US Law on Keyword Advertising & Domain Names

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Keyword Advertising Law Overview

• TM Owner v. Search Engine
  – Currently 5 pending lawsuits against Google + Rosetta Stone appeal
  – Rosetta Stone district court ruling
    • Google gets summary judgment on consumer confusion issue
    • Google protected by functionality defense
    • Google not secondarily liable
    • Google doesn’t commit dilution

• TM Owner v. Advertiser
  – Too numerous to count
  – 3 jury findings for advertisers (none for TM owners)
  – Mixed summary judgment rulings on consumer confusion
  – Lawsuits rarely make financial sense

• Search Engine Trademark Policies
Keyword Advertising

• Google’s US trademark policy
  – It will not block trademarked keywords
  – It will block ads with TM in ad copy if the TM owner asks, except
    • Descriptive/generic uses
    • Resellers
    • Sellers of components, replacement parts, compatible items
    • “Informational sites”
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Network Automation

• Initial Interest Confusion
  – Brookfield: “when the defendant uses the plaintiff’s trademark in a manner calculated to capture initial consumer attention, even though no actual sale is finally completed as a result of the confusion”
  – Network Automation: “when we examine initial interest confusion, the owner of the mark must demonstrate likely confusion, not mere diversion”

• Likelihood of Consumer Confusion factors
  – “consumers searching for [ActiveBatch] are presumably looking for its specific product, and not a category of goods”
  – Most relevant factors in this case:
    • Mark strength
    • Actual confusion
    • Purchaser care
    • “labeling and appearance of the advertisements and the surrounding context on the screen displaying the results page”
Metatags

• Title tags = rarely litigated
• Description metatags = treated like ad copy
• Keyword metatags
  – Search engines don’t honor (mostly)
  – If courts assume otherwise, treated as per se infringement
Domain Name-Specific Regulations (US)

- **Federal Laws**
  - Anti-Cybersquatting Consumer Protection Act
    - Trademark protection (15 USC § 1125(d)(1))
    - In rem jurisdiction (15 USC § 1125(d)(2))
    - Personal name protection (15 USC § 8131)
    - Domain name registrar/registry immunization (15 USC § 1114(2)(D))
  - Fraudulent Online Identity Sanctions Act
    - Enhanced IP remedies (15 USC § 1117(e); 17 USC § 504(c)(3); 18 USC § 3559)
  - Truth in Domain Names Act (18 USC § 2252B)
    - Misleading domain names leading to obscenity/porn
  - Dot Kids Implementation and Efficiency Act of 2002
  - Proposed: Combating Online Infringement and Counterfeits Act (COICA)

- **State Laws** (selected)
  - State anti-cybersquatting laws (including CA, HI, LA, NY, UT)
  - State anti-political cyberfraud law (CA Elec. Code §18320-23)
  - State anti-spam/anti-phishing laws
  - Sex offender registrations (tied to violations of 18 USC § 2252B) (including IA, MD)
  - Proposed: NY S953 restricting domain name sales to terrorists

- **Private regulations**
  - Ex ante: allocation controlled by centralized bodies with complex governance structures
  - Ex post: UDRP
Domain Name Protection

- ACPA prima facie case (15 USC §1125(d))
  - D registers, traffics in or uses domain name
    - Identical/confusingly similar to distinctive TM
    - Dilutes a famous TM
  - Bad faith intent to profit

- Remedies
  - Cancel or transfer registration
  - Damages <$100,000
  - Attorneys’ fees

- In practice
  - Rarely see “true” cybersquatting cases
  - Courts are skeptical of domaining
  - Secondary liability for privacy proxy services?
Domain Name Protection

• UDRP prima facie case
  – Domain name identical/confusingly similar to TM
  – No legitimate interests in domain name
  – Bad faith use/registration

• Remedies: cancel/transfer registration
Domain Name Protection

• ACPA Advantages
  – More remedies
  – Final resolution
  – Easy if you’re already in court

• UDRP Advantages
  – Fast
  – Cheap
  – Pro-plaintiff
  – No jurisdictional problems