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?

<table>
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<tr>
<th>Advertisers</th>
<th>Adware Vendors</th>
<th>Search Engines</th>
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<td>1-800 Contacts v. WhenU, 414 F.3d 400 (2d Cir. 2005)</td>
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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**


