

136. *Id.* at 384. Some date the development of First Amendment protection to commercial speech from this case. Neuborne, *supra* note 6, at 437 n.2.

Two years later in a third case, *Bigelow v. Virginia*,<sup>137</sup> the Court was confronted with a challenge to a Virginia law which made it illegal to advertise the availability of abortions. Abortions were illegal in Virginia, but the ad announced that abortions were legal in New York, that there was no residency requirement, that all inquiries would be “strictly confidential,” and that counseling and other information about the termination of unwanted pregnancies was available at the location and number provided.<sup>138</sup> The prohibition on the advertising was premised on the state’s power to restrict the promotion of abortion services given that abortion was illegal in the state. The State of Virginia had prosecuted the publisher of a newspaper under a criminal statute making it a misdemeanor to “encourage or prompt the procuring of abortion or miscarriage.”<sup>139</sup>

The Court struck down the law.<sup>140</sup> In so doing, it expressly limited the holding in *Chrestensen* observing that “[t]he fact that the particular advertisement in appellant’s newspaper had commercial aspects or reflected the advertiser’s commercial interests did not negate all First Amendment guarantees.”<sup>141</sup> *Chrestensen*’s holding, the majority wrote, “is distinctly a limited one” relating to “the manner in which commercial advertising could be distributed.”<sup>142</sup> “*The case obviously does not support any sweeping proposition that advertising is unprotected per se.*”<sup>143</sup>

This proposition was not obvious at all to the dissenting Justices. In a dissent written by Justice Rehnquist, in which Justice White concurred, Rehnquist argued that, contrary to the majority’s interpretation, *Chrestensen* had heretofore stood for the proposition that the exclusion of commercial speech from First Amendment protection was, if not total, at least broad enough to encompass regulation of the sort Virginia sought to enforce.<sup>144</sup> The majority, Rehnquist wrote, did not “confront head-on the question which” the case posed but instead made “contact with it only in a series of verbal sideswipes.”<sup>145</sup>

Because the *Bigelow* decision came so closely on the heels of the Court’s landmark decision in *Roe v. Wade*,<sup>146</sup> it was initially unclear to observers whether the decision rested on the content of the ad, that is, whether it was the fact that the ad was for abortion services that justified

---

137. *Bigelow v. Virginia*, 421 U.S. 809 (1975).

138. *Id.* at 812.

139. *Id.* at 812–13.

140. *Id.* at 829.

141. *Id.* at 818.

142. *Id.* at 819.

143. *Id.* at 820 (emphasis added).

144. *Id.* at 830–32 (Rehnquist, J., dissenting).

145. *Id.* at 829–30.

146. 410 U.S. 113 (1973).

the decision or whether it reflected a more general turn to offer greater protection for commercial speech. The former proposition seemed likely to some, but this interpretation would seem to violate the precept that First Amendment protection should not vary on the basis of content. As the dissent noted, “we have always refused to distinguish for First Amendment purposes on the basis of content . . . .”<sup>147</sup>

Yet, the majority opinion explicitly stated: “We need not decide in this case the precise extent to which the First Amendment permits regulation of advertising that is related to activities the State may legitimately regulate or even prohibit.”<sup>148</sup> Like *Bigelow*, both the *New York Times v. Sullivan* and the *Pittsburgh Press* cases clearly involved civil rights issues that had economic aspects and so were also not clearly just commercial.

### *B. Hooked: The Commercial Speech Doctrine Born*

All doubts about whether *Bigelow* signaled more expansive protection for commercial speech were dispelled a year later with the decision that is often credited for creating the commercial speech doctrine, one that ironically also involved pharmacies and prescription drugs—*Virginia State Board of Pharmacy v. Virginia Consumers Citizens Council, Inc.* [hereinafter *Virginia Pharmacy*].<sup>149</sup> There, a consumers’ group challenged a Virginia law that prohibited pharmacies from engaging in price advertising.<sup>150</sup> The State defended the law on the grounds that permitting price advertising might lead pharmacies to engage in price wars that could decrease pharmacies’ profit margins, possibly leading them to cut back on services to consumers.<sup>151</sup> Since accurate and complete information about prescription drugs could have an obvious impact on public health, the State argued that good service, for example, in the form of individualized attention from pharmacists, was of sufficient importance to warrant suppression of price advertising.<sup>152</sup>

The Court disagreed. Instead it found that, “[a]s to the particular consumer’s interest in the free flow of commercial information, that interest may be as keen, if not keener by far, than his interest in the day’s most urgent political debate.”<sup>153</sup> And it unequivocally announced that commercial speech enjoyed First Amendment protection.<sup>154</sup> This

---

147. *Bigelow*, 421 U.S. at 831 (Rehnquist, J., dissenting).

148. *Id.* at 825 (majority opinion).

149. 425 U.S. 748 (1976).

150. *Id.* at 753–54.

151. *Id.* at 767–68.

152. *Id.*

153. *Id.* at 763.

154. *Id.* at 770.

announcement tracked, almost to the letter, the recommendations made five years earlier by Professor Redish. However, as in that early Redish article, the Supreme Court spent almost none of its discussion justifying this new protection for commercial speech on the basis of the *speaker's* interests. Instead, the Court focused almost exclusively<sup>155</sup> on the benefits of freedom for truthful commercial speech for the *listeners*.

This focus on the consumer's interest highlighted a curious aspect of the case. The case was brought by *consumers*, not pharmacists, and thus did not engage with the question of the speakers' interests.<sup>156</sup> Therefore, there was a serious question as to whether the consumer group had standing to challenge the statute since the Virginia law did not prohibit *consumers* from publishing information about prescription drug prices, just pharmacies.<sup>157</sup> Indeed, a good deal of the opinion is given over to discussing this standing issue and then analyzing the question from the perspective of the listeners.

Advertising, however tasteless and excessive it sometimes may seem, is nonetheless dissemination of information as to who is producing and selling what product, for what reason, and at what price. So long as we preserve a predominantly free enterprise economy, the allocation of our resources in large measure will be made through numerous private economic decisions. *It is a matter of public interest that those decisions, in the aggregate, be*

---

155. The Court actually assumed away the very question that might be said to have been before it—whether commercial speakers have a First Amendment right to speak—since the Court assumes, without offering any rationale, that “of course” speakers have these rights, and if speakers do, so must listeners. That “of course” does not necessarily reflect that speakers' rights have *precedence* over listeners, rather only that the concept of listeners possessing cognizable First Amendment rights was a somewhat more novel and perhaps controversial proposition at the time. This sleight of hand was assisted by the fact that it was the consumers who were bringing the suit, and thus, there was a standing problem. As the Court noted, the earlier precedent did not unequivocally establish protection for commercial speech. Indeed, *Chrestensen* did the opposite. But in order to *get* to the listeners, the Court apparently seemed to believe it had to find a right for speakers. It did so not by analysis or exploration of the arguments for and against protecting commercial speech on behalf of speakers, but simply by fiat, announcing it had found such a right even though, arguably, the existence of such a right was precisely the question before the Court. The remainder of the opinion is devoted to outlining why *listeners* might have a protectable First Amendment right as well, and the entire argument for justifying protection for commercial speech is written from the perspective of the listeners. For an early discussion of this aspect of the case, see Jackson & Jeffries, *supra* note 6, at 6, 16–17, 25. Of particular note is the authors' observation that the listeners' interest in hearing price advertising constituted “[a] more potent consideration” than that of the pharmacists to advertise. *Id.* at 25.

156. See Alan B. Morrison, *How We Got the Commercial Speech Doctrine: An Originalist's Recollections*, 54 CASE W. RES. L. REV. 1189 (2004).

157. *Virginia Pharmacy*, 425 U.S. at 782 (Rehnquist, J., dissenting).

*intelligent and well informed.* To this end, the free flow of commercial information is indispensable.<sup>158</sup>

These were the Court's justifications for offering expanded protection to commercial speech: the consumer's interest in commercial information; the notion that consumer decisions might be more personal, more relevant to their self-fulfillment in their everyday lives than political speech; the relentless focus on the listeners' interests and the proposal that listeners had cognizable rights under the First Amendment to receive information as much as speakers had to speak; and the proposition that good decisions were related to good information, and since advertising provided at least some information, it therefore aided good decision-making and could be said to supply a public benefit.<sup>159</sup> All these arguments were raised by Redish in his 1971 article.<sup>160</sup>

There was, however, at least one critical difference between the arguments set forth by the Court and those offered by Redish. Although Redish had acknowledged in passing, without much elaboration, that his proposal would not eliminate the government's ability to regulate false commercial speech,<sup>161</sup> the Court in *Virginia Pharmacy*, perhaps because it was moving out of the realm of theory and into the creation of actual law, was at some pains to make clear how governmental regulation of commercial speech could essentially continue, if not as before, certainly without losing anything essential. In footnote 24 the Court noted:

In concluding that commercial speech enjoys First Amendment protection, we have not held that it is wholly undifferentiable from other forms. There are commonsense differences between speech that does "no more than propose a commercial transaction," . . . and other varieties. Even if the differences do not justify the conclusion that commercial speech is valueless, and thus subject to complete suppression by the State, *they nonetheless suggest that a different degree of protection is necessary to insure that the flow of truthful and legitimate commercial information is unimpaired.* The truth of commercial speech, for example, may be more easily verifiable by its disseminator than, let us say, news reporting or political commentary, in that ordinarily the advertiser seeks to disseminate information about a specific product or service that he himself provides and presumably knows more about

---

158. *Id.* at 765 (majority opinion) (emphasis added).

159. *Id.* at 763–69.

160. Redish, *supra* note 94.

161. *Id.* at 462.

than anyone else. Also, commercial speech may be more durable than other kinds. Since advertising is the *sine qua non* of commercial profits, there is little likelihood of its being chilled by proper regulation and forgone entirely.

Attributes such as these, the greater objectivity and hardness of commercial speech, *may make it less necessary to tolerate inaccurate statements for fear of silencing the speaker. . . .* They may also make it appropriate to require that a commercial message appear in such a form, or include such additional information, warnings, and disclaimers, as are necessary to prevent its being deceptive. . . . They may also make inapplicable the prohibition against prior restraints.<sup>162</sup>

Footnote 24 makes unequivocal at least two points relevant to the Court’s most recent decision in *Sorrell*: first, that *as conceived*, the protection that the Court was extending in *Virginia Pharmacy* was more limited than that given to fully protected speech<sup>163</sup> and would require a content-based inquiry into whether speech was commercial before applying this new intermediate level of scrutiny; and second, that this intermediate level of scrutiny was not merely *permissible*, it was “*necessary*.” The *Sorrell* Court’s content-neutrality analysis is completely at odds with both of these limiting principles.

Justice Rehnquist wrote a dissent to the *Virginia Pharmacy* majority opinion. He thought this decision, “which elevates commercial intercourse between a seller hawking his wares and a buyer seeking to strike a bargain

---

162. *Virginia Pharmacy*, 425 U.S. at 771 n.24 (emphasis added) (citations omitted).

163. In yet more evidence that the Supreme Court is making stealthy inroads on *Virginia Pharmacy* there was a curious citation to it in the 2012 decision in the “Stolen Valor” case. *United States v. Alvarez*, 132 S. Ct. 2537 (2012). In *Alvarez* the Court struck down a statute which made it a crime to lie about being a Medal of Honor recipient on the grounds that the statute regulated content and thus was subject to a strict scrutiny review which it did not survive. Brushing aside previous case law in which the Court had suggested that false speech had no First Amendment value, Justice Kennedy, writing for the majority, observed that the First Amendment must sometimes protect some false speech, citing *Sullivan*. *Id.* at 2545. Just before that observation he reviewed the precedent which described the various categories of speech which had traditionally constituted exceptions to the content neutrality requirement. *Id.* at 2544–45. In a string cite of these cases which included the usual references to “fighting words” (*Chaplinsky v. New Hampshire*, 315 U.S. 568 (1942)) and “obscenity” (*New York v. Ferber*, 458 U.S. 747 (1982)), among others, Justice Kennedy offers the following category: “fraud, see *Virginia Bd. of Pharmacy v. Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748, 771 (1976) . . . .” *Id.* at 2544. In the past, the words “commercial speech” would have appeared where Justice Kennedy put the word “fraud.” Thus, with a few keystrokes the holding in *Virginia Pharmacy* is reduced to the proposition that the government may regulate fraud. This is manifestly not the case. What was distinctive about *Virginia Pharmacy* was that it established some limited First Amendment protection for truthful commercial speech while reaffirming the government’s authority to regulate even truthful speech if it met the intermediate scrutiny test. A commercial speech doctrine reduced to the proposition that the First Amendment does not protect fraud is one that is vanishingly small if it exists at all.

to the same plane as has been previously reserved for the free marketplace of ideas,”<sup>164</sup> was likely to have “far reaching” consequences that the majority did not, perhaps, sufficiently appreciate.<sup>165</sup> Moreover, he was not persuaded by the argument that the public interest in information in a free market necessarily meant this interest was of a constitutional dimension:

While there is again much to be said for the Court’s observation [about the preservation of a properly functioning free market] as a matter of desirable public policy, *there is certainly nothing in the United States Constitution which requires the Virginia Legislature to hew to the teachings of Adam Smith in its legislative decisions regulating the pharmacy profession.*<sup>166</sup>

In Justice Rehnquist’s view, the argument that the First Amendment protected the right to receive information as well as to disseminate it was related to protection for political, social, and artistic expression and matters of public concern, not purely private ones. “It is undoubtedly arguable that many people in the country regard the choice of shampoo as just as important as who may be elected to local, state, or national political office, *but that does not automatically bring information about competing shampoos within the protection of the First Amendment.*”<sup>167</sup> He predicted that the Court’s new interpretation would be difficult to cabin and might well be used to challenge the laws regulating the professions, the sale of securities, cigarettes, alcohol, and other products the promotion of which, like prescription drugs, the government had legitimate interests in regulating.<sup>168</sup>

Rehnquist’s concerns would prove him prescient, but it would take some time for the seeds planted by *Virginia Pharmacy* to give rise to *Citizens United* and, ultimately, to *Sorrell*.

### C. *The Central Hudson Test*

Four years after the *Virginia Pharmacy* decision, the Court elaborated on the contours of its newly created doctrine by articulating a test that the Court said applied to regulations of commercial speech. In *Central Hudson Gas & Electric Corp. v. Public Service Commission of New York*,<sup>169</sup> the utility company challenged the constitutionality of a regulation that

---

164. *Id.* at 781 (Rehnquist, J., dissenting).

165. *Id.*

166. *Id.* at 784 (emphasis added).

167. *Id.* at 787 (emphasis added).

168. *Id.* at 789.

169. 447 U.S. 557 (1980).



prohibited promotional advertising by the utility. New York sought to decrease consumption of electricity in the interest of energy conservation.<sup>170</sup> The utility objected that the prohibition violated its constitutional rights.<sup>171</sup> In this case, unlike in *Virginia Pharmacy*, it was the speaker who was raising the challenge. And, once again, the Court struck down the regulation in question, but this time it did so while providing a more detailed template for analyzing future commercial speech cases.

In order for a questioned regulation to survive a First Amendment challenge under the commercial speech doctrine the Court said four elements of the regulation must be assessed.

At the outset, we must determine whether the expression is protected by the First Amendment. For commercial speech to come within that provision, it at least must concern lawful activity and not be misleading. Next, we ask whether the asserted governmental interest is substantial. If both inquiries yield positive answers, we must determine whether the regulation directly advances the governmental interest asserted, and whether it is not more extensive than is necessary to serve that interest.<sup>172</sup>

Once again, the decision was not unanimous. As before, Justice Rehnquist felt the majority had been insufficiently deferential to legitimate state interests. Although he conceded that *Virginia Pharmacy* was now the law and was prepared to accept the new test the Court had devised in *Central Hudson*, he disagreed with its application of that test to the facts in this case.<sup>173</sup> In declining to give more deference to the Commission’s determination of how to best address its energy conservation goals, Justice Rehnquist believed the majority had revived the discredited *Lochner*-era approach to economic regulation.<sup>174</sup> And he reiterated his view that in creating the commercial speech doctrine, the Court had opened a “Pandora’s box.”<sup>175</sup>

This time, however, Rehnquist was not alone in disagreeing with the majority; except that far from thinking the Court had been too generous in granting First Amendment status to this speech, these other Justices argued

---

170. *Id.* at 559.

171. *Id.* at 560.

172. *Id.* at 566.

173. *Id.* at 583 (Rehnquist, J., dissenting).

174. *Id.* at 589.

175. *Id.* at 598 (Rehnquist, J., dissenting). This concern was also raised by two of *Virginia Pharmacy*’s most trenchant critics, Professors Jackson and Jeffries. See Jackson & Jeffries, *supra* note 6, at 30–31 (“In short, the Supreme Court has reconstituted the values of *Lochner v. New York* as components of freedom of speech.”).

that the majority had not been generous *enough* and should have applied a stricter standard. Justices Brennan and Stevens thought that the line between commercial and non-commercial speech presented in the case was blurrier than the majority suggested, and they argued that perhaps this should not have been a commercial speech case at all.<sup>176</sup> Justice Blackmun wrote that the Public Service Commission's regulation was "a covert attempt by the State to manipulate the choices of its citizens, not by *persuasion or direct regulation, but by depriving the public of the information needed to make a free choice.*"<sup>177</sup>

Once again we see this trope of concern for decision-makers having the information they need to make decisions even if one is hard-pressed to identify the informational aspects of commercial propaganda.<sup>178</sup> Rather than probe this question, the Court seemed content to work with a very loose definition of "information."<sup>179</sup> So even though the claim was raised by the commercial speaker, the arguments in favor of protecting the speech continued to focus on the ways in which freedom for the speaker meant—as the majority saw it—freedom for the listener as well.

---

176. See *Central Hudson*, 447 U.S. at 572–73 (Brennan, J., concurring in the judgment); *id.* at 579 (Stevens, J., concurring in the judgment).

177. *Id.* at 574–75 (Blackmun, J., concurring in the judgment) (emphasis added).

178. I use the word "propaganda" because I mean to encompass far more than mere advertising in referring to commercial persuasion. This is in contrast to the proposition that the term "commercial speech" is synonymous with the term "advertising." Jackson & Jeffries, *supra* note 6, at 1 (equating commercial speech with "business advertising"). And although in common parlance the word "propaganda" is often used as if it invariably entails untrue or unfair methods, I don't think that is accurate. The term may be properly used any time one is referring to attempts to persuade versus attempts to inform. See EDWARD BERNAYS, PROPAGANDA (1928). Of course there isn't a neat or easy division between information and persuasion, and most communication may have a persuasive element. What distinguishes commercial speech and (to my mind at least) warrants the label "propaganda" is that, for a commercial firm touting itself or its wares, there is no internal norm or public expectation that what is issued from the commercial firm is to be unbiased or complete. It is expected that the seller of a product will say only positive things about that product. This is not the case with scholarship, journalism, and judicial opinions, to offer only a few examples. How the norms of the marketplace have so suffused all communication such that we tend to think it normal for journalists to have a "slant," government to be "an interest group," and the very existence of impartial sources to be distrusted is sufficiently complicated a topic as to warrant a separate article or book on its own, and so, I cannot adequately explore it here. There is undoubtedly no completely unbiased form of communication. This is not to say, however, that there is no difference between those forms of communication that have at least pretensions to objectivity and those which are not even nominally bound by such pretensions. Marketing in its various forms, including public relations, is not, I submit, even nominally bound by the sorts of internal norms that supposedly bind attorneys as zealous advocates, for example, to acknowledge and distinguish contrary authority. Instead, it is unequivocally one-sided. That, I think, makes the term propaganda warranted.

179. It turns out that industry has very asymmetrical notions of what constitutes "information." Although their own promotional speech is justified as "information," in the case attacking the FDA's graphic warning labels, the tobacco companies successfully argued these graphic pictures are meant as persuasion, not as information intended to support informed choice and therefore the rule requiring the companies to carry these "messages" was unconstitutional. *R.J. Reynolds Tobacco Co. vs. U.S. Food & Drug Admin.*, 845 F. Supp. 2d 266 (D.D.C. 2012), *vacated*, Nos. 11–5332, 12–5063, 2012 WL 3632003 (D.C. Cir. Aug. 24, 2012).

There was little discussion of the expressive interests of the speaker, and this is no surprise. The usual speaker-oriented arguments for protecting freedom of expression, which rely on notions of the importance of autonomy, of the importance of using and developing one’s rational faculties, and of the importance of self-determination, have little or no resonance with respect to a corporation. A corporation is a legal fiction, not a living thing. It does not, itself, have such needs. As one observer put it:

The barely intelligible idea that corporations could have independent rights of their own, apart from the interests of affected persons, might be suggested by judicial decisions establishing that corporations are persons for various legal purposes. But this manner of speaking does not mean that corporations have feelings, interests in self-expression, or other characteristics of human beings that make them persons.<sup>180</sup>

*Central Hudson* became a key marker in the development of the doctrine. From that time to this, *Central Hudson* has remained the controlling test for assessing challenged regulations of commercial speech. At the time it was announced, and for several years afterwards, it appeared to genuinely constitute an intermediate scrutiny test—that is to say, from time to time some governmental regulations would survive review.<sup>181</sup> Over time, the test has been applied in a manner closer to strict scrutiny.<sup>182</sup> However, even as the Court became increasingly skeptical of governmental regulations of commercial speech, preservation of the *Central Hudson* framework reinforced the notion that the regulation of commercial speech was subject to a distinct and at least nominally less rigorous level of scrutiny than that of other protected speech—a proposition which is at some odds with the *Sorrell* Court’s content-neutrality analysis. Yet, a

---

180. Tom Bennigson, *Nike Revisited: Can Commercial Corporations Engage in Non-Commercial Speech?*, 39 CONN. L. REV. 379, 398–99 (2006). Similar objections are raised in conjunction with the *Citizens United* decision. See, e.g., Robert Weissman, *Let the People Speak: The Case for a Constitutional Amendment to Remove Corporate Speech from the Ambit of the First Amendment*, 83 TEMP. L. REV. 979 (2011).

181. Another way of describing the standard was that the Court had characterized commercial speech as “low value” speech and thus subject to intermediate scrutiny or balancing instead of speech designated as “high value.” See Stone, *supra* note 72, at 194–97; Sunstein, *supra* note 74. For critiques of the high value/low value distinction, see Alexander, *supra* note 80; Steven G. Gey, *The First Amendment and the Dissemination of Socially Worthless Untruths*, 36 FLA. ST. U. L. REV. 1 (2008).

182. Vladeck, *supra* note 6 at 1055–59. Even before *Sorrell* it seemed fair to say that, as a practical matter, the *Central Hudson* test was intrinsically flawed since prongs (3) and (4) of the test are in tension with one another. Regulation that is effective under prong (3) is likely to be deemed overbroad under prong (4). On the other hand, if regulators attempt to create a law with narrow application to avoid prong (4), there is a substantial likelihood that it will not survive the prong (3) test for effectiveness.

persistent problem has been uncertainty about what made speech “commercial.”

*D. The Content Problem: What Makes Speech “Commercial”?*

The *Central Hudson* test starts out with a problem. And it is a content problem. The first prong under the test is whether the speech “concern[s] lawful activity” and is not misleading.<sup>183</sup> This is a requirement for the doctrine to apply. Thus, untruthful or misleading commercial speech is not protected at all, nor is commercial speech about a product that is illegal. However, the fact that speech is truthful does not make it “commercial.” And it could not be the case that speech concerning an unlawful activity, for example arguments to legalize marijuana use, would be prohibited by the First Amendment. So there must be some quality by which courts identify and distinguish commercial from non-commercial speech: a distinction that is obviously content-based. Yet, in establishing the doctrine, the Supreme Court in *Virginia Pharmacy* did not provide a very clear definition of what made speech “commercial,” and subsequent decisions did not prove much more illuminating.<sup>184</sup>

The *Virginia Pharmacy* majority thought there were “commonsense” differences, but it did not elaborate on what those differences might be. Yet the difference is (was) critical.<sup>185</sup> As noted above, very early into the development of the new commercial speech doctrine, Professor Steven Shiffrin observed that there was a serious definitional problem.

Each commercial speech case the Court has considered has involved advertising or the proposal of a commercial transaction, and almost all of the commentators have looked at the “commercial speech” problem through the lens of commercial advertising. The collective myopia has distorted something quite important: the commercial speech that has been beneath the protection of the first

---

183. *Cent. Hudson Gas & Elec. Corp. v. Pub. Serv. Comm’n of N.Y.*, 447 U.S. 557, 566 (1980).

184. The Court *has* said that government may “distinguish between the relative value of different categories of commercial speech” when such distinctions would not be permissible as to noncommercial speech, thereby suggesting that content neutrality is not as important in commercial speech. *Metromedia, Inc. v. City of San Diego*, 453 U.S. 490, 514 (1981). *See also* *Young v. Am. Mini Theatres, Inc.*, 427 U.S. 50, 68 (1976) (“We have also made it clear . . . that the content of a particular advertisement may determine the extent of its protection.”).

185. For a discussion of the importance of definition, see Erwin Chemerinsky & Catherine Fisk, *What is Commercial Speech? The Issue Not Decided in Nike v. Kasky*, 54 CASE W. RES. L. REV. 1143 (2004); James Weinstein, *Speech Categorization and the Limits of First Amendment Formalism: Lessons From Nike v. Kasky*, 54 CASE W. RES. L. REV. 1091 (2004); Nat Stern, *In Defense of the Imprecise Definition of Commercial Speech*, 58 MD. L. REV. 55, 83–87 (1999) (summarizing critiques).

amendment for all these years has not been confined to commercial advertising.<sup>186</sup>

Indeed, he wrote, advertising and, more generally, speech that proposes a commercial transaction is “only the tip of the iceberg.”<sup>187</sup> That iceberg contains a very large body of law regulating what companies can say to their shareholders, what issuers of securities can say to the public, and what employers can say to their employees in the face of union organizing activities, antitrust laws, laws regulating lobbying, and a “host of government regulations.”<sup>188</sup>

The definition the Supreme Court offered for commercial speech in *Virginia Pharmacy* was one it had previously floated in the *Pittsburgh Press* case: “speech that does ‘no more than propose a commercial transaction.’”<sup>189</sup> That definition was extremely narrow and was later supplemented (although subsequent commentators sometimes neglect to mention this) in *Bolger v. Youngs Drug Products Corp.*<sup>190</sup> In *Bolger*, the Court expanded the definition to cover materials that did more than merely propose a commercial transaction. *Bolger* involved a pamphlet that discussed the role of condoms in preventing sexually transmitted diseases. The pamphlet mixed promotional material with a discussion of a matter of public concern.

This was the tactic that the plaintiff in *Valentine v. Chrestensen* had used to no effect when trying to insulate his flyers from treatment as mere advertising. Of course, in light of *Virginia Pharmacy*, even purely commercial speech would not be deprived of all protection because of its commercial character. But, it remained to be seen whether, after *Virginia Pharmacy*, the inclusion of some discussion of a matter of public concern would deprive the speech of its commercial character and, thus, entitle it to enhanced protection under a strict scrutiny standard, or whether even the inclusion of some *non*-promotional material would fail to completely overshadow its commercial character such that the intermediate scrutiny standard would still apply.

The *Bolger* Court opted for the latter approach: “*Because the degree of protection afforded by the First Amendment depends on whether the activity sought to be regulated constitutes commercial or noncommercial speech, we must first determine the proper classification of the mailings at*

---

186. Shiffrin, *supra* note 71, at 1213 (footnotes omitted).

187. *Id.* at 1214.

188. *Id.* at 1214–15.

189. *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 772 n.24 (1976) (quoting *Pittsburgh Press Co. v. Pittsburg Comm’n on Human Relations*, 413 U.S. 376, 385 (1973)).

190. 463 U.S. 60 (1983).

issue here.”<sup>191</sup> It noted, citing *New York Times v. Sullivan*, that although the fact that the pamphlet was (1) concededly an advertisement, that fact would not be enough to render it commercial speech.<sup>192</sup> However, the combination of that fact along with (2) a reference to a product and (3) an economic motivation on the part of the speaker could support a finding that the pamphlet was properly categorized as commercial speech.<sup>193</sup>

So, although the Court ultimately held that the brochure in question was protected speech, it came to that conclusion only after it had defined the speech as “commercial” and then applied the *Central Hudson* intermediate scrutiny test for commercial speech.<sup>194</sup> It did not apply the strict scrutiny test that would have been applicable if the brochure was fully protected speech under the First Amendment. Indeed, the entire exercise of parsing the brochure to determine what sort of speech it contained would have been nonsensical if the Court thought that content was irrelevant.

Around 1993, the Supreme Court began interpreting the *Central Hudson* test more rigorously, and the notion of content-neutrality made its first appearance in a doctrine that, by definition, presupposed the propriety of a content-based distinction between commercial and noncommercial protected speech. The case was *City of Cincinnati v. Discovery Network, Inc.*<sup>195</sup> There, the Court struck down an attempt to regulate the presence of news racks containing commercial flyers differently than those containing traditional newspapers.<sup>196</sup> Here, perhaps, is the first intimation that singling out commercial speech for different treatment on the basis of its commercial content might run afoul of the First Amendment—even though the doctrine is predicated on such a distinction.

Nevertheless, the Court cautioned that its holding was “narrow.”<sup>197</sup> Justice Stevens, writing for the majority, noted, “we do not reach the question whether, given certain facts and under certain circumstances, a community might be able to justify differential treatment of commercial and noncommercial newsracks.”<sup>198</sup> Rather, the Court held that:

[i]n the absence of some basis for distinguishing between “newspapers” and “commercial handbills” that is relevant to an interest asserted by the city, we are unwilling to recognize Cincinnati’s bare assertion that the “low value” of commercial

---

191. *Id.* at 65 (emphasis added).

192. *Id.* at 66.

193. *Id.* at 67.

194. *Id.* at 66–75.

195. 507 U.S. 410 (1993).

196. *Id.* at 430–31.

197. *Id.* at 428.

198. *Id.*

speech is a sufficient justification for its selective and categorical ban on newsracks dispensing “commercial handbills.”<sup>199</sup>

The *Discovery Network* opinion asserted that the commercial/noncommercial distinction bore “no relationship *whatsoever* to the particular interests that the city has asserted.”<sup>200</sup>

Although *Discovery Network* appears to have introduced this content-neutrality concept into the commercial speech context, it was in a more modest form than that adopted in *Sorrell*. Content neutrality is brought in at the end of the analysis after applying the *Central Hudson* test. Indeed, Justice Blackmun wrote a concurring opinion because he wished to urge the Court to dispense with *Central Hudson* on the grounds that it offered “insufficient protection for truthful, noncoercive commercial speech concerning lawful activities.”<sup>201</sup>

In contrast, in *Sorrell*, content neutrality is the first and most critical inquiry, with *Central Hudson* bringing up the rear. And Vermont had offered far more than a “bare assertion” that data mining for marketing purposes was “low value.” Its reasons for enacting the law had a demonstrable connection between the law and the state’s interest in reducing health care costs by encouraging the prescribing of generic drugs. We know that because the sellers’ eagerness for the data arose directly from its connection to the successful promotion of brand name drugs. So how did we get from the *Discovery Network*’s conception of content-neutrality to *Sorrell*’s?

The answer is hinted at in the references to commercial speech as “low value” speech that litter the opinions of the majority and concurring opinions. The implication is that designating something as “low value” is offensive in some way, particularly when the listeners may find it valuable. There is a studied disapproval of what sounds like discriminatory or paternalistic judgments with respect to what constitutes high versus low value speech. This disapproval is the content-focused aspect that can be referred to as “the equality principle” in the First Amendment jurisprudence.

That equality principle had its roots in a completely different context—the Civil Rights Movement. But, its importation into the commercial and corporate speech contexts was to have far-reaching consequences. It would represent the “switch” in the focus of the commercial speech doctrine. From the moment it was introduced, it began to pave the way for an increasingly robust right for commercial speakers, one that would

---

199. *Id.* at 443.

200. *Id.* at 424.

201. *Id.* at 431 (Blackmun, J., concurring).

subordinate the interests of the listeners, which had justified the doctrine in the first place, and would mean that, when challenged, the government would have to overcome increasingly high hurdles to justify regulation of marketing.

#### V. “SWITCH”: THE SHIFT TO THE SPEAKER

Five years after Redish published his seminal article, the Court announced the commercial speech doctrine, and as the 20th century advanced, what might be called the “commercial equality” position picked up legitimacy and steam.<sup>202</sup> By the early 1990s, there was a noticeable uptick in the publication of articles in law reviews that argued for greater, or even full, First Amendment protection for commercial speech or corporate speech.<sup>203</sup> This was matched by an increase in hostility in the Supreme Court toward governmental attempts to regulate commercial speech. And, in both areas, the rhetoric shifted *away* from consumer/listener-oriented arguments and *toward* content-discrimination

202. Interestingly, what was most noticeable early on was that those who would have typically been identified as “liberal” or “progressive” were no longer as willing to treat the First Amendment or rights language as sacred cows. See J.M. Balkin, *Some Realism About Pluralism: Legal Realist Approaches to the First Amendment*, 1990 DUKE L.J. 375 (1990). Professor Balkin presciently observed that “conservative forces soon will overtake and appropriate the libertarian approach to first amendment law that progressives have used so effectively in the past.” *Id.* at 386.

203. The argument has been forcefully made that all expression by a commercial entity is, by definition, “commercial speech.” See Bennigson, *supra* note 180. The list of articles arguing for expanded protection for commercial speech includes Redish’s 1971 article, *supra* note 94, as well as the following articles (although this is by no means an exhaustive list): Developments in the Law—Corporations and Society, *Free Speech Protections for Corporations: Competing in the Markets of Commerce and Ideas*, 117 HARV. L. REV. 2272 (2004); Kozinski & Banner, *supra* note 6; Charles H. Moellenberg & Leon F. DeJulius, Jr., *Second Class Speakers: A Proposal to Free Protected Corporate Speech from Tort Liability*, 70 U. PITT. L. REV. 555 (2009); Neuborne, *supra* note 6; Larry E. Ribstein, *Corporate Political Speech*, 49 WASH. & LEE L. REV. 109 (1992); Rodney A. Smolla, *Information, Imagery, and the First Amendment: A Case for Expansive Protection of Commercial Speech*, 71 TEX. L. REV. 777 (1993); Symposium, *Commercial Speech and the First Amendment*, Remarks by Michael Gartner, 56 U. CIN. L. REV. 1173 (1988); Daniel E. Troy, *Advertising: Not “Low Value” Speech*, 16 YALE J. ON REG. 85 (1999).

Interestingly, many of the articles supporting this viewpoint were written by attorneys in private practice, some of whom focus their practices on precisely these issues. While there is nothing particularly sinister about that, it raises another issue—the distortion in the “marketplace of ideas” that may arise from an imbalance of resources and incentives where some have both the means and a keen financial interest in shaping the law. One way to do that (or attempt to do it) is to “seed” the academic literature. See, e.g., Shireen A. Barday, Notes, *Punitive Damages, Remunerated Research, and the Legal Profession*, 61 STAN. L. REV. 711 (2008); Lee Epstein & Charles E. Clarke, Jr., *Academic Integrity and Legal Scholarship in the Wake of Exxon Shipping*, Footnote 17, 21 STAN. L. & POL’Y REV. 33 (2010); Thomas O. McGarity, *A Movement, a Lawsuit, and the Integrity of Sponsored Law and Economics Research*, 21 STAN. L. & POL’Y REV. 51 (2010). Because in the past there was no well-developed norm about financial disclosures, law reviews may be particularly vulnerable to being used this way. For a discussion of how the the “marketplace of ideas” metaphor obscures important differences between the search for truth and Pareto optimality in the market for goods and services, see Alvin I. Goldman & James C. Cox, *Speech, Truth, and the Free Market for Ideas*, 2 LEGAL THEORY 1 (1996).



arguments for protecting commercial speech. Tellingly, little rhetorical firepower was expended to make arguments grounded on a strong speaker’s rights theory for the speaker’s right, *as a speaker*, to “express” himself. Even this newer focus on content owed much of its persuasiveness to arguments about the social benefits of hearing all views expressed.

#### *A. The Equality Principle in Freedom of Expression*

As everyone knows, the 50s and 60s, the period that preceded *Virginia Pharmacy*, saw the momentous changes wrought by the Civil Rights Movement. It was a dramatic time. America was also embroiled in a war in Vietnam, and a vigorous movement had arisen to protest it. The Women’s Rights Movement was beginning (once again) to make its political influence felt, this time not merely on the issue of suffrage for women but on issues of reproductive freedom, equal pay, and freedom from sexual coercion and harassment. And again, in the course of both of these movements, lives were lost (Kent State) and protestors often experienced violence from the opposition or official violence in the form of arrest. The social and legal consequences of these movements for equal justice were vivid and salient in the mid-70s.

Then, as now, many people associated the First Amendment with these movements and protests. Civil rights and the First Amendment went together. The Civil Rights Movement gave rise to several important First Amendment cases in which civil liberties claims intertwined with economic claims (such as jobs listings in the classified ads) or commercial means of distribution (newspaper advertising). In many instances, arguments for equal protection under the law seemed to merge seamlessly into arguments for protecting freedom of speech. Scholars argued that the First Amendment encompassed equal protection or “equal liberty” to speak.<sup>204</sup> This work, and the cases which adopted this framework, would provide the rhetorical framework at the heart of the reasoning in *Sorrell*. One of the most eloquent advocates of this equal liberty argument was Professor Kenneth Karst.<sup>205</sup>

Professor Kenneth Karst and others argued that the First Amendment necessarily contained an equal protection justification: that the principle of protection for freedom of expression must have at its core the notion that freedom of speech was only achieved if that freedom was shared by all.<sup>206</sup> “The principle of equality, when understood to mean equal liberty, is not

---

204. See *infra* note 205.

205. Karst, *supra* note 127, at 21.

206. *Id.*

just a peripheral support for the freedom of expression, but rather part of the ‘central meaning of the First Amendment,’”<sup>207</sup> Karst wrote.

Like Professor Redish before him, Professor Karst constructed an impassioned argument for this equal liberty proposition predicated on philosophical and political commitments to the importance of informed choice by citizens in the search for truth “to permit each person to develop and exercise his or her capacities, thus promoting the sense of individual self-worth.”<sup>208</sup> And he showed particular skepticism for what he called (after Professor Kalven) the “two-level” theory of speech, a theory in which some speech is deemed wholly outside the protection of the First Amendment.<sup>209</sup> This theory, he thought, was justifiably on its way out. Yet, he observed that “[o]ne last area where an offspring of the two-level theory survived *longer than it deserved* is the area of advertising and ‘commercial speech.’”<sup>210</sup> “Just as the prohibition of government-imposed discrimination on the basis of race is central to equal protection analysis,” he claimed, “protection against governmental discrimination on the basis of speech content is central among first amendment values.”<sup>211</sup>

When Professor Karst wrote this article, however, the commercial speech doctrine itself was still a year away even though there had been, as noted above, a few rumblings about protection for commercial speech. At the time, the high value/low value debate seemed largely to revolve around the pornography issue.<sup>212</sup> So, it seems unlikely Karst intended to argue that a host of regulatory institutions, ones considered legitimate for decades,

207. *Id.* (citing *New York Times v. Sullivan*, 376 U.S. 254, 273 (1964) and Harry Kalven, Jr., *The New York Times Case: A Note on “The Central Meaning of the First Amendment,”* 1964 SUP. CT. REV. 191 (1964)).

208. *Id.* at 23.

209. *Id.* at 30–35. Another way of expressing this is as “low value” versus “high value” speech. *See supra* note 72.

210. Karst, *supra* note 127, at 33 (emphasis added). He goes on to call this a “darkened . . . corner of the first amendment until very recently.” *Id.* He then discusses several of the cases discussed in the next Part, praising some as upholding the equality principle and criticizing others as inconsistent with it. Yet, what is clear from the nature of the cases is that not one of them raised the questions that are raised today under the banner of this equality principle—namely, whether marketing itself (not the particular product or message but *all* marketing) is a “viewpoint” such that governmental regulation can be said to offend content neutrality where it attempts to regulate it. *Id.* at 29–35. For a discussion of the distinction between content-based versus viewpoint-based restrictions, see Stone, *supra* note 72.

211. Karst, *supra* note 127, at 35. Some distinguished scholars have disputed this claim that content neutrality has any place in First Amendment analysis of commercial speech. *See* Robert C. Post, *The Constitutional Status of Commercial Speech*, 48 UCLA L. REV. 1, 49 n.222 (2000–01) (“[T]he distinction has virtually no application within the domain of commercial speech, where most regulation is content based.”).

212. *See, e.g.,* *Young v. Am. Mini Theatres, Inc.*, 427 U.S. 50, 88 (1976) (Stewart, J., dissenting) (noting with respect to the Court’s upholding a zoning regulation of adult theaters that rigorous enforcement of the First Amendment may protect “speech that seems to be of little or no value” but “that is the price to be paid for constitutional freedom,” a construction that is very similar to that adopted here by Justice Kennedy in *Sorrell*).

should be dismantled. It seems even more doubtful that when he wrote these words he had any inkling that, many years later, this idea of “equal liberty” would be used as a justification for saying that the government may not exclude multinational global corporations like GE, ExxonMobil, Shell, Nike, or Microsoft from participating in political advertising or that the First Amendment must shelter an array of marketing practices, regardless of their negative social consequences.<sup>213</sup> Yet, that is where others would like to take it.

If it is hard to picture the large, multinational corporation as an oppressed minority in need of the protection of the counter-majoritarian power of the Court to counteract state-sanctioned discrimination, it is likely that is because no one imagined it would come to that. Yet, once the commercial speech doctrine was created, this “equal liberty” strand of argument quickly served as a basis for arguments that a separate standard of review for commercial speech amounted to content discrimination.

Over time, these two streams of thought—(1) that commercial speech is valuable for consumers and should be protected on that basis and (2) that the First Amendment encompasses an equal protection aspect that prohibits courts from distinguishing amongst speakers or types of speech—would (predictably) converge with a third legal principle—(3) that of corporate personhood and corporations as holders of First Amendment rights—to create the right of corporate political speech. It was perhaps especially inevitable that these streams would converge given the enormous resources devoted to making arguments in court and in law reviews that commercial speech deserved full First Amendment protection.<sup>214</sup>

### *B. Nondiscrimination and Corporate Political Speech: “Content” as a Stand-In for Speaker Rights*

A mere two years after *Virginia Pharmacy* was decided, the Court decided another seemingly unrelated case that shifted the Court’s focus to the interests of the speaker and set the course that culminated in *Sorrell—First National Bank of Boston v. Bellotti*.<sup>215</sup> In that case, the Court faced a

---

213. See, e.g., Kenneth L. Karst, *Equal Citizenship at the Ground Level: The Consequences of Nonstate Action*, 54 DUKE L.J. 1591 (2005) (arguing that government should encourage and support actions by private, nongovernmental actors to remedy discrimination).

214. See *supra* note 203. At present there is no way to say for sure which (if any) of these articles were subsidized by particular industries, underwritten by law firms, or commissioned in the manner described in the *Exxon* punitive damages example in Epstein & Clarke, *supra* note 203. But it seems unlikely that the number is zero. The record of amicus briefs in the various commercial speech cases that have come before the Court since 1976 speak for themselves. This is, however, the subject for a future article.

215. 435 U.S. 765 (1978).

challenge to a Massachusetts statute that prohibited corporations from spending money from their general treasuries to defeat or pass referenda unless the referendum was one that affected the corporation's business.<sup>216</sup> The state's Attorney General, Francis Bellotti, interpreted this provision to forbid corporations from participating in advertising on a referendum relating to personal property taxes.<sup>217</sup> The First National Bank of Boston disagreed and brought a declaratory judgment action seeking to have the statute declared unconstitutional.<sup>218</sup> The lower court had rejected the Bank's claim and upheld the statute.<sup>219</sup> The Supreme Court reversed.<sup>220</sup>

Justice Powell, who only a few years before had been urging his friend Eugene Sydnor, Jr. at the U.S. Chamber of Commerce to engage in a full-scale, broad-ranging effort to rehabilitate the image of business,<sup>221</sup> wrote the opinion. Although the issue as framed by the parties and the lower court had been whether the corporate identity of the speaker was determinative of its First Amendment rights, this framing put the spotlight on the corporation itself, which was not conducive to applying the usual rhetoric about the need for self-expression as an attribute of human intellect, since obviously, a corporation is not a human being. Justice Powell nimbly sidestepped this difficulty, however, by reframing the question.

The court below framed the principal question in this case as whether and to what extent corporations have First Amendment rights. We believe that the court posed the wrong question. The Constitution often protects interests broader than those of the party seeking their vindication. The First Amendment, in particular, serves significant societal interests. *The proper question therefore is not whether corporations "have" First Amendment rights and, if so, whether they are coextensive with those of natural persons. Instead, the question must be whether §8 abridges expression that the First Amendment was meant to protect.* We hold that it does.<sup>222</sup>

By redirecting the focus to the *content* of the speech, Powell essentially ignored the issue as it had been presented. To propose that the question was whether political advertising, *as a category*, was protected by the First

---

216. *Id.* at 767–68.

217. *Id.* at 769.

218. *Id.* at 769–70.

219. *Id.* at 771.

220. *Id.* at 795.

221. Memorandum from Lewis F. Powell to Eugene B. Sydnor, Jr., Chairman, Educ. Comm., U.S. Chamber of Commerce, on Attack of American Free Enterprise System (Aug. 23, 1971), available at [http://reclaimdemocracy.org/corporate\\_accountability/powell\\_memo\\_lewis.html](http://reclaimdemocracy.org/corporate_accountability/powell_memo_lewis.html).

222. *Bellotti*, 435 U.S. at 775–76 (emphasis added).

Amendment was to answer it: of course it was. But, it meant that there would be no deeper examination of whether any of the expressive purposes of the First Amendment would be served by extending its protection to private, commercial institutions or whether these entities *needed* the protection of the courts in order to make their views known. Instead, the Court framed the issue as one of the public’s right to *hear* all “viewpoints.”

If the speakers here were not corporations, no one would suggest that the State could silence their proposed speech. It is the type of speech indispensable to decisionmaking in a democracy, and this is no less true because the speech comes from a corporation rather than an individual. The inherent worth of the speech in terms of its capacity for informing the public does not depend upon the identity of its source, whether corporation, association, union, or individual.<sup>223</sup>

In this one paragraph (later to be repeated countless times, not only in subsequent political speech cases, but in future submissions *to* the Court and in some decisions issuing *from* the Court with respect to *commercial* speech), the Court laid the foundation for a shift to focusing on a speaker-centered analysis in the commercial speech doctrine.

The two-year-old commercial speech doctrine did not support a reading that corporations’ protected speech was limited to its “business interests,” Powell wrote.<sup>224</sup> To the contrary, that precedent, like the protection for political speech, was grounded in the public interest. “A commercial advertisement is constitutionally protected *not so much because it pertains to the seller’s business as because it furthers the societal interest in the ‘free flow of commercial information.’*”<sup>225</sup> This statement expressly eschewed locating the protection for commercial speech or the new protection for corporate political speech in the rights or needs of *the speaker*. Yet, at the same time, the first quote conjures up notions of equality, identity, antidiscrimination, and balance to frame the case as an issue of civil rights and viewpoint discrimination. *Bellotti* reads as if corporations can be said to have a “viewpoint” that would be systematically suppressed unless the Court came to their rescue.

If a legislature may direct business corporations to “stick to business,” it also may limit other corporations—religious, charitable, or civic—to their respective “business” when

---

223. *Id.* at 777 (emphasis added) (footnotes omitted).

224. *Id.* at 784.

225. *Id.* at 783 (emphasis added) (footnotes omitted).

addressing the public. *Such power in government to channel the expression of views is unacceptable under the First Amendment.* Especially where, as here, the legislature's suppression of speech suggests an attempt to give *one side* of a debatable public question an advantage in expressing its views to the people, the First Amendment is plainly offended.<sup>226</sup>

The opinion skillfully drew together various strands of First Amendment jurisprudence, the long standing principle that corporations were "persons" for purposes of the Constitution,<sup>227</sup> and the newly minted commercial speech doctrine to conclude that a rule that excluded speech based on the identity of the speaker was inherently illegitimate and discriminatory.<sup>228</sup> In so doing, it made this decision seem like the natural and inevitable outgrowth of the Court's jurisprudence rather than a fairly bold departure from it. This move shifted the balance of power over to speakers with an assumption that, simply because a commercial entity claimed it had something to say, it was necessarily in the public interest that the entity have an unfettered right to do so.

Once again, Justice Rehnquist was not persuaded. "The question presented today," he wrote, "whether business corporations have a constitutionally protected liberty to engage in political activities, *has never been squarely addressed by any previous decision of this Court.*"<sup>229</sup> Moreover, "[u]ntil recently, it was not thought that any persons, natural or

---

226. *Id.* at 785–86 (emphasis added) (footnotes omitted). Again, because the Court was avoiding answering the question of just what the constitutional status of corporations was for purposes of the First Amendment, it could elide the issue of whether there was a difference between for-profit and not-for-profit corporations for purposes of the protection of speech. Had the analysis focused on the purposes of these disparate types of corporations, there may have been a basis for making a distinction between these types of organizations. And, indeed, more than a decade later the Court did draw a distinction between the status of for-profit and not-for-profit organization, holding that the government could more readily regulate the political speech of the former than the latter. *Austin v. Michigan Chamber of Commerce*, 494 U.S. 652, 661–65 (1990). *Austin* was of course the case that the *Citizens United* decision overturned.

227. *Bellotti*, 435 U.S. at 780 n.15 ("It has been settled for almost a century that corporations are persons within the meaning of the Fourteenth Amendment." *Cnty. of Santa Clara v. S. Pac. R.R. Co.*, 118 U.S. 394 (1886)). What this footnote neglected to mention was that this decision had not resolved the issue of whether corporations' rights under that Amendment were *exactly* the same as human beings' rights. That issue hadn't been decided in the *Santa Clara* case, and in fact, subsequent decisions made clear that they were not completely parallel. *Nw. Nat'l Life Ins. Co. v. Riggs*, 203 U.S. 243, 255 (1906) (protection for "liberty" under Fourteenth Amendment is limited to "natural, not artificial, persons"). Thus, the degree of First Amendment protection artificial persons like corporations would receive was precisely the question presented and precisely the one the majority refused to answer. This footnote also made no mention of the somewhat controversial manner in which the *Santa Clara* Court "settled" this question—"with neither argument nor discussion." *Bellotti*, 435 U.S. at 822 (Rehnquist, J., dissenting).

228. *Bellotti*, 435 U.S. at 784–85.

229. *Id.* at 822 (Rehnquist, J., dissenting) (emphasis added).

*artificial, had any protected right to engage in commercial speech.*”<sup>230</sup> And “[a]lthough the Court has never explicitly recognized a corporation’s right of commercial speech, such a right might be considered necessarily incidental to the business of a commercial corporation.”<sup>231</sup> This is not so of the right to engage in political activities. “It cannot be so readily concluded that the right of political expression is equally necessary to carry out the functions of a corporation *organized for commercial purposes.*”<sup>232</sup> The various states, Rehnquist observed, promulgate the laws under which corporations of all types are organized, and those laws both define the organizational purposes and provide a number of privileges that are intended to facilitate those purposes, among which are perpetual life and limited liability.<sup>233</sup>

However, he noted that: “*It might reasonably be concluded that those properties, so beneficial in the economic sphere, pose special dangers in the political sphere. Furthermore, it might be argued that liberties of political expression are not at all necessary to effectuate the purposes for which States permit commercial corporations to exist.*”<sup>234</sup> “Indeed, the States might reasonably fear that the corporation would use its economic power to obtain further benefits beyond those already bestowed.”<sup>235</sup> Chief Justice Rehnquist’s reservations seem, from today’s vantage point, extremely well founded.

## VI. THE INCOHERENCE<sup>236</sup> AND DANGERS OF *SORRELL*

As Chief Justice Rehnquist predicted, it has been hard for the Court to maintain those “common sense” distinctions between commercial speech and other protected speech. And to the extent that *Bellotti* was interpreted by some to mean that different treatment for corporations or commercial entities violated the First Amendment, the notion that the commercial speech doctrine’s intermediate scrutiny standard was in some way “discriminatory” became a persuasive argument industry would regularly

---

230. *Id.* at 825 (emphasis added).

231. *Id.*

232. *Id.* (emphasis added).

233. *Id.* at 824–26.

234. *Id.* at 826 (emphasis added).

235. *Id.*

236. I use the word “incoherence” to connote what I view as the lack of logical coherence between the different aspects of the Court’s commercial speech jurisprudence and the *Sorrell* rationale. I do not use the word in its other sense to mean “inarticulate” or incapable of articulating.

use to argue that any attempted regulation of commercial speech, or indeed liability for false statements, represented unconstitutional discrimination.<sup>237</sup>

It has apparently been a compelling argument to many of the Justices. In the last part of the twentieth century and the beginning of this century we have seen a “paradigm shift . . . in which the focus has moved from consumer protection to speaker protection.”<sup>238</sup> The rhetoric in *Virginia Pharmacy* was “wrapped up in notions of informed consumer choice and social utility. The case was not speaker-based but recipient-based.”<sup>239</sup> Beginning sometime in the 1990s,<sup>240</sup> “the emphasis seemed to change, with greater attention paid to the rights of the commercial speaker.”<sup>241</sup>

Justice Rehnquist’s reservations about these new avenues of constitutional protection that the Court had opened up reflect a conservative approach in what is the older sense of the word, that is, a cautious approach to change and an unwillingness to abandon the received wisdom of the past in favor of an untested formulation. His stance on both the commercial speech doctrine, as articulated in his dissents in *Virginia Pharmacy* and *Central Hudson*, and to the extension of protection to corporate speech in *Bellotti*, also reflected his commitment to a vision of federalism and separation of powers that counseled deference to legislative decisions, especially when they reflected “such a broad consensus . . . over a period of many decades” as was the case with the restrictions on corporate political speech in *Bellotti*.<sup>242</sup> His form of conservatism did not prevail.

One thing is clear: the commercial speech doctrine has undergone significant revision in the course of the ensuing four decades since it was announced. Its justifications today seem very far away from those originally offered to support some protection for commercial speech under the First Amendment, and the content-neutrality trope that Justice Kennedy adopts in *Sorrell* suggests a comprehensiveness not found in the actual law. As Professor Jack Balkin has pointed out, “the ideal of eliminating content based regulation was never realized in practice.”<sup>243</sup>

---

237. *Citizens United v. Fed. Election Comm’n*, 130 S. Ct. 876, 898–99 (2010); Piety, *supra* note 14, at 19.

238. Rodney A. Smolla, *Free the Fortune 500!: The Debate over Corporate Speech and the First Amendment*, 54 CASE W. RES. L. REV. 1277, 1295–96 (2004).

239. *Id.* at 1296.

240. Probably the case that signaled the shift was *City of Cincinnati v. Discovery Network*, 507 U.S. 410 (1993) discussed earlier.

241. Smolla, *supra* note 238, at 1296.

242. *Bellotti*, 435 U.S. at 823 (Rehnquist, J., dissenting).

243. Balkin, *Some Realism About Pluralism*, *supra* note 202, at 396.



[D]espite the constitutionalization of defamation and privacy law begun with *New York Times Co. v. Sullivan*, many common law rules of libel and slander, which were quite directly concerned with content, remained intact. . . . And this is to say nothing of the well-known examples of fraud, perjury, and professional malpractice, *which have never been considered “speech” for purposes of the first amendment.*<sup>244</sup>

In this respect, the ideal of content neutrality is like the proposition that it is possible for the courts to adopt an “absolutist” position on the First Amendment and protect everything that is speech; this is simply not possible since it would potentially make vast swathes of ordinary contract law unconstitutional.<sup>245</sup>

But even as he uses a content-neutrality test that is particularly solicitous of speakers’ freedom, Justice Kennedy nevertheless continues to justify protection for commercial speech as protecting listeners’ interests. Content-based restrictions cannot be upheld, he writes, on the grounds that people might make bad decisions with that information.<sup>246</sup> ““The First Amendment directs us to be especially skeptical of regulations that seek to keep people in the dark for what the government perceives to be their own good.”<sup>247</sup>

But the listener benefit, Kennedy proposes, is one that is anchored more in theory than in the facts of the case. Doctors lobbied for this law. To be sure, some doctors find detailing visits from reps who know their prescriptions practices to be helpful,<sup>248</sup> but the Vermont law permitted physicians who felt this way to opt into information sharing. It did not in any way prevent those doctors from having the benefit of this “information” while it permitted those who objected to the practice to prohibit the sale of their private information. To those physicians who might protest that they did not *want* to receive this information and, in fact, wanted to marshal the power of the state to protect them from having their private information used against them in ways they believed might compromise their professional judgment, Justice Kennedy responded as

---

244. *Id.* (emphasis added) (footnotes omitted).

245. See Frederick Schauer, *The Boundaries of the First Amendment: A Preliminary Exploration of Constitutional Salience*, 117 HARV. L. REV. 1765 (2004); Frederick Schauer, *Categories and the First Amendment: A Play in Three Acts*, 34 VAND. L. REV. 265, 270–71 (1981).

246. *Sorrell v. IMS Health Inc.*, 131 S. Ct. 2653, 2670–71 (2011) (quoting *Thompson v. W. States Med. Ctr.*, 535 U.S. 357, 374 (2002)).

247. *Id.* at 2671 (quoting *44 Liquormart, Inc. v. Rhode Island*, 517 U.S. 484, 503 (1996)).

248. See Silverman, *The Death of the Sales Rep*, *supra* note 21, describing a survey that found that a majority of doctors find visits from drug reps “very” or “somewhat” helpful. It is not clear however whether survey respondents meant to include access to the doctor’s prescribing information as part of what they found made the reps visits helpful.

follows: “Many are those who must endure speech they do not like, *but that is a necessary cost of freedom.*”<sup>249</sup>

This is rather grand language to use about protecting the ability of pharmaceutical representatives to engage in the “hard sell.” Nothing in the original *Virginia Pharmacy* opinion suggested that the Court intended to expand the First Amendment so dramatically. In fact, the Court has repeatedly ignored invitations in cases like *Nike, Inc. v. Kasky*<sup>250</sup> to abolish commercial speech’s “subordinate” position—and with good reason. It is difficult to say how many laws would be implicated by such a radical recalibrating of the balance between the First Amendment and the Commerce Clause.

What is most at risk is the government’s ability to regulate fraud<sup>251</sup> because the strict scrutiny standard of review is often said to be “‘strict’ in theory and fatal in fact.”<sup>252</sup> The *Nike* case illustrates this difficulty. It involved a lawsuit against Nike brought by a consumer activist, Kasky, who claimed that many of the public statements Nike made about its labor practices were false and alleged that these false statements constituted a violation of California’s false advertising and unfair trade practices laws, fraud, and deceit.<sup>253</sup> Nike filed a demurrer (motion to dismiss) arguing that all of the statements were made in forums that were traditionally considered protected by the First Amendment, such as letters to the editor or issue ads.<sup>254</sup> The lower courts agreed, but the California Supreme Court disagreed, finding that at least some of Nike’s speech might be considered commercial speech and thus, only protected if it were truthful.<sup>255</sup> Nike appealed this ruling to the Supreme Court arguing that the standard that should apply was the strict scrutiny standard of *New York Times v. Sullivan*.<sup>256</sup> The Court heard argument but ultimately dismissed the case on the grounds that *certiorari* had been improvidently granted.<sup>257</sup> Yet, the concurring and dissenting opinions to the dismissal suggested that there was some sympathy on the Court to Nike’s argument.<sup>258</sup> But would we really want *New York Times v. Sullivan*’s “breathing room” for false

---

249. *Sorrell*, 131 S. Ct. at 2669 (emphasis added).

250. 539 U.S. 654 (2003).

251. For a more full treatment of this issue see Tamara R. Piety, *Grounding Nike: Exposing Nike’s Quest for a Constitutional Right to Lie*, 78 *TEMPLE L. REV.* 151 (2005).

252. Gerald Gunther, *The Supreme Court, 1971 Term—Foreword: In Search of Evolving Doctrine on a Changing Court: A Model for Newer Equal Protection*, 86 *HARV. L. REV.* 1, 8 (1972).

253. *Kasky v. Nike, Inc.*, 45 P.3d 243, 247 (Cal. 2002).

254. *Id.* at 302.

255. *Id.* at 262.

256. *Nike, Inc. v. Kasky*, 539 U.S. 654, 659–60 (2003) (Stevens, J., concurring).

257. *Id.* at 655 (per curiam).

258. *Id.* at 656–84 (Stevens, J., concurring; Thomas, J., dissenting).

statements to be the standard against which we measure claims of commercial fraud?

Strict scrutiny may not justify a motion to dismiss, but it will often support a motion for summary judgment. And although recent research suggests that the “fatal in fact” aphorism is somewhat exaggerated,<sup>259</sup> it is still the case that strict scrutiny review would be distinctly *more* fatal to the regulation of commercial speech than the rational basis review that normally is applied to the regulation of commerce. “Although Gunther’s famous adage arose in the context of equal protection, strict scrutiny is actually *most fatal* in the area of free speech, where the survival rate is 22 percent, *lower than in any other right*.”<sup>260</sup>

This feature of strict scrutiny ought to be a matter of grave concern. Much of the work of the Federal Trade Commission, the Securities and Exchange Commission, and countless other governmental agencies is predicated on the government’s ability to pursue and punish not only fraud, but also statements which may be misleading or on the government’s ability to require various disclosures in order to conduct certain businesses. After *Sorrell*, many of these laws will be challenged.

But the agency most clearly in the crosshairs of industry assault is the Food and Drug Administration. The Food and Drug Administration prohibits pharmaceutical sales reps from marketing drugs that have been approved by the agency for use for one purpose in another unapproved, “off-label” use.<sup>261</sup> Numerous drug companies have paid millions, if not billions, of dollars in fines for off-label use marketing violations.<sup>262</sup> Predictably, they have argued the First Amendment protects their right to promote these drugs for a purpose for which they have not been prescribed.<sup>263</sup> After *Sorrell*, the off-label use marketing prohibition may be endangered.

---

259. See Adam Winkler, *Fatal in Theory and Strict in Fact: An Empirical Analysis of Strict Scrutiny in the Federal Courts*, 59 VAND. L. REV. 793, 869 (2006).

260. *Id.* at 844 (emphasis added). It is also important to note that while Winkler broke down the category of the First Amendment into several separate categories, commercial speech was not one of them. Moreover, given the subsequent decisions of the Court, in *Citizens United* and *Sorrell* in particular, it is unclear how predictive this analysis would be for future cases. Although it is theoretically possible that the Court’s expansive grant of protection to commercial speech will inspire courts to interpret it in a manner that preserves more of the status quo, I am not terribly sanguine about that prospect.

261. 21 U.S.C.A. § 331(a) (West 2012). For a discussion of one of the recent cases, see Natasha Singer, *Maker of Botox Settles Inquiry*, N.Y. TIMES, Sept. 2, 2010 at A1, available at <http://www.nytimes.com/2010/09/02/business/02allergan.html>.

262. Gardiner Harris, *Pfizer Pays \$2.3 Billion to Settle Marketing Case*, N.Y. TIMES, Sept. 3, 2009 at B4, available at <http://nytimes.com/2009/09/03/business/03health.html>.

263. See, e.g., Editorial, *FDA’s Off-Label Rule Under Attack*, L.A. TIMES (Nov. 7, 2011), <http://articles.latimes.com/2011/nov/07/opinion/la-ed-drugs-20111107> (“[S]ome drug makers are pushing back in court, arguing that the FDA’s marketing limits violate their 1st Amendment rights.”).

The potential harms arising from the aggressive promotion of new drugs that have not been thoroughly tested should be apparent from the Vioxx debacle, in which thousands of people died from adverse cardiac impacts of the drug.<sup>264</sup> In fact, the issues with Vioxx only fully emerged after the drug had been approved through what are known as “seeding trials.” Seeding trials are designed to look like clinical studies, but they are, in fact, orchestrated by the marketing department, not the research arm of the company.<sup>265</sup> They are intended to get key doctors, those identified as “opinion leaders,” to prescribe the drug and recommend it to others.<sup>266</sup> In addition, in some cases academics have allowed their names to be used on articles ghostwritten by drug company employees and have not disclosed this fact.<sup>267</sup> *Sorrell* implicates the FDA’s ability to regulate that practice.

Yet another example is the FDA’s recent rules regulating cigarette packaging. They have already been successfully attacked on the grounds that the regulations violate the tobacco companies’ freedom of expression.<sup>268</sup> And these are just two examples in one area of regulatory authority—the FDA.<sup>269</sup> What of the FTC? The SEC? The EPA?

In his dissent, Justice Breyer asserted that the majority’s reasoning in *Sorrell* “reawakens *Lochner*’s pre-New Deal threat of substituting judicial for democratic decisionmaking where ordinary economic regulation is at issue.”<sup>270</sup> How *Lochner*-esque *Sorrell* is as a matter of doctrine I leave to

Not surprisingly there are several law review articles which urge that the prohibition on off-label use marketing is unconstitutional. See Lora E. Barnhart Driscolla, *Citizens United v. Central Hudson: A Rationale for Simplifying and Clarifying the First Amendment’s Protection for Nonpolitical Advertisements*, 19 GEO. MASON L. REV. 213 (2011); Kristie LaSalle, *A Prescription for Change: Citizens United’s Implications for Regulation of Off-Label Promotion of Prescription Pharmaceuticals*, 19 J. L. & POL’Y 867 (2011); John E. Osborn, *Can I Tell You the Truth? A Comparative Perspective on Regulating Off-Label Scientific and Medical Information*, 10 YALE J. HEALTH POL’Y, L. & ETHICS 299 (2010).

264. See, e.g., ANGELL, *supra* note 59, at 265–78 (describing the Vioxx and COX-2 inhibitors scandal); Jost, *supra* note 21, at 344.

265. Kevin Hill, MD, MHS; Joseph S. Ross, MD, MHS; David S. Egilman, MD, MPH; and Harlan M. Krumholz, MS, SM, *The ADVANTAGE Seeding Trial: A Review of Internal Documents*, 149 ANNALS OF INTERNAL MEDICINE 251 (2008).

266. *Id.*

267. Joseph S. Ross, MD, MHS; Kevin P. Hill, MD, MPH; David S. Egilman, MD, MPH; Harlan M. Krumholz, MD, SM, *Guest Authorship and Ghostwriting in Publications Related to Rofecoxib*, 299 JAMA 1800 (2008).

268. R.J. Reynolds v. U.S. Food and Drug Admin., 823 F. Supp. 2d 36 (D.D.C. 2011), *vacated*, Nos. 11–5332, 12–5063, 2012 WL 3632003 (D.C. Cir. Aug. 24, 2012) (reviewing the law under what looks like strict scrutiny, despite nominally applying *Central Hudson*, and finding it unconstitutional). See also *Commonwealth Brands v. U.S.*, 678 F. Supp. 2d 512 (W.D. Ky 2010) (declining to apply strict scrutiny but nevertheless finding portions of the law unconstitutional).

269. For more examples, see David S. Egilman & Susanna Rankin Bohme, *Over a Barrel: Corporate Corruption of Science and Its Effects on Workers and the Environment*, 11 INT. J. OCCUP. ENVTL. HEALTH 331 (2005); Christopher T. Robertson, *The Money Blind: How to Stop Industry Bias in Biomedical Science, Without Violating the First Amendment*, 37 AM. J. L. & MED. 358 (2011).

270. *Sorrell v. IMS Health, Inc.*, 131 S. Ct. 2653, 2685 (2011) (Breyer, J., dissenting).

others,<sup>271</sup> but it is obviously substantially more difficult to regulate commerce if you cannot regulate commercial speech. Apparently as a retort to Justice Breyer’s observation, Justice Kennedy invoked Justice Holmes’ famous *Lochner* dissent and observed that while the Constitution ““does not enact Mr. Herbert Spencer’s Social Statics’ . . . [i]t *does* enact the First Amendment.”<sup>272</sup>

The irony here, of course, is that the Constitution also enacts the Commerce Clause. And the justification originally offered for giving *any* First Amendment protection to commercial speech was the protection of a “free enterprise economy,” an observation which prompted Justice Rehnquist to protest that the Constitution also did not enact the philosophy of Adam Smith.<sup>273</sup> Justice Kennedy apparently believes that it did under the guise of the First Amendment. It would be difficult to conceive of a clearer declaration of supremacy in the struggle between the First Amendment and the Commerce Clause. Yet, it seems unlikely that the First Amendment was intended to undo the Commerce Clause.

#### CONCLUSION

For now, we know how this story ends. By the year 2010, the commercial speech doctrine had evolved into a test that was strict scrutiny in all but name, although the Court continued to recognize a distinction between commercial and non-commercial speech. Then came *Citizens United*, and its muscular version of corporate personhood. Given the interpenetration of the commercial and corporate political speech doctrines, it seemed only a matter of time before the Court imported that very robust, speaker-centric vision into the commercial speech doctrine. It only took a year.

Yet *Sorrell* is in many ways, if not a *more* dangerous opinion for democracy than *Citizens United*, at least an equally dangerous one. In *Sorrell*, the Court took a doctrine that was conceived of as a species of consumer protection, and justified as furthering the *public* interest, and

---

271. The correct constitutional interpretation of *Lochner* is beyond the scope of this piece. Suffice it to say that Breyer’s use of *Lochner* suggests he believes it is presumptively illegitimate or, as Balkin might say, part of the “anti-canon” in constitutional law. See Balkin, “*Wrong the Day It Was Decided*,” *supra* note 17. That Justice Kennedy’s opinion doesn’t really challenge that claim to anti-canonical status but rather offers something like a “so what?” could be argued as evidence of Balkin’s theory that *Lochner*’s status as anti-canon is sufficiently in dispute that Kennedy feels free to disregard it. On the other hand, one could read his failure to defend *Lochner* more forcefully (along the revisionist line Balkin discusses) as confirmation of its continued anti-canonical status.

272. *Sorrell*, 131 S. Ct. at 2665 (quoting *Lochner v. New York*, 198 U.S. 45, 75 (1905) (Holmes, J., dissenting)) (emphasis added).

273. *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council, Inc.*, 425 U.S. 748, 784 (1975) (Rehnquist, J., dissenting).

turned it into a weapon against Vermont's effort to protect consumers and the public health, safety, and welfare. It took a doctrine that was supposed to give the listeners *more* autonomy and freedom to make their own decisions and used it to deny those listeners control over their own information. And because it did all this without explicitly overruling *Central Hudson* or acknowledging that it was announcing a new standard by which to evaluate commercial speech, the Court rendered the commercial speech doctrine incoherent and sowed further confusion about what the appropriate test is. Armed with this new (and inherently contradictory) "content-neutrality" inquiry, the Supreme Court is in a position to pick and choose and selectively invalidate those parts of the regulation of commerce brought to it with which its majority disagrees.

It is too soon to say what the Court will do with these new powers that it has appropriated for itself to subject economic regulation to substantive rather than deferential review. But, it seems safe to say that if these last two Terms offer any hints, its exercise of this review power is not likely to be "conservative" in the traditional sense.

The rhetoric of content neutrality and equal rights for corporate speakers obscures that the entities and interests being protected here are some of the world's most powerful institutions, institutions with enormous, some would say excessive, influence in the legislative process to obtain favorable laws. They do not need to marshal the counter-majoritarian power of the courts to preserve their rights against an oppressive minority in the electorate. Nor are they human beings with inherent political rights. Rather, they are creatures of law meant to *serve* the public interest, not to dominate it. To argue that selling toothpaste is of the same significance as political protest and to put commercial speakers on par with those engaging in lunch counter sit-ins is to trivialize the whole notion of civil rights. The Commerce Clause arguably points to the legitimacy of subordinating commercial expression to other sorts of expression. False or misleading commercial speech can pose grave dangers to the public and distort proper market function. Not only is it *not* a "necessary cost of freedom" to offer full First Amendment protection to commercial speech, it may be a necessary cost of freedom to keep it in check.