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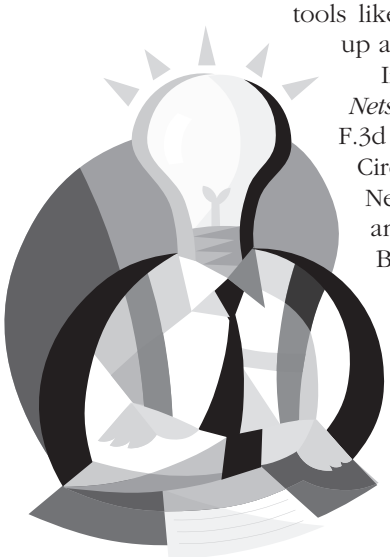
Internet Searches and Trademark Infringement

Inputting your favorite brand name in your favorite Internet search engine should result in a link to the relevant branded product, not direct you to that product's competitors, right? The idiosyncrasies of that question continue to make their way through federal courts with no end in sight. Search engines aid millions of users each day as they search for the most relevant video, news, or consumer product. At the touch of a few keystrokes, an abundant and invaluable amount of information can be accessed from one's computer or cell phone. Courts are now facing the task of separating out what manipulations of these searches infringe on trademarks in violation of federal law.

Trademark infringement occurs when a party engages in unauthorized commercial use of a protected mark in a way that is likely to cause confusion among consumers. Depending on the jurisdiction, likelihood of confusion is further broken down into factors such as (1) strength of the mark; (2) type of goods or services and similarity between them; (3) similarity of the marks in sight, sound, and meaning; (4) evidence of actual confusion; (5) categories of marketing used; (6) defendant's intent; (7) likelihood of expansion of the product line; and (8) sophistication of buyers. These confusion factors are now being viewed in an entirely new light, thanks to the Internet and tools like metatags, keywords, and pop-up ads.



In *Playboy Enterprises Inc. v. Netscape Communications Corp.*, 354 F.3d 1020 (9th Cir. 2004), the Ninth Circuit heard Playboy's claim that Netscape was both infringing on and diluting Playboy's trademarks. By choosing one of Netscape's established lists and paying a fee, advertisers could have their ads result from Internet searches for any word on that list. Two trademarks, "Playboy" and "Playmate," were on one of the lists established by Netscape. The Ninth Circuit held that this claim was actionable, finding Netscape's practice of displaying paid-for advertisements after a user's search for protected marks could lead to the likelihood of confusion. The opinion relied on the fact that the advertisements were "unlabeled" and therefore could be confused with advertisements sponsored by the owners of the protected marks.

Other methods of having a competitor's advertisement pop up when a user seeks to access a site have been found acceptable. In *1-800 Contacts Inc. v. WhenU.com Inc.*, 414 F.3d 400 (2d Cir. 2005), the Second Circuit noted that "[a] company's internal utilization of a trademark in a way that does not communicate it to the public" was akin to an "individual's private thoughts about a trademark." In that case, the defendant's software program triggered pop-up advertisements anytime a user visited the 1-800 Contacts Web site. The court distinguished cases in which search engines sold keywords to customers or otherwise manipulated which category-related advertisement would pop up in response to any particular terms. The court analogized the use of a Web address to that of a mechanical key unlocking a door rather than the actual "use in commerce" required for trademark infringement. Because the court determined that the mark was not "used" in the manner required for infringement, the likelihood of confusion element was avoided altogether.

After those decisions, the Eleventh Circuit opened the door to success in another infringement claim in a decision released in April 2008—*North American Medical Corp. v. Axiom Worldwide Inc.*, 522 F.3d 1211 (11th Cir. 2008). The defendant had used metatags (words and phrases stored within a Web site's computer code) for the purpose of placing its site among search results. Within the search result, the defendant's advertisement included the plaintiff's trademarks, even though they were nowhere to be found on defendant's linked Web site. Because the marks appeared within the search results and had the effect of confusing customers, the lower court's finding of likely confusion was upheld. The Eleventh Circuit noted that use of a competitor's mark in metatags was very different from WhenU's use in *1-800 Contacts*. But the Eleventh Circuit also took time to note its view that the lack of "use" analysis in *1-800 Contacts* was "questionable" for several reasons, including a possibly misplaced reliance on 15 U.S.C. § 1127 in the infringement context when it was meant to apply to the right to registration.

It may soon be decided whether the Second Circuit heeds the recent criticisms of its *1-800 Contacts* analysis when the court rules on an appeal of *Rescuecom*

Corp. v. Google Inc., 456 F. Supp. 2d 393 (N.D.N.Y. 2003), *appeal oral arguments heard*, No. 06-4881-cv (2d Cir. April 3, 2008). The Northern District of New York followed the Second Circuit's prior reasoning and dismissed the claim for lack of trademark "use." The Second Circuit is revisiting the case, which involves Google's use of trademarks as keywords to trigger placement of competitive advertising without actually placing those trademarks within the advertisement.

A couple of older cases heard by the Ninth and Seventh Circuits were pioneers in the area of Internet search trademark infringement; in these cases the courts found that a likelihood of "initial interest confusion" is actionable. *See Brookfield Communications Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036 (9th Cir. 1999); *Promatek Industries Ltd. v. Equitrac Corp.*, 300 F.3d 808 (7th Cir. 2002). *Playboy* was based on the same theory but relied on the fact that the advertisements that resulted from the searches were not labeled and might be confused with advertisements sponsored by the trademark owner. With these initial interest confusion cases, use of trademarks as metatags did not result in confusion as to source, but did interject competitive products among search results generated from seeking out the trademarked product. Even though those cases have not been overturned, they have been widely criticized as indistinguishable from product placement of a competitive item near the most popularly sought branded version in a "bricks and mortar" store. In her *Playboy* concurrence, the Ninth Circuit's Judge Berzon called the *Brookfield* ruling "insupportable," suggesting its possible demise in the near future.

In addition to determining how display (or lack thereof) of a trademark to an Internet user should be analyzed in infringement cases, another looming issue is the sophistication of those users. Few know how software coding or search engines work, but users are becoming more adept at Internet advertisement tactics. As Internet users become more sophisticated, are they less likely to be confused? That and many more questions remain to be answered. **TFL**

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