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Keyword Law

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Prima Facie TM Infringement Case

- Ownership of valid trademark
- Use in commerce in connection with sale of goods/services
- Likelihood of consumer confusion

Use in Commerce

- Reading #1: Use in “commerce” = “all commerce which may lawfully be regulated by Congress” (15 U.S.C. §1127)
 - Ex: SMJ Group v. 417 Lafayette Restaurant, 2006 WL 1881768 (S.D.N.Y. 2006) (griper’s service was distributing educational literature)
- Reading #2: “Use in commerce” = “bona fide use of a mark in the ordinary course of trade” (15 U.S.C. §1127)
 - Non-commercial actors don’t make “trade” usage
 - Requires trademark use to be perceivable by consumers
- **THE STATUTE IS FATALLY AMBIGUOUS**

Keyword Triggering = Use in Commerce?

	Advertisers	Adware Vendors	Search Engines
YES	<p>Edina Realty v. TheMLSonline.com, 2006 WL 737064 (D. Minn. Mar. 20, 2006)</p> <p>Buying for the Home v. Humble Abode, 2006 WL 3000459 (D.N.J. Oct. 20, 2006)</p>	<p>[Washingtonpost v. Gator, 2002 WL 31356645 (E.D. Va. 2002)]</p>	<p>[Playboy v. Netscape, 354 F.3d 1020 (9th Cir. 2004)]</p> <p>GEICO v. Google, 330 F. Supp. 2d 700 (E.D. Va. 2004)</p> <p>Google v. American Blinds, 2005 WL 832398 (N.D. Cal. 2005)</p> <p>800-JR Cigar v. GoTo.com, 437 F. Supp. 2d 273 (D. N.J. 2006)</p>
NO	<p>Merck v. Mediplan Health Consulting, 425 F. Supp. 2d 402 (S.D.N.Y. Mar. 30, 2006); motion for reconsideration denied, 431 F. Supp. 2d 425 (S.D.N.Y. May 24, 2006)</p>	<p>U-Haul v. WhenU, 279 F. Supp. 2d 723 (E.D. Va. 2003)</p> <p>Wells Fargo v. WhenU, 293 F. Supp. 2d 734 (E.D. Mich. 2003)</p> <p>1-800 Contacts v. WhenU, 414 F.3d 400 (2d Cir. 2005)</p>	<p>Rescuecom v. Google, 2006 WL 2811711 (N.D.N.Y. Sept. 28, 2006)</p>

Likelihood of Consumer Confusion

- Multi-factor tests are generally unpredictable...
- ...especially when they don't fit
 - When defendants aren't in business at all
 - When defendant intermediaries are in totally different business
 - Contributory infringement is more appropriate
- Bypass: “Initial interest confusion”
 - Brookfield: “use of another’s trademark in a manner reasonably calculated to capture initial consumer attention, even though no actual sale is finally completed as a result of the confusion”
 - Harm paradigms
 - Sponsorship confusion (2d Cir.)
 - Attention diversion (Brookfield)
 - Deceptive diversion (7th Cir.)
 - Competitive diversion (9th Cir., 3rd Cir.)
 - Don't recognize IIC at all (1st Cir.?, 4th Cir.?)
- Courts aren't granting SJ on confusion

Infringement Defenses

- **Nominative use**
 - Not readily identifiable without TM reference
 - Took only what was necessary
 - No implied sponsorship/endorsement
- **Descriptive fair use (15 U.S.C. §1115(b)(4))**
- **Limited printer/publisher remedies (15 U.S.C. §1114(2))**
- **Imperfections of defenses**
 - Defense bears burden
 - Fair use doctrines are narrow
 - Nominative use doctrine not universally recognized
 - Parody/comparative ad doctrines inadequate and incomplete

Utah/Alaska Anti-Adware Laws

- State laws prohibit using adware to display TM-triggered pop-up ads
 - Utah Spyware Control Act (13-40-102 to 13-40-301)
 - Alaska anti-adware law (SB 140)
- Consumer consent to software is irrelevant
- But moot in practice?
 - Utah law requires TM infringement
 - Alaska law allows consumers to consent to pop-up ad delivery

Tips for TM Owners

- **Use search engines' TM complaint policies**
 - Yahoo and MSN allow TM owners to block competitive keyword buys
 - Google allows TM owners to block TM references in ad copy
- **Don't be duplicitous**
- **Be rational (invest litigation \$ wisely)**
 - Cost of keyword litigation > value of "diverted" consumers
 - In 800-JR Cigar, search engine had gross revenues of \$345

An Academic's Observations

- **We need statutory help**
 - Fix “use in commerce” definition
 - Permit referential uses
 - No infringement if consumers don't know TM is being used at all
 - Or, provide clarity on search engine activity
- **Initial interest confusion doctrine should be junked**
 - Courts can't define it
 - Defendants can't defend against it
 - Completely lacking social science support
 - No reliable evidence of consumer intent from decontextualized search term
- **Courts need to do more fact-finding**
 - Consider broad matching
 - *Picture It Sold v. iSOLD It*, 2006 WL 2467552 (9th Cir. Aug. 28, 2006)
 - Consider ad copy
- **Misapplied, trademark law can counterproductively *increase* consumer search costs**

Academic Literature

- Margreth Barrett, *Internet Trademark Suits and the Demise of "Trademark Use,"* 39 U.C. Davis L. Rev. 371 (2006)
- Stacey Dogan & Mark Lemley, *Trademarks and Consumer Search Costs on the Internet,* 41 Houston L. Rev. 777 (2004)
- Eric Goldman, *Deregulating Relevancy in Internet Trademark Law,* 54 Emory L.J. 507 (2005)
- Jennifer Rothman, *Initial Interest Confusion: Standing at the Crossroads of Trademark Law,* 27 Cardozo L. Rev. 105 (2005)
- Uli Widmaier, *Use, Liability, and the Structure of Trademark Law,* 33 Hofstra L. Rev. 603 (2004)