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# Internet Trademark Suits and the Demise of "Trademark Use"

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# Internet Trademark Suits and the Demise of “Trademark Use”

Margreth Barrett<sup>\*</sup>

*The Internet has provided countless new ways for ingenious businesses and individuals to refer to a plaintiff’s mark in a manner that impacts the plaintiff’s business. These new methods may not directly associate the mark with goods or services that the defendant is offering for sale and may be completely hidden from consumers’ view. In evaluating the numerous trademark infringement and dilution suits that these unauthorized references have generated, courts have often failed to focus on the appropriate role of the “trademark use” requirement, which has traditionally limited the scope of the trademark infringement (and more recently, trademark dilution) cause of action. Some courts appear to have completely ignored the trademark use limitation, while others have acknowledged the limitation but construed it in a manner that undercuts or distorts it. This has given rise to a number of splits in the Circuit Courts of Appeals. This Article undertakes to bring some focus and coherence to the trademark use issue in the Internet context. It provides an in-depth examination of the history and purpose of the limitation and proposes a modern, general definition of “trademark use” in light of that history and purpose. It then demonstrates how this definition should apply in several important contexts on the Internet.*

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## INTRODUCTION

A number of courts and commentators have warned against the dangers of expanding the rights of trademark owners, both from the standpoint of efficient marketplace competition and from the standpoint of First Amendment interests.<sup>1</sup> Others have expressed concerns, in particular, about the apparent expansion of trademark rights in the Internet setting.<sup>2</sup> Part of this expansion is due to the application of the "initial interest confusion" doctrine and trademark dilution protection in evaluating alleged interference with trademark rights on the Internet.<sup>3</sup> However, an equally great cause of the expansion may be the courts' movement away from the requirement that infringement and dilution defendants make a "trademark use" of the plaintiff's mark as a prerequisite to infringement or dilution liability.

The common law and early federal trademark statutes applied this trademark use limitation by requiring that defendants place the allegedly infringing mark "on" a product they were offering for sale. Later decisions and statutes expanded the concept somewhat, extending liability to cases in which the defendant placed the allegedly infringing mark on labeling or signs used in the sale of goods or in advertising of goods or services for sale.<sup>4</sup> This trademark use limitation was rarely an issue in pre-Internet days because plaintiffs seldom had cause to complain about references to their marks outside of the clear scope of trademark use, as described above. Thus, there was little judicial discussion of the purpose and outer boundaries of the trademark use limitation.

The Internet, however, has provided countless new ways for ingenious businesses and individuals to refer to a plaintiff's mark in a manner that impacts the plaintiff's business. These new methods may have little or no direct association with the defendant's sale of goods or services and may be completely hidden from consumers' view. In evaluating the numerous trademark infringement and dilution suits that these

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<sup>1</sup> See *infra* notes 349-53 and accompanying text.

<sup>2</sup> See *infra* notes 373-74 and accompanying text.

<sup>3</sup> See, e.g., *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1034-35 (9th Cir. 2004) (Burzon, J., concurring) (discussing initial interest confusion doctrine); *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036 (9th Cir. 1999) (applying initial interest confusion doctrine); *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998) (stretching trademark dilution doctrine significantly to provide remedy against cybersquatting); Stacey L. Dogan & Mark A. Lemley, *Trademark and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777 (2004) (criticizing application of initial interest confusion doctrine in Internet context).

<sup>4</sup> See *infra* notes 23-49 and accompanying text.

references have generated, courts have often failed to focus on the appropriate role of the trademark use limitation in this new context. Some courts appear to have completely ignored the trademark use limitation.<sup>5</sup> Others have acknowledged the limitation but construed it in a manner that undercuts or distorts it.<sup>6</sup> This has given rise to a number of splits in the Circuit Courts of Appeals, including splits over which statutory language gives rise to the trademark use requirement,<sup>7</sup> what constitutes a “service” to which the Lanham Act applies,<sup>8</sup> the relevance of the defendant’s intent and the existence of hyperlinks on the defendant’s website in evaluating whether the defendant’s actions constitute trademark use,<sup>9</sup> and the goods or services with which the defendant’s use of the mark must be associated.<sup>10</sup> The end result has

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<sup>5</sup> *E.g.*, *Bd. of Dirs. of Sapphire Bay Condos. W. v. Simpson*, 129 F. App’x 711 (3d Cir. 2005); *Faegre & Benson, LLP v. Purdy*, 129 F. App’x 323 (8th Cir. 2005); *TCPIP Holding, Inc. v. Haar Commc’ns, Inc.*, 244 F.3d 88 (2d Cir. 2001).

<sup>6</sup> *E.g.*, *Playboy Enters.*, 354 F.3d at 1020; *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2001); *Panavision Int’l, L.P.*, 141 F.3d at 1316; *Jews for Jesus v. Brodsky*, 993 F. Supp. 282 (D.N.J. 1998), *aff’d*, 159 F.3d 1351 (3d Cir. 1998); *Planned Parenthood Fed’n of Am., Inc. v. Bucci*, No. 97 Civ. 0629, 1997 WL 133313 (S.D.N.Y. Mar. 24, 1997), *aff’d*, 152 F.3d 920 (2d Cir. 1998).

<sup>7</sup> *Compare 1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400, 407 (2d Cir. 2005) (relying on Lanham Act section 45 definition of “use in commerce”), *and DaimlerChrysler AG v. Bloom*, 315 F.3d 932, 936 (8th Cir. 2003) (same), *with Bosley Med. Inst. v. Kremer*, 403 F.3d 672, 677 (9th Cir. 2005) (rejecting reliance on “use in commerce” language, and pointing instead to section 32(1)(a) requirement of use “in connection with the sale, offering for sale, distribution or advertising of any goods or services” and its substantive equivalent in section 43(c) “commercial use in commerce” language), *and Am. Family Life Ins. Co. v. Hagan*, 266 F. Supp. 2d 682 (N.D. Ohio 2002) (finding only exception to liability for “noncommercial use,” set forth in Lanham Act section 43(c)(4)(B), to define kind of use defendant must make).

<sup>8</sup> *Compare People for the Ethical Treatment of Animals*, 263 F.3d at 359, *and Planned Parenthood* 1997 W.L. 133313, *with Bosley Med. Inst.*, 403 F.3d at 672, *and L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26 (1st Cir. 1987).

<sup>9</sup> On the issue of linking, compare *Taubman Co. v. Webfeats*, 319 F.3d 770 (6th Cir. 2003), *and People for the Ethical Treatment of Animals*, 263 F.3d at 359, *and Jews for Jesus*, 993 F. Supp. 282, *with Bosley Medical Institute*, 403 F.3d at 672, *and Voice-Tel Enterprises, Inc. v. JOBA, Inc.*, 258 F. Supp. 2d 1353, 1363 (N.D. Ga. 2003), *and Ford Motor Co. v. 2600 Enterprises*, 177 F. Supp. 2d 661, 664 (E.D. Mich. 2001), *and Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161, 1168 (C.D. Cal 1998). On the issue of the relevance of the defendant’s intent, compare *Panavision International, L.P.*, 141 F.3d at 1316, *and Faegre & Benson, LLP v. Purdy*, No. Civ. 03-6472 (MJD/JGL), 2004 WL 167570, at \*2 (D. Minn. Jan. 5, 2004), *aff’d*, 129 F. App’x 323 (8th Cir. 2005), *and Planned Parenthood*, 1997 WL 133313, at \*9, *and Jews For Jesus*, 993 F. Supp. at 282, *with Taubman Co.*, 319 F.3d at 775, *and DaimlerChrysler AG*, 315 F.3d at 937-39, *and Ford Motor Co.*, 177 F. Supp. 2d at 652. For a third variation on this issue, see *Bosley Medical Institute*, 403 F.3d at 672.

<sup>10</sup> *Compare People for the Ethical Treatment of Animals*, 263 F.3d at 365, *and Faegre & Benson LLP*, 2004 W.L. 167570, at \*1-4, *and Jews for Jesus*, 993 F. Supp. at 309, *and Planned Parenthood*, 1997 WL 133313, *with Bosley Med. Inst.*, 403 F.3d at 672, *and Taubman Co.*, 319

been a remarkable expansion of the control trademark owners are able to extend in some cases over unauthorized references to their marks on the Internet.

This Article undertakes to bring some focus and coherence to the trademark use issue. It provides an in-depth examination of the history and purpose of the limitation and proposes a modern, general definition of "trademark use" in light of that history and purpose. It then demonstrates how this definition should apply in several important contexts on the Internet.

In Part I, the Article examines the general policies and purposes underlying trademark protection, the development of the trademark use doctrine as a limitation on trademark infringement and dilution causes of action, and the purposes the trademark use limitation serves. It proposes a modern, working definition of "trademark use" in light of this discussion: trademark use entails application of a mark in a manner that invites consumers to associate the mark with goods or services that the user is offering for sale or distribution and to rely on it for information about the source, sponsorship, or affiliation of those goods or services.

Part II then discusses the courts' construction and application of the trademark use limitation in four Internet contexts: classic cybersquatting, unauthorized use of marks in forum site domain names, unauthorized use in metatags, and unauthorized use in contextual advertising. It then evaluates the courts' findings in light of the general purpose of trademark law and the particular purpose of the trademark use limitation.

The final section of the Article considers whether the new Internet context justifies abandonment or radical reconfiguration of the traditional trademark use limitation. It concludes that the limitation, as defined by this Article, continues to play an important role in balancing trademark owner interests against the public interest in an efficient, competitive marketplace and in the protection of First Amendment interests. Indeed, the trademark use requirement is also necessary to ensure that assertion of trademark rights will not unduly interfere with the development of new Internet search and service technologies. Courts therefore should neither abandon nor radically reconfigure the trademark use limitation in the Internet context.

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F.3d at 777, and *Ford Motor Co.*, 177 F. Supp. 2d at 664-65, and *Int'l Ass'n of Machinists & Aerospace Workers v. Winship Green Nursing Home*, 914 F. Supp. 651, 655 (D. Me. 1996), *aff'd*, 103 F.3d 196 (1st Cir. 1996).

I. THE HISTORY AND MEANING OF THE "TRADEMARK USE"  
REQUIREMENT

The ultimate purpose of trademark protection is to foster competition. Trademark protection does this by preventing misleading uses of marks that may confuse consumers about the source, sponsorship, or affiliation of the products or services they buy. This reduces consumer search costs, promotes marketplace efficiency, and enables producers to reap the benefits of their investment in product quality and business goodwill, thus providing an incentive to strive for quality.<sup>11</sup> As the

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<sup>11</sup> As the Supreme Court has stated:

In principle, trademark law, by preventing others from copying a source-identifying mark, "reduce[s] the customer's costs of shopping and making purchasing decisions," for it quickly and easily assures a potential customer that *this* item — the item with this mark — is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past. At the same time, the law helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product. The law thereby "encourage[s] the production of quality products," and simultaneously discourages those who hope to sell inferior products by capitalizing on a consumer's inability quickly to evaluate the quality of an item offered for sale.

Qualitex Co. v. Jacobson Prods. Co., Inc., 514 U.S. 159, 163-64 (1995) (quoting 1 J. T. MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2.01[2], at 2-3 (3d ed. 1994)); see S. REP. NO. 79-1333, at 1-17 (1946) ("[Trademarks], indeed, are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates."); see also Ann Bartow, *Likelihood of Confusion*, 41 SAN DIEGO L. REV. 721, 729 (2004) ("[T]rademarks serve the interests of consumers by reducing search costs and allowing buyers to 'make rational purchasing and repurchasing decisions with speed and assurance,' while simultaneously 'creating incentives for firms to create and market products of desirable qualities, particularly when these qualities are not observable before purchase.'") (citations omitted); Dan L. Burk, *Trademark Doctrines for Global Electronic Commerce*, 49 S.C. L. REV. 695, 699-700 (1999) ("The primary stated purpose for legal recognition of trademark rights is to prevent consumer confusion. [Consumers] use the mark as a signal of the quality of goods, expecting that goods branded with the mark will be of the quality they have come to associate with past purchases bearing the mark."); Stephen L. Carter, *The Trouble with Trademark*, 99 YALE L. J. 759, 762 (1990) ("The principal benefit of trademark protection is that it lowers consumer search costs."); Robert C. Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, 1982 WIS. L. REV. 158, 161 (stating that focal point of trademark protection "remains the identification function of the mark"); Dogan & Lemley, *supra* note 3, at 778 ("Trademark law, in theory, fosters the flow of information in markets. By protecting against deceptive uses of trade symbols in commerce, the law enables sellers to create their own reliable shorthand to identify their goods and reduces search costs for consumers. Trademarks thus have the potential to lead to better-informed customers and more competitive markets."); Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L. J. 1687, 1694-95 (1999) ("We give protection to trademarks for



Senate Report accompanying the Lanham Act stresses, trademark law, unlike the law of patents and copyrights, does not convey monopoly rights in words and symbols because it was not created to provide an incentive to innovate. Rather, businesses have "property" rights in their trademarks only to the extent necessary to prevent unauthorized uses that cause a likelihood of consumer confusion.<sup>12</sup> Such uses increase search costs and undermine fair and efficient marketplace competition. The origins of trademark law are in the law of deceit, rather than in trespass.<sup>13</sup>

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one basic reason: to enable the public to identify easily a particular product from a particular source. Allowing this connection to be made in turn has secondary benefits: Consumer surplus is not diminished by fraud; producers can compete on the basis of experience characteristics of goods, and so on. There is no reason to believe that treating trademarks as property is particularly likely to further this goal."); Glynn S. Lunney, Jr., *Trademark Monopolies*, 48 EMORY L. J. 367, 371 (1999) (stating that trademark law balances competitive interests at stake by tailoring protection to minimize material consumer deception without discouraging competitive entry).

<sup>12</sup> S. REP. NO. 79-1333, at 1-17 (quoting *E.I. Du pont De Nemours Powder Co. v. Masland*, 244 U.S. 100, 102 (1917)); see *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924) ("[A trademark] does not confer a right to prohibit the use of the word or words. It is not a copyright. A trademark only gives the right to prohibit the use of it in so far as to protect the owner's good will against the sale of another's product as his."); *E.I. Du pont De Nemours Powder Co. v. Masland*, 244 U.S. 100, 102 (1917) ("[T]he word 'property' as applied to trademarks is an unanalyzed expression of certain secondary consequences of the primary fact that the law makes some rudimentary requirements of good faith."); *Lucasfilm Ltd. v. High Frontier*, 622 F. Supp. 931, 933-34 (D.D.C. 1985) (quoting *Indus. Rayon Corp. v. Dutchess Underwear Corp.*, 92 F.2d 33 (2d Cir. 1937)) ("A trademark is not property in the ordinary sense, but only a word or symbol indicating the origin of a commercial product. The owner of a mark acquires the right to prevent the goods to which the mark is applied from being confused with those of others and to prevent his own trade from being diverted to competitors through their use of misleading marks. There are no rights in a trademark beyond these.").

<sup>13</sup> RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9, cmt. d (1995); see also *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 157 (1989) ("[T]he law of unfair competition has its roots in the common-law tort of deceit: its general concern is with protecting consumers from confusion as to source. While that concern may result in the creation of 'quasi-property rights' in communicative symbols, the focus is on the protection of consumers, not the protection of producers as an incentive to product innovation."); *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 413 (1916) (stating that trademarks are classed among property rights "only in the sense that a man's right to the continued enjoyment of his trade reputation and the good-will that flows from it, free from unwarranted interference by others, is a property right, for the protection of which a trademark is an instrumentality"); *James Burrough, Ltd. v. Sign of Beefeater, Inc.*, 540 F.2d 266, 274 (7th Cir. 1976) ("A 'trademark' is not that which is infringed. What is infringed is the right of the public to be free from confusion and the synonymous right of a trademark owner to control his product's reputation. . . . The trademark laws exist not to 'protect' trademarks, but, as above indicated, to protect the consuming public from confusion, concomitantly protecting the trademark owner's right to a non-confused public.").

Trademark protection is carefully tailored to accomplish these limited purposes because it is generally understood that overprotection of marks may in itself impair competition and First Amendment interests.<sup>14</sup> For example, trademark law only protects “distinctive” marks, because only distinctive marks are likely to signify product source to consumers and because effective competition requires that competitors have access to commonplace, descriptive, and generic words and symbols.<sup>15</sup> Protection only extends to nonfunctional marks to ensure that trademark laws are not used to monopolize useful product and packaging features that the patent and copyright laws relegate to the public domain.<sup>16</sup> Trademark law also applies the doctrine of exhaustion to ensure that marks are available for use in resales and sales of secondhand marked products.<sup>17</sup> Further, in order to infringe a mark owner’s rights, the defendant must have (1) *used a mark as a trademark* (2) in a manner that *causes a likelihood of consumer confusion* about the source, sponsorship, or affiliation of the parties’ goods or services.<sup>18</sup>

While numerous case decisions illuminate the likelihood of confusion determination, the case law provides relatively little discussion of when a defendant “uses a mark as a trademark” for purposes of infringement liability. However, the trademark use requirement is well-established in statutory language and the case law, and it serves a separate and distinct purpose in shaping trademark rights.<sup>19</sup> The trademark use requirement tailors the infringement cause of action to ensure that it effectively serves

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<sup>14</sup> As Parts II and III discuss, *infra*, overprotection of marks has the potential to stifle competition and interfere with important First Amendment interests. Thus, the trademark laws intend to achieve the optimal balance between protection and competitor access in order to foster competition.

<sup>15</sup> See, e.g., *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 125 S. Ct. 542, 550 (2004) (discussing limitations built into Lanham Act to prevent use of trademark rights to monopolize common or descriptive words); *Park ‘N Fly, Inc. v. Dollar Park & Fly, Inc.*, 469 U.S. 189, 201 (1985) (discussing safeguards in Lanham Act to prevent commercial monopolization of language).

<sup>16</sup> 15 U.S.C. § 1052(e) (2000); *Traffix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001).

<sup>17</sup> *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125 (1947).

<sup>18</sup> 15 U.S.C. §§ 1114(1)(a), 1125(a) (2000).

<sup>19</sup> See *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400, 412 (2d Cir. 2005) (“Not only are ‘use,’ ‘in commerce,’ and ‘likelihood of confusion’ three distinct elements of a trademark infringement claim, but ‘use’ must be decided as a threshold matter because, while any number of activities may be ‘in commerce’ or create a likelihood of confusion, no such activity is actionable under the Lanham Act absent the ‘use’ of a trademark.”); Uli Widmaier, *Use, Liability and the Structure of Trademark Law*, 33 HOFSTRA L. REV. 603, 647 (2004) (“Trademark use by the defendant — ‘use in commerce’ in Lanham Act lingo — must be established before an analysis of the likelihood of confusion is even meaningful.”).

its purpose — preventing interference with consumers' ability to rely on marks for product information — without interfering unduly with the free flow of useful marketplace information to consumers.<sup>20</sup> The requirement also shelters certain unauthorized but information-enhancing uses of marks without necessitating a factual inquiry into the issue of consumer confusion.<sup>21</sup> In addition, the trademark use requirement prevents trademark owners from exercising trademark rights to interfere with First Amendment-protected speech by confining the infringement cause of action to commercial transactions.<sup>22</sup> The following subsections discuss the statutory provisions and case decisions that establish and define the "trademark use" prerequisite to infringement and dilution liability.

#### A. *Early Statutory and Case Law*

Early federal statutes and judicial decisions indicated that a defendant could only infringe a "technical" (inherently distinctive) trademark by *placing it on the article he was selling*.<sup>23</sup> The Trademark Act of 1881 provided for infringement liability only when a defendant reproduced, counterfeited, copied, or colorably imitated a plaintiff's registered mark and *affixed* it to "merchandise of substantially the same descriptive properties" as that described in the registration.<sup>24</sup> The Trademark Act of

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<sup>20</sup> Dogan & Lemley, *supra* note 3, at 778-79, 805. Such uses might include references to marks in product comparisons, consumer product evaluations, or news reporting. As the Second Circuit noted in *Lang v. Retirement Living Publishing Co., Inc.*, 949 F.2d 576, 582-83 (2d Cir. 1991) (citing RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 20 Reporter's note at 179), "trademark infringement protects only against mistaken purchasing decisions and not against confusion generally." The trademark use requirement is meant, in part, to ensure that this distinction is made.

<sup>21</sup> See Dogan & Lemley, *supra* note 3, at 805, 836-37 ("The doctrine of trademark use, in particular, holds sway against changing notions of consumer confusion, it is designed to be a bulwark against unreasonable expansion of trademark law.").

<sup>22</sup> *S.F. Arts & Athletics v. U.S. Olympic Comm.*, 483 U.S. 522, 566 (1987) (Brennan, J., dissenting) ("A key Lanham Act requirement that limits the impact of trademarks on noncommercial speech is the rule that a trademark violation occurs only when an offending trademark is applied to commercial goods and services."); Pierre N. Leval, *Trademark: Champion of Free Speech*, 27 COLUM. J.L. & ARTS 187, 195 (2004) (explaining that First Amendment protections are built into Lanham Act, in part, through trademark use requirement).

<sup>23</sup> *Air-Brush Mfg. Co. v. Thayer*, 84 F. 640 (N.D. Ill. 1897) (citing federal trademark statute in effect at that time).

<sup>24</sup> An Act To Authorize the Registration of Trade-Marks and Protect the Same, 46th Cong. § 7 (1881); see *Diederich v. W. Schneider Wholesale Wine & Liquor Co.*, 195 F. 35, 40 (8th Cir. 1912), *appeal dismissed*, 232 U.S. 720 (1914) (Sanborn, J., dissenting) (discussing this provision); *Postal Tel. Cable Co. v. Netter*, 102 F. 691 (E.D. Pa. 1900) (same).

1905 expanded somewhat on this definition of “infringement,” providing liability when a defendant *affixed* a reproduction, counterfeit, copy, or colorable imitation of the mark to merchandise that was substantially similar to that listed in the plaintiff’s registration *or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of such merchandise*, and used the allegedly infringing mark in commerce.<sup>25</sup> The relatively sparse pre-Lanham Act case law regarding infringement of technical trademarks routinely recited the requirement that the defendant must affix the allegedly infringing mark to his own goods or their packaging<sup>26</sup> or to advertisements of his goods.<sup>27</sup>

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<sup>25</sup> Trademark Act of 1905, ch. 592, § 16, 33 Stat. 724 (1905) (formerly codified at 15 U.S.C. § 96). There is some suggestion in the case law that the affixation requirement did not apply when the plaintiff sued at equity rather than at law. *Ironite Co. v. Guarantee Waterproofing Co.*, 64 F.2d 608 (8th Cir. 1933). However, this distinction does not appear to have been generally adopted. *See Syncromatic Corp. v. Eureka Williams Corp.*, 174 F.2d 649 (7th Cir. 1949) (applying affixation rule to case involving grant of injunction); *Dwinell-Wright Co. v. Nat’l Fruit Prod. Co., Inc.*, 140 F.2d 618 (1st Cir. 1944) (same); *Walgreen Drug Stores, Inc. v. Obear-Nester Glass Co.*, 113 F.2d 956 (8th Cir. 1940) (same); *see also* Trademark Act of 1920, ch. 104, § 4, 41 Stat. 534 (1920) (bringing U.S. law into compliance with Buenos Aires Convention). The Trademark Act of 1920 imposed infringement liability on any person who:

shall affix [a reproduction, counterfeit, copy or colorable imitation of the mark] to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy or colorable imitation in commerce . . .

*Id.*

<sup>26</sup> *E.g.*, *Dwinell-Wright Co.*, 140 F.2d at 618, 621-22; *Walgreen Drug Stores*, 113 F.2d at 962; *Diederich*, 195 F. at 37; *Augustein v. Saks*, 69 F. Supp. 547, 549-50 (N.D. Cal. 1946); *Thomas A. Edison, Inc. v. Shotkin*, 69 F. Supp. 176, 179 (D. Col. 1946), *appeal dismissed*, 163 F.2d 1020 (10th Cir. 1947).

<sup>27</sup> There was apparently some dispute over whether display of the plaintiff’s mark in the defendant’s advertising, as opposed to on his product or its packaging, would satisfy the 1905 Act’s affixation requirement:

[The lower court] assumed, without discussion, that the display of plaintiff’s registered mark in defendant’s advertising would constitute an infringement under 15 U.S.C.A. § 96. We think that assumption is correct, though the precedents are not so clear as they might be. Some cases have held that, to come within the Trade-Mark Act, defendant’s accused mark must in some way be impressed upon or affixed to the goods or the wrapper or container thereof. . . . [H]owever much such holding may have been justified under the earlier versions of the Trade-Mark Act, the broader language of the present Act does not require any such limited view.

The use of a copy or colorable imitation of plaintiff’s trade-mark in an

The common law "passing off" cause of action, which protected non-technical indications of origin that acquired secondary meaning, was broader than technical trademark infringement. A defendant could "pass off" his goods as those of the plaintiff without using a confusingly similar mark at all, for example, by stating to consumers that his goods were the "original" or that the plaintiff manufactured the goods (using the plaintiff's business name but not its mark).<sup>28</sup> However, in those common law passing off cases specifically involving alleged infringement of nontechnical marks ("trade names"), the courts came, over time, to apply essentially the same rules that they applied in the case of technical trademarks.<sup>29</sup>

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advertisement of defendant's product might well amount to affixing said mark "to labels, signs, (or) prints," intended to be used "in connection with the sale of merchandise" within the meaning of the Act. . . . Manifestly the essential wrong of trade-mark infringement, the appropriation of the good will of another's established mark, may be effectively accomplished by advertising matter associating that other's distinguishing mark with the product of defendant.

*Mishawaka Rubber & Woolen Mfg. Co. v. Panther-Panco Rubber Co.*, 153 F.2d 662, 666-67 (1st Cir. 1946) (citations omitted).

The protection which is to be accorded to the legal owner of a valid trademark extends beyond the sole use thereof in the marketing of his product in various forms of container merchandising. Even though the statute does not include the term 'advertising,' it has been construed that 'signs' and 'prints' used in advertising constitute a use of such material 'in connection with the sale of merchandise.' There is ample authority to the effect that leaflets, display cards, and newspaper advertising will support a claim of infringement.

*Hygienic Prods. Co. v. Judson Dunaway Corp.*, 81 F. Supp. 935, 944 (D.N.H. 1948), *vacated*, 178 F.2d 461 (1st Cir. 1949).

<sup>28</sup> RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 4 & cmts. a-e (1995); *id.* § 9 cmt. f.

<sup>29</sup> *Id.* § 9 cmt. f; *see, e.g.*, *Bird v. Parsons*, 289 F.3d 865, 877 (2d Cir. 2002) (treating two causes of action as requiring same showing); *Bijur Lubricating Corp. v. Devco Corp.*, 332 F. Supp. 2d 722, 726-27 (D.N.J. 2004) ("[T]he law governing trademark infringement under section 43(a) of the Lanham Act, which protects unregistered trademarks, generally follows the law governing infringement of registered trademarks, which are protected under section 32." (citing *Island Insteel Sys., Inc. v. Waters*, 296 F.3d 200, 206 n.1 (3d Cir. 2002)); *see also Zazu Designs v. L'Oreal, S.A.*, 979 F.2d 499, 502-03 (7th Cir. 1992) (holding that use, at common law and under Lanham Act section 43(a), means "sales to the public of a product with the mark attached").

Defining infringing "use" to require affixation paralleled the common law rules defining "use" for purposes of acquiring ownership rights in marks. Under the common law, a business acquired ownership rights upon first use of the mark in trade. Use in trade entailed placing the mark on goods and making the goods available to the intended customers so that the mark could serve its function of identifying product source. *Blue Bell, Inc. v. Farah Mfg. Co.*, 508 F.2d 1260 (5th Cir. 1975); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 18 (1995). A mark was "used in trade" when properly "affixed." *Id.* § 18 cmt. d (1995). Early case law defined "affixation" in this context as physically placing the mark on goods or their packaging. However, with the advent of more modern marketing

### B. *The Lanham Act*

When Congress enacted the Trademark Act of 1946, commonly known as the Lanham Act, it provided new statutory definitions of “infringement.” Lanham Act section 32 (1) (a) imposes liability on a person who shall “*use in commerce*” any reproduction, counterfeit, copy, or colorable imitation of a registered mark “*in connection with the sale, offering for sale, distribution, or advertising* of any goods or services” if such use is likely to cause confusion, cause mistake, or deceive.<sup>30</sup>

Lanham Act section 43(a), which provides a cause of action for infringement of unregistered marks and trade dress, proscribes “*use in commerce*” of a mark “*on or in connection with any goods or services, or any container for goods*” if the use “is likely to cause confusion, or to cause mistake, or to deceive . . . as to the origin, sponsorship, or approval of [the user’s] goods, services, or commercial activities.”<sup>31</sup> Lanham Act section 45 further provides that a mark will be deemed to be in “*use in commerce*”:

(1) on goods when —

(A) it is placed in any manner on the goods or their containers, or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and

(B) the goods are sold or transported in commerce, and

(2) on services when it is *used or displayed in the sale or advertising*

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practices, the law extended affixation in some contexts to include use of the mark in advertising. *Id.*

<sup>30</sup> 15 U.S.C. § 1114(1)(a) (2005) (emphasis added).

<sup>31</sup> 15 U.S.C. § 1125(a)(1) (1999) (as amended) (emphasis added). An earlier version of section 43(a) provided:

(a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce . . . shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

*of services* and the services are rendered in commerce.<sup>32</sup>

These provisions clearly contemplate two separate conditions to infringement liability. First, the defendant must closely associate the allegedly infringing mark with a product or service that it is offering for sale. Second, the defendant's actions must be "in commerce," thus bringing them within Congress's jurisdiction under the Commerce Clause.<sup>33</sup>

Trademark law requires a use in commerce not only for a defendant to infringe, but also for a business to attain initial ownership rights in a mark. The Lanham Act section 45 definition of "use in commerce," quoted above, appears to be relevant to determine "use" in both instances. First, nothing in the statutory language suggests that the section 45 "use in commerce" definition was not intended to apply in all cases in which the Lanham Act employs the "use in commerce" phrase, whether it be in connection with the acquisition of trademark rights or in defining when infringement has occurred.<sup>34</sup> Moreover, the prior federal trademark acts expressly required that defendants affix allegedly infringing marks to their products in order to infringe, and those acts

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<sup>32</sup> 15 U.S.C. § 1127 (2000) (emphasis added). An amendment, enacted in 1988, adds that the term "use in commerce" means the bona fide use of a mark in the ordinary course of trade and not merely to reserve a right in a mark. Trademark Revision Act of 1988, Pub. L. No. 100-667, § 134, 102 Stat. 3935 (1988); S. REP. NO. 100-515, at 5-6 (1988). This amendment was part of Congress's undertaking to provide for applications to register marks based on the applicant's good faith intent to use the mark and to do away with the practice of registering marks on the basis of "token use." MCCARTHY, *supra* note 11, § 17:21. This amendment indicates that Congress understood the section 45 definition to define the use necessary to gain ownership rights in marks. There is nothing in the original definition or the amendment, however, to suggest that the definition is limited to the use necessary to gain ownership. A number of courts have construed this provision to define the use a defendant must make to infringe. *See infra* note 36 and accompanying text.

<sup>33</sup> *See, e.g.,* 1-800 Contacts, Inc. v. WhenU.Com, Inc., 414 F.3d 400, 412 (2d Cir. 2005) (treating use requirement as three separate elements: defendant must (1) use the mark, (2) in commerce, and (3) in connection with the sale or advertising of goods or services); People for the Ethical Treatment of Animals v. Doughney, 263 F.3d 359, 364 (4th Cir. 2001) (stating three separate "use" requirements: (1) the defendant must "use" the mark, (2) the use must be "in commerce," and (3) the use must be "in connection with the sale, offering for sale, distribution, or advertising" of goods or services); Gov't Employees Ins. Co. v. Google, Inc., No. 1:04CV507, 2005 WL 1903128, at \*3 (E.D. Va. Aug. 8, 2005) (holding that Lanham Act plaintiff must demonstrate that defendant "used" mark, that defendant's use of mark occurred "in commerce," and that defendant used mark "in connection with sale, offering for sale, distribution or advertising" of goods and/or services); OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp. 2d 176, 185 (W.D.N.Y. 2000) (treating "use in commerce" requirement as raising two issues: whether defendant's activities fall within jurisdictional purview of Lanham Act, and whether the defendants' use of mark is "in connection with any goods or services").

<sup>34</sup> *See supra* note 32.

defined "affixation" in a manner rather similar to the terms of the section 45 use in commerce definition. Therefore, it seems likely that Congress intended the section 45 definition to apply in determining whether a party has infringed another's rights by making an unauthorized "use in commerce" of a confusing mark. There is nothing in the legislative history of the Lanham Act to suggest otherwise,<sup>35</sup> and a number of courts have, in fact, applied the section 45 definition in determining whether a defendant's use of a mark infringes.<sup>36</sup>

There is, however, some inconsistency in the statutory language. The section 45 definition provides that a trademark is used in commerce in connection with goods when a defendant places the trademark on the goods, their containers, or on displays associated with the goods. However, it does not expressly provide that a mark is used in commerce in connection with goods when it is displayed in advertising. It expressly provides that *service* marks are used in commerce when displayed in advertising, but not trademarks. This limitation seems inconsistent with the language of Lanham Act section 32, which specifically provides for infringement liability when a trademark is "used in commerce" "in connection with the sale, offering for sale, distribution or advertising of any goods or services."<sup>37</sup> There is no explanation for this inconsistency in the legislative history.<sup>38</sup>

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<sup>35</sup> See generally S. REP. NO. 100-79 (1946); S. REP. NO. 78-1322 (1944); H. REP. NO. 78-603 (1943); H. REP. NO. 77-2283 (1942); S. REP. NO. 77-568 (1941); S. REP. NO. 76-1562 (1940); H. REP. NO. 76-944 (1939).

<sup>36</sup> E.g., *1-800 Contacts, Inc.*, 414 F.3d at 407; *DaimlerChrysler AG v. Bloom*, 315 F.3d 932, 936 (8th Cir. 2003); *Wells Fargo & Co. v. WhenU.com, Inc.*, 293 F. Supp. 2d 734, 757 (E.D. Mich. 2003); *Acad. of Motion Picture Arts & Scis. v. Network Solutions, Inc.*, 989 F. Supp. 1276, 1279 (C.D. Cal. 1997); *Lucasfilm Ltd. v. High Frontier*, 622 F. Supp. 931, 934 (D.D.C. 1985); *Nat'l Tuberculosis Ass'n v. Summit County Tuberculosis Health Ass'n*, 122 F. Supp. 654, 656 (N.D. Ohio 1954); see also *Widmaier*, *supra* note 19 (arguing that section 45 definition of "use in commerce" governs in determining infringement). But see *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1024 n.11 (9th Cir. 2004) (stating that section 45 definition of "use in commerce" "applies to the required use a plaintiff must make to have rights in mark, as defined by 15 U.S.C. § 1051" but is not relevant in determining whether a defendant's actions infringe the plaintiff's mark).

<sup>37</sup> It is more nearly consistent with the language of Lanham Act section 43(a), which does not expressly mention advertising. However, defining section 43(a) "infringing use" to exclude advertising use would also be inconsistent with the 1905 Act, as construed. See *supra* note 27. As a general matter, the Lanham Act tends to liberalize, rather than restrict, trademark protection.

<sup>38</sup> The Lanham Act section 45 definition of "use in commerce" in the case of goods tracks the earlier 1905 Act's language. Perhaps use in "displays associated with goods," as provided in Lanham Act section 45, might have been construed to extend to advertising use, just as "affixing" a mark to "signs and prints" was under the 1905 Act. See note 27, *supra*. However, Congress's express reference to advertising in the case of service marks made this construction unlikely. Interestingly, courts have become increasingly receptive



Even if this discrepancy suggests that the literal language of the section 45 "use in commerce" definition is limited to defining the acts necessary to gain ownership and registration of a mark, there is other statutory language that should be construed to impose an affixation or trademark use limitation on infringement liability. Section 32(1)(a) requires that the defendant's use of a mark in commerce be "in connection with the sale, offering for sale, distribution or advertising of goods or services,"<sup>39</sup> and section 43(a) requires that the defendant's use of a mark in commerce be "on or in connection with any goods or services, or any container for goods."<sup>40</sup> Moreover, the long history of

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to the use of marks in the advertising of goods as proof of use in commerce, which establishes initial ownership rights in a mark.

Use of a designation in the various advertising media can now establish the designation's significance as an identifying symbol as surely as its appearance on packaging or labels. Although physical affixation remains a common method of trademark use, the rule stated in this Section recognizes any manner of use that is sufficient to create an association between the designation and the user's goods or services. Common forms of trademark use on goods include placement of the mark on labels, tags, containers, or other packaging for the goods or the imprinting or similar affixation of the mark on the goods themselves. Under the rule as stated in this Section, use of a mark on point of sale displays, price lists, menus, or mail solicitations can also constitute use as a trademark, as can other advertising uses calculated to inform prospective purchasers of the association between the designation and the user or the user's goods and services.

RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 18 cmt. d (1995).

<sup>39</sup> 15 U.S.C. § 1114(1)(a) (2005); *see Bosley Med. Inst. v. Kremer*, 403 F.3d 672, 676-80 (9th Cir. 2005). The Ninth Circuit holds that the "commercial use" language of Lanham Act sections 32(1)(a), 43(a) and 43(c) only serves the purpose of establishing federal jurisdiction. *Bosley Med. Inst.*, 403 F.3d at 677. Rather, the trademark use restriction is encompassed in the "use in connection with the sale of goods" clause in section 32(1)(a) and its equivalents in sections 43(a) and 43(c). *Id.*

<sup>40</sup> 15 U.S.C. § 1125(a) (1999).

Of course, the statutory language a court relies on as establishing the trademark use requirement may shape its construction or definition of the requirement. The affixation provisions set forth in the section 45 definition of "use in commerce" spell out specific ways in which the defendant must associate the mark with its goods or services and thus provide the more narrow approach to trademark use.

The "*in connection with* the sale, offering for sale, distribution or advertising of goods or services" language of Lanham Act section 32(1)(a) and the corresponding "*on or in connection with* any goods or services, or any container for goods" language of section 43(a) are more general and provide more leeway to break from historical precedent and construe trademark use broadly. The Ninth Circuit, which has expressly opted to rely on this language for its definition of trademark use (and has rejected the section 45 definition as irrelevant) appears to view trademark use simply as limiting the plaintiff's cause of action to a commercial, profit-motivated, or competitive context. *Bosley Med. Inst.*, 403 F.3d at 676-80. As *infra* note 79 discusses, as long as there is a general commercial or competitive context for the defendant's use, the Ninth Circuit defers any further examination of the nature of the defendant's use to the affirmative fair use defenses.

imposing an affixation requirement in the infringement context, the limited purpose of trademark protection, the justifications for imposing a trademark use limitation on infringement liability, and the lack of any indication that Congress intended to eliminate the affixation or trademark use requirement when it enacted the Lanham Act suggest that affixation or trademark use should remain a prerequisite to finding that a defendant has infringed a plaintiff's trademark rights.<sup>41</sup>

In the years following the enactment of the Lanham Act, the case decisions have continued to describe infringing use as involving a defendant's use of the alleged infringing mark *on* the goods he sold or on materials directly advertising his goods or services.<sup>42</sup> They have also stressed that the defendant must use the allegedly infringing mark to identify the source of goods or services, rather than to serve some other purpose.<sup>43</sup> So, for example, a court cannot deem an unauthorized use of the plaintiff's mark to be an infringing use if it clearly serves only to identify or parody the plaintiff,<sup>44</sup> to express political views,<sup>45</sup> to strictly describe aspects of the defendant's product or service,<sup>46</sup> or, in the case of domain names, to indicate an address on the Internet.<sup>47</sup>

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<sup>41</sup> See, e.g., *Interactive Prods. Corp. v. A2Z Mobile Office Solutions, Inc.*, 326 F.3d 687, 695 (6th Cir. 2003) (stating that plaintiff must prove that defendants are using challenged mark in way that identifies source of their goods). "If defendants are only using [plaintiff's] mark in a 'non-trademark' way — that is, in a way that does not identify the source of a product — then trademark infringement and false designation of origin laws do not apply." *Id.*

This limitation is evident as well in the Lanham Act's definition of a "trademark": "any word, name, symbol or device . . . used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods . . ." 15 U.S.C. § 1127 (2000). The definition of a "service mark" is similarly phrased. *Id.* Presumably, a word, name, symbol, or device used for some other purpose is not a trademark or a trademark use.

<sup>42</sup> See, e.g., *Sychromatic Corp. v. Eureka Williams Corp.*, 174 F.2d 649, 650 (7th Cir. 1949) ("Infringement of a trade-mark consists in the unauthorized use or colorable imitation of it upon substituted goods of the same class as those for which the mark has been appropriated.").

<sup>43</sup> E.g., *DaVinci Tech. Corp. v. Rubino*, No. Civ. 05-1561, 2005 WL 1249462, at \*3 (D.N.J. May 25, 2005); *Felix the Cat Prods., Inc. v. New Line Cinema Corp.*, 54 U.S.P.Q. 2d 1856, 1857 (C.D. Cal. 2000).

<sup>44</sup> *New Kids on the Block v. News America Publ'g, Inc.*, 971 F.2d 302, 306-08 (9th Cir. 1992); *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 32-33 (1st Cir. 1987).

<sup>45</sup> *Lucasfilm Ltd. v. High Frontier*, 622 F. Supp. 931, 934-36 (D.D.C. 1985).

<sup>46</sup> *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125, 128-30 (1947); *Smith v. Chanel, Inc.*, 402 F.2d 562, 563-65 (9th Cir. 1968); *U.S. Shoe Corp. v. Brown Group, Inc.*, 740 F. Supp. 196, 198-200 (S.D.N.Y. 1990), *aff'd*, 923 F.2d 844 (2d Cir. 1990).

<sup>47</sup> *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400, 408-09 (2d Cir. 2005); *Bird v. Parsons*, 289 F.3d 865, 878 (2d Cir. 2002); *Acad. of Motion Picture Arts & Scis. v. Network Solutions, Inc.*, 989 F. Supp. 1276, 1280 (C.D. Cal. 1997); *Lockheed Martin Corp. v. Network*

As demonstrated both by the evolution of the pertinent statutory language and by the case opinions, Congress and the courts have eased the rigidity of the affixation or trademark use requirement over the years, moving from physical attachment of the mark to the good being offered for sale to a wider array of related uses.<sup>48</sup> Taking the most liberal, modern, and general construction of the requirement, as applied in the common law or under the Lanham Act, affixation or trademark use, may be said to entail the application of a mark in a manner that invites consumers to associate the mark with the goods or services the user is offering for sale or distribution and to rely on the mark for information about the source, sponsorship, or affiliation of those goods or services.<sup>49</sup> The following two subsections discuss certain aspects of this definition in greater depth.

### 1. The "Trademark Use" Requirement Prevents Recognition of Rights in Gross

A mark is a word, name, symbol, or device that a business uses to identify its goods or services and to distinguish those goods or services from those offered by others.<sup>50</sup> The legal significance of the mark lies in its relationship to the product or service it identifies. The law undertakes to protect the effectiveness of the mark's ability to inform consumers that the product it identifies comes from a particular source. The mark has no legal meaning or existence independent of its role in identifying the product or service with which its owner uses it.<sup>51</sup> Thus, the courts have

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Solutions, Inc., 985 F. Supp. 949, 956 (C.D. Cal. 1997), *aff'd*, 194 F.3d 980 (9th Cir. 1999).

<sup>48</sup> See *supra* notes 29-32 and accompanying text; see also RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 18 cmt. d (1995); MCCARTHY, *supra* note 11, §§ 16:23-:25, :27.

<sup>49</sup> See, e.g., *Interactive Products Corp. v. A2Z Mobile Office Solutions, Inc.*, 326 F.3d 687, 695 (6th Cir. 2003) (stating that trademark infringement and false designation of origin laws do not apply if defendants are only using plaintiff's trademark in a "non-trademark" way — that is, in way that does not identify source of product); *Blue Bell, Inc. v. Farah Mfg., Inc.*, 508 F.2d 1260, 1267 (5th Cir. 1975) (explaining that use of mark must give public chance to associate mark with particular product); *In re Griffin Pollution Control Corp.*, 517 F.2d 1356, 1359 (C.C.P.A. 1975) (stating that purchaser should "directly associate the mark with the goods, whether or not the goods physically exist at the time the purchaser views the display"); *In re Universal Oil Prods. Co.*, 476 F.2d 653, 655 (C.C.P.A. 1973) ("[T]he minimum requirement is some direct association between offer of services and mark."); see *Leval*, *supra* note 22, at 194-95 (stating that trademark owner's rights only extend to prevent defendant's use of mark "as a trademark identifying the goods or services of the alleged infringer").

<sup>50</sup> 15 U.S.C. § 1127 (2000); RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 (1995).

<sup>51</sup> *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918); *American Foods, Inc. v. Golden Flake, Inc.*, 312 F.2d 619, 625 (5th Cir. 1963); MCCARTHY, *supra* note 11, § 2:15; Jessica Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 YALE L.J.

made it clear that there are no “rights in gross” or “rights at large” in the word, name, symbol, or device that constitutes a mark. The scope of trademark rights is meant to be much narrower than the scope of a copyright or patent.<sup>52</sup> The definition of “trademark use,” set forth in Part I.B, is consistent with this understanding. It ensures that only a defendant’s actions that interfere with consumers’ ability to rely on the plaintiff’s mark for information about product source are actionable.

Courts sometimes cite the Fifth Circuit’s decision in *Boston Professional Hockey Ass’n, Inc. v. Dallas Cap & Emblem Manufacturing, Inc.*,<sup>53</sup> however, for the contrary proposition that a sale of the mark, by itself, can constitute an infringing use of the mark in commerce.<sup>54</sup> *Boston Professional Hockey* involved a defendant who manufactured and sold embroidered cloth emblems, or patches, fashioned to look like the registered trademarks and service marks of professional sports teams, for placement on fans’ hats or other clothing.<sup>55</sup> The teams, which had licensed some manufacturers, but not the defendant, to use the team symbols on merchandise sued, alleging trademark infringement under both Lanham Act sections 32 and § 43(a) and the common law of unfair competition.<sup>56</sup>

Early in its decision, the Fifth Circuit observed that the case was difficult because “a reproduction of the trademark itself [was] being sold, unattached to any other goods or services.”<sup>57</sup> However, notwithstanding this initial characterization, the court ultimately determined that the case involved separate marks and products.<sup>58</sup> The court characterized the issues raised by the case as: (1) whether the defendant used the plaintiffs’ marks “in connection with the sale of goods,” and (2) whether that use

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1717, 1720 (1999).

<sup>52</sup> *United Drug*, 248 U.S. at 97 (characterizing plaintiff’s argument as “based upon the fundamental error of supposing that a trade-mark right is a right in gross or at large, like a statutory copyright or a patent for an invention, to either of which, in truth, it has little or no analogy”); *Interactive Products*, 326 F.3d at 695 (stating that there is no claim for infringement when defendant’s unauthorized use of mark does not identify source of product).

<sup>53</sup> *Boston Prof’l Hockey Ass’n, Inc. v. Dallas Cap & Emblem Mfg.*, 510 F.2d 1004, 1011 (5th Cir. 1004).

<sup>54</sup> *See, e.g., Bosley Medical Inst. v. Kremer*, 403 F.3d 672, 678 (9th Cir. 2005) (characterizing *Boston Professional Hockey* as “holding that trademark law protects the trademark itself, despite the fact that only ‘a reproduction of the trademark itself is being sold, unattached to any other goods or services’”); *Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1318, 1325 n.5 (9th Cir. 1998).

<sup>55</sup> *Boston Professional Hockey*, 510 F.2d at 1009.

<sup>56</sup> *Id.* at 1008-09.

<sup>57</sup> *Id.* at 1010.

<sup>58</sup> *Id.* at 1008.

was likely to cause a likelihood of consumer confusion.<sup>59</sup> In finding the requisite "use in connection with the sale of goods," the Fifth Circuit rejected the lower court's finding that the mark was, in effect, the product being sold.<sup>60</sup> The Fifth Circuit reasoned that the patch was the "product" and that the defendant used the mark to sell that product when it embroidered the mark on the patch.<sup>61</sup> Thus, *Boston Professional Hockey* does not ultimately support the proposition that marks can be protected in gross, but rather complies with the general idea that a use can only infringe when the defendant affiliates the mark with a good or service.

## 2. "Trademark Use" Does Not Turn on the Defendant's Intent

Several circuit-level decisions have made it clear that a defendant's predatory intent to benefit from the plaintiff's business goodwill cannot substitute for trademark use, as defined in Part I.B. The Sixth Circuit's decision in *Holiday Inns, Inc. v. 800 Reservation, Inc.*<sup>62</sup> is a good example. In that case, the plaintiff claimed trademark rights in its mark "Holiday Inns" and also in its vanity telephone number "1-800-HOLIDAY," which

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<sup>59</sup> *Id.* at 1011.

<sup>60</sup> *Id.* at 1013.

<sup>61</sup> The *Boston Professional Hockey* court explained:

Defendant is in the business of manufacturing and marketing emblems for wearing apparel. These emblems are the products, or goods, which defendant sells. When defendant causes plaintiffs' marks to be embroidered upon emblems which it later markets, defendant uses those marks in connection with the sale of goods as surely as if defendant had embroidered the marks upon knit caps. The fact that the symbol covers the entire face of defendant's product does not alter the fact that the trademark symbol is used in connection with the sale of the product. The sports fan in his local sporting goods store purchases defendant's fabric and thread emblems because they are embroidered with the symbols of ice hockey teams. Were defendant to embroider the same fabric with the same thread in other designs, the resulting products would still be emblems for wearing apparel but they would not give trademark identification to the customer. The conclusion is inescapable that, without plaintiff's marks, defendant would not have a market for his particular product among ice hockey fans desiring to purchase emblems embroidered with the symbols of their favorite teams. It becomes clear that defendant's use of plaintiff's marks is in connection with the sale, offering for sale, distribution, or advertising of goods and that plaintiffs have established [the requisite "use in connection with the sale of goods"].

*Id.* at 1011-12.

<sup>62</sup> *Holiday Inns, Inc. v. 800 Reservation, Inc.*, 86 F.3d 619 (6th Cir. 1996).

it featured in its advertisements.<sup>63</sup> Customers could dial the 1-800-HOLIDAY number (which translated to the numbers 1-800-465-4329) to obtain information and reserve hotel rooms.<sup>64</sup> The defendants secured and used a number that potential Holiday Inn customers frequently dialed by mistake when attempting to reach the plaintiff.<sup>65</sup> It is well-known that customers often substitute a zero for the letter "o" in dialing vanity numbers: the number the defendants used—1-800-405-4329—represented that variation from the plaintiff's vanity number.<sup>66</sup> This kind of variation is known as a "complimentary number."<sup>67</sup> The defendants used the complimentary number in their business of making reservations for customers with a number of hotel chains, including Holiday Inns.<sup>68</sup> Holiday Inns sued, alleging trademark infringement and unfair competition.<sup>69</sup>

On appeal, the Sixth Circuit assumed that the plaintiff had trademark rights in its vanity number and noted that the defendants' "sole purpose" in choosing the complementary number was "to intercept calls from misdialing consumers who were attempting to reach Holiday Inns" and thus to free ride on the plaintiff's business goodwill.<sup>70</sup> Nonetheless, the court rejected Holiday Inns' infringement claim as a matter of law, on the ground that the defendants did not "use" the Holiday Inns trademark or any variant of it.<sup>71</sup> The court reasoned that the defendants only used a phone number which was neither phonetically nor visually similar to the 1-800-HOLIDAY mark. The court stressed that the defendants never advertised or otherwise publicized either the Holiday Inns mark or the 1-800-HOLIDAY mark.<sup>72</sup> The fact that the defendants *intended* to intercept calls meant for the plaintiff was not sufficient to constitute the necessary trademark use:

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<sup>63</sup> *Id.* at 620-21.

<sup>64</sup> *Id.* at 621.

<sup>65</sup> *Id.* at 620.

<sup>66</sup> *Id.* at 621.

<sup>67</sup> *Id.* at 620.

<sup>68</sup> *Id.* at 621.

<sup>69</sup> *Id.* at 621.

<sup>70</sup> *Id.* at 621-22. The district court found that the defendants' practice actually harmed the plaintiff in at least two ways: First, the defendant might inform a particular customer that a particular Holiday Inn had no rooms available when, in fact, vacancies did exist. *Id.* Second, a customer would more likely obtain a favorable room rate by contacting Holiday Inns directly, as opposed to contacting the defendants through Holiday Inns' complimentary number. *Id.*

<sup>71</sup> *Id.* at 625.

<sup>72</sup> *Id.* at 623-24.

The plain language of § 32 of the Lanham Act forbids only the "use in commerce [of] any reproduction, counterfeit, copy, or colorable imitation of a registered mark . . . which . . . is likely to cause confusion. Additionally, § 43(a) of the Act provides a cause of action only against "[a] person who . . . uses in commerce any word, term, name, symbol, or device . . . or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact. . . ." The defendants in this case never used Holiday Inns's trademark nor any facsimile of Holiday Inns's marks.<sup>73</sup>

The court added that "stretching the plain language of the Lanham Act" to cover the defendants' acts would be "unjustified."<sup>74</sup>

The Eighth Circuit subsequently adopted the Sixth Circuit's reasoning in a somewhat factually similar case. In *DaimlerChrysler AG v. Bloom*,<sup>75</sup> the defendants had acquired the telephone number 1-800-637-2333, one possible alphanumeric translation of which was 1-800-MERCEDES.<sup>76</sup> They subsequently charged Mercedes-Benz dealers for a license to use the number.<sup>77</sup> The owner of the Mercedes mark for automobiles, which maintained its own toll-free telephone line, sued, alleging trademark infringement, unfair competition, and dilution.<sup>78</sup>

The *DaimlerChrysler* court rejected all the claims, reasoning that each of them required a finding that the defendants had made a trademark use of the plaintiff's mark or a colorable imitation thereof.<sup>79</sup> Here, they had not. The court stressed that the defendants only licensed the phone number to various Mercedes-Benz dealers and did not advertise or

<sup>73</sup> *Id.* at 625 (citations omitted).

<sup>74</sup> *Id.*

<sup>75</sup> *DaimlerChrysler AG v. Bloom*, 315 F.3d 932 (8th Cir. 2003).

<sup>76</sup> *Id.* at 934.

<sup>77</sup> *Id.* at 935.

<sup>78</sup> Plaintiff asserted that numerous Mercedes customers seeking to reach it reached the defendants instead. *Id.* at 935. This injured plaintiff because plaintiff's line was open 24 hours per day, while defendant's was only open weekdays from 8:00 a.m. to 6:00 p.m. *Id.* For this reason, customers became frustrated when no one answered the phone after-hours and on weekends and holidays. *Id.* at 935.

<sup>79</sup> *Id.* at 936. The court cited the Lanham Act section 45 definition of "use in commerce" as the controlling definition for this inquiry. Thus, the requisite use in commerce involves "the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark." 15 U.S.C. § 1127 (2005). The court went on to invoke the Lanham Act's affixation requirement: A mark "shall be deemed to be in use in commerce . . . on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce." *DaimlerChrysler*, 315 F.3d at 936 (quoting 15 U.S.C. § 1127).

promote the Mercedes mark.<sup>80</sup> It relied on *Holiday Inns* for the proposition that the defendant must advertise or otherwise promote “the alphanumeric translation of the phone number thereby causing the public to see the protected mark and associate the infringer’s goods or services with those of the mark holder.”<sup>81</sup> The telephone number itself was neither phonetically nor visually similar enough to the plaintiff’s mark to be considered a reproduction or colorable imitation of it.<sup>82</sup> It was not sufficient that one could translate the telephone number into the plaintiff’s mark or that defendants’ number might nonetheless lead consumers to the defendants when they meant to call the plaintiff.<sup>83</sup> Moreover, the court rejected the notion that a predatory intent on the defendant’s part could substitute for an “actual use of the mark.”<sup>84</sup>

Thus, under the *Holiday Inns* and *DaimlerChrysler* line of cases, the defendant must expose consumers to the mark in the course of selling, disseminating, or advertising goods or services in a way that allows consumers to associate the mark with those goods or services. A showing that the defendant had a predatory intent will not in itself satisfy this requirement. This rule is consistent with the limited purpose of trademark protection. We protect trademarks to ensure that they will effectively communicate the source of goods or services to consumers, thus lowering consumer search costs and promoting a more efficient marketplace. If the defendant does not refer to the plaintiff’s mark or if consumers are not exposed to the defendant’s reference, then finding

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<sup>80</sup> *DaimlerChrysler*, 315 F.3d at 936.

<sup>81</sup> *Id.* at 939. The court added that there was no “passing off” because the defendants did not use the mark to sell any good or service to customers who mistakenly dialed defendants in the course of seeking plaintiff. *Id.* at 937. The court defined “passing off” as occurring “where a company sells its goods or services under the pretense that they are the goods or services of another.” *Id.* at 937. The defendant merely told mistaken consumers that they had reached the wrong number, so it could not be characterized as selling any good or service under false pretenses.

<sup>82</sup> *Id.* at 938.

<sup>83</sup> *Id.* at 938-39. The court found *Holiday Inns* to be “virtually indistinguishable” from the case at hand, noting, “the fact that defendant was contacted by individuals who correctly dial a telephone number that they mistakenly believe belongs to Mercedes as opposed to individuals who misdial their intended number makes no difference.” *Id.* The court rejected the plaintiff’s attempts to analogize its claim to Internet domain name cases discussed *infra*, Part II, concluding that applying the Internet precedent to the defendant’s actions “would stretch the outer limits of the Lanham Act.” *Id.* at 938.

<sup>84</sup> *Id.* at 938; see also *Miss Dig Sys., Inc. v. Power Plus Eng’g, Inc.*, 944 F. Supp. 600 (E.D. Mich. 1996) (following *Holiday Inns*); *U-Haul Int’l, Inc. v. Kresch*, 943 F. Supp. 802, 810 (E.D. Mich. 1996) (“It is clear that ‘the defendants’ use of a protected mark is a *prerequisite* to the finding of a Lanham Act violation. As such, this court cannot look to the defendants’ *intent* as a ground for a § 1125 violation, but must first find an *actual use* of the mark.”) (citing *Holiday Inns, Inc. v. 800 Reservation, Inc.*, 86 F.3d 619 (6th Cir. 1996)).



infringement would not serve trademark's purpose: consumers would not likely rely on the mark to identify the source of the defendant's goods or services, there would be no interference with the source-indicating function of the plaintiff's mark, and, thus, there would be none of the harm that trademark and dilution laws are meant to prevent. Trademark laws were never meant to prevent all forms of free riding on a plaintiff's business goodwill. Indeed, we have long recognized that, in many instances, free riding may be procompetitive.<sup>85</sup>

### C. Diluting "Use"

The Federal Trademark Dilution Act of 1995<sup>86</sup> provides owners of "famous" marks with a new federal cause of action — dilution. This cause of action prevents "another person's commercial use in commerce" of an owner's famous mark if the use begins after the plaintiff's mark has become famous and causes dilution of its distinctive, source-indicating quality.<sup>87</sup> Presumably, the term "use in commerce" in this new Lanham Act provision means the same thing as it does in the Lanham Act trademark infringement and unfair competition provisions and in Lanham Act section 45.<sup>88</sup>

Of course, one might question whether the substance of the dilution statute's use requirement differs from the substance of the Lanham Act's use requirement for trademark infringement, since there are differences

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<sup>85</sup> So, for example, it is considered advantageous for competitors to use a plaintiff's mark in comparative advertising, even though this may give the competitors a free ride on the plaintiff's business goodwill. *Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir. 1968); *Societe Comptoir De L'Industrie Cotonniere Etablissements Boussac v. Alexander's Dep't Stores, Inc.*, 299 F.2d 33, 36 (2d Cir. 1962). Likewise, sellers of secondhand or refurbished goods may retain the plaintiff's mark on the product in reselling, which may increase the secondhand seller's profits. *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125 (1947); see also *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400, 410-11 (2d Cir. 2005); Dogan & Lemley, *supra*, note 3, at 791-99; Leval, *supra* note 22, at 194-95; Mark A. Lemley, *Property, Intellectual Property, and Free Riding*, 83 TEX. L. REV. 1031, 1033-46 (2005); Lunney, *supra* note 11, at 455-61; Jennifer E. Rothman, *Initial Interest Confusion: Standing at the Crossroads of Trademark Law*, 27 CARDOZO L. REV. 105, 162-75 (2005). But see David J. Franklyn, *Debunking Dilution Doctrine: Toward a Coherent Theory of the Anti-Free Rider Principle in American Trademark Law*, 56 HASTINGS. L.J. 117 (2004) (defending view that free riding on trademark value should be prohibited).

<sup>86</sup> 15 U.S.C. § 1125(c) (1999); 15 U.S.C. § 1127 (2000).

<sup>87</sup> 15 U.S.C. § 1125(c); *Moseley v. V. Secret Catalogue, Inc.*, 537 U.S. 418, 432-34 (2003). The Act makes three express exceptions to liability: "(A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark; (B) Noncommercial use of a mark; (C) All forms of news reporting and news commentary." 15 U.S.C. § 1125(c)(4).

<sup>88</sup> 15 U.S.C. § 1114(1)(a) (2005); 15 U.S.C. § 1125(a) (1999); 15 U.S.C. § 1127 (2000).

in other aspects of the statutory language: the dilution provision prohibits “commercial use in commerce,” while the trademark infringement provision prohibits “use in commerce in connection with the sale, offering for sale, distribution or advertising of any goods or services.”<sup>89</sup> However, in the interim following passage of the dilution provision, the courts have uniformly construed its “commercial use in commerce” requirement as being essentially synonymous<sup>90</sup> with Lanham Act section 32’s requirement of “use in commerce in connection with the sale, offering for sale, distribution, or advertising of any goods or services.”<sup>91</sup>

Thus, a diluting use must be a trademark use,<sup>92</sup> as discussed in the prior subsection, and the use must be in connection with the sale, offering for sale, distribution, or advertising of goods or services.<sup>93</sup>

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<sup>89</sup> 15 U.S.C. § 1114(1)(a). In the case of unregistered marks, infringement entails “use in commerce . . . on or in connection with any goods or services, or any container for goods.” 15 U.S.C. § 1125(a).

<sup>90</sup> 15 U.S.C. § 1114(1)(a); *Boseley Med. Inst. v. Kremer*, 403 F.3d 672, 676 (9th Cir. 2005); *Huthwaite, Inc. v. Sunrise Assisted Living, Inc.*, 261 F. Supp. 2d 502, 516-17 (E.D. Va. 2003).

<sup>91</sup> As one court explained:

The legal question presented here is whether the trademark dilution “commercial use” requirement differs from the Lanham Act’s requirement that the alleged infringement occur “in connection with the sale of goods or services.” The plain language of the statute requires only that the mark be used in a commercial setting, i.e., that it be used in connection with commerce. And “commercial” is “generally . . . defined as relating to the exchange or buying and selling of commodities” or “from the point of view of profit: having profit as its primary aim.” In other words, commercial use is to be contrasted with personal or private use which is not related to the buying or selling of goods or services. In practice, the “commercial use” requirement is virtually synonymous with the “in connection with the sale, offering for sale, distribution, or advertising of goods and services” requirement; the latter essentially defines the former. Indeed, some authorities have implicitly or explicitly substituted the “in connection with” formulation for the “commercial use” standard.

*Huthwaite*, 261 F. Supp. 2d at 516-17 (quoting *Ford Motor Co. v. Greatdomains.com, Inc.*, 177 F. Supp. 2d 635, 648-50 (E.D. Mich. 2001)); *see also* *Gen. Motors Corp. v. Let’s Make a Deal*, 223 F. Supp. 2d 1183, 1191-92 (D. Nev. 2002); MCCARTHY, *supra* note 11, § 25:76 at 25-229 (“While the [dilution] statute does not require that there be advertising or a sale of goods or services, ‘commercial use’ implies a place where some business is carried on or goods or services are sold, distributed or advertised for sale.”).

<sup>92</sup> *Bird v. Parsons*, 289 F.3d 865, 879 (2d Cir. 2002); *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 880 (9th Cir. 1999); *Ford Motor Co.*, 177 F. Supp. 2d at 649-50; *Acad. Motion Picture Arts & Sci. v. Network Solutions, Inc.*, 989 F. Supp. 1276, 1279 (C.D. Cal. 1997); *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 960 (C.D. Cal. 1997), *aff’d*, 194 F.3d 980 (9th Cir. 1999).

<sup>93</sup> *See* *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 903 (9th Cir. 2002) (“[Commercial use in commerce] refers to a use of a famous and distinctive mark to sell goods other than those produced or authorized by the mark’s owner.”); *Gen. Motors Corp.*, 223 F. Supp. 2d at

Indeed, the statute expressly restricts the dilution requirement to commercial speech,<sup>94</sup> which courts generally define as speech that "does no more than propose a commercial transaction."<sup>95</sup>

#### D. A Short Summary

Drawing on the available statutes and case law, "use," for purposes of federal trademark infringement or dilution liability, entails application of the mark in a manner that invites consumers to associate the mark with the goods or services the user is offering for sale or distribution. A defendant must directly present consumers with the allegedly infringing mark in a way that allows consumers to rely on the mark to identify goods or services being offered by the defendant and to distinguish them from the goods or services of others. The use must be a trademark use — a use that permits consumers to identify the source of the user's goods or services — a predatory intent on the part of the user is not sufficient in itself to constitute an infringing use.<sup>96</sup>

## II. "TRADEMARK USE" ON THE INTERNET

Outside of the Internet context, the trademark use limitation on infringement and dilution causes of action has rarely become an issue. However, the technology underlying the Internet has provided a host of new opportunities for unauthorized applications of marks. In the course

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1191-92.

<sup>94</sup> 15 U.S.C. § 1125(c)(4)(B) (1999); *Mattel, Inc.*, 296 F.3d at 904-906; *Am. Family Life Ins. Co. v. Hagen*, 266 F. Supp. 2d 682, 696-700 (N.D. Ohio 2002); *Northland Ins. Co. v. Blaylock*, 115 F. Supp. 2d 1108, 1123 (D. Minn. 2000).

<sup>95</sup> *Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60, 66 (1983); *Mattel, Inc.*, 296 F.3d at 906; *Huthwaite, Inc.*, 261 F. Supp. 2d at 517-18; see H.R. REP. NO. 104-374, at 4 (1995), as reprinted in 1995 U.S.C.C.A.N. 1029, 1031; 141 CONG. REC. S19306-10, S19510 (daily ed. Dec. 29, 1995) (statement of Sen. Hatch); 141 CONG. REC. H14317-01, H14318 (daily ed. Dec. 12, 1995) (statement of Rep. Moorhead).

This limitation comes from the statutory exception to dilution liability set forth in section 43(c)(4)(B), which excludes "noncommercial use of a mark" from liability "under this section." *But see Mattel Inc.*, 296 F.3d at 903-04 (finding that defendant's use constituted commercial use in commerce, but was exempted from liability by section 43(c)(4)(B) exception because the use constituted fully protected First Amendment speech).

<sup>96</sup> In a recently published article, Uli Widmaier has likewise pointed out the importance of the trademark use limitation and the failure of courts to apply it properly in Internet cases. Widmaier, *supra* note 19, at 604. However, Widmaier appears to construe trademark use as turning solely on the ability of consumers to perceive the use. *Id.* at 606. He reasons that consumers must perceive the defendant's use because "without consumer perception, the symbol cannot exert whatever commercial magnetism it may have on consumers; without commercial magnetism, the symbol does not function as a trademark." *Id.*

of evaluating infringement and dilution claims in this new and unique setting, courts have too often lost sight of the important limiting function the trademark use requirement should play.<sup>97</sup> In a number of cases, courts have construed the requirement in a manner that distorts it and undercuts its purpose. The following sections evaluate this distortion of the trademark use requirement in four important Internet contexts: (A) classic cybersquatting, (B) unauthorized use of marks in forum site domain names, (C) use in metatags, and (D) use in contextual advertising.

#### A. "Classic" Cybersquatting

In the 1990s, a number of enterprising individuals registered multiple domain names consisting of others' marks, followed by ".com" or another generic top level domain. In some instances, they proceeded to set up nominal websites under the domain names. In others, they simply held the domain name registrations, hoping later to sell them at a profit to the trademark owners. I refer to these actions as "classic cybersquatting."

When trademark owners brought suit against such individuals, the courts generally rejected the proposition that simply registering the plaintiff's mark as a domain name in itself constituted an infringing or diluting use of the mark, either on the part of the domain name registrant<sup>98</sup> or the registering agency.<sup>99</sup> Likewise, courts found that the

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<sup>97</sup> In some decisions, the courts appear to have ignored the question of trademark use altogether. *See, e.g.*, *Bd. of Dirs. Sapphire Bay Condos. W. v. Simpson*, 129 F. App'x 711 (3d Cir. 2005) (affirming preliminary injunction, without consideration of trademark use, against operator of gripe site under allegedly infringing and diluting domain name); *TCPIP Holding Co., Inc. v. Haar Commc'ns, Inc.*, 244 F.3d 88 (2d Cir. 2001) (holding domain name registrant liable for unfair competition, even though it had created no active website under allegedly infringing domain name); *Coca-Cola Co. v. Purdy*, No. 02-1782, 2005 WL 212797, at \*3 (D. Minn. Jan. 28, 2005) (finding trademark infringement when defendant set up forum websites under domain names incorporating others' marks, without any consideration of trademark use).

<sup>98</sup> *See, e.g.*, *Panavision Int'l, L.P. v. Toeppen*, 945 F. Supp. 1296, 1303 (C.D. Cal. 1996) ("Registration of a trade[mark] as a domain name, without more, is not a commercial use of the trademark and therefore is not within the provisions of the [Lanham] Act."), *aff'd*, 141 F.3d 1316 (9th Cir. 1998); *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 307 (D.N.J. 1998), *aff'd*, 159 F.3d 1351 (3d Cir. 1998). *But see TCPIP Holding Co.*, 244 F.3d at 88 (granting preliminary injunction against registrant of domain names who apparently had not set up websites under most of domain names subject to injunction); *Actmedia, Inc. v. Active Media Int'l, Inc.*, No. 96C3448, 1996 WL 466527 (N.D. Ill. July 17, 1996) (finding that defendant's "reservation" of domain name constituted unfair competition and dilution).

<sup>99</sup> *See, e.g.*, *Acad. of Motion Picture Arts & Scis. v. Network Solutions, Inc.*, 989 F. Supp. 1276, 1279 (C.D. Cal. 1997) ("[R]egistration of domain name did not constitute a sufficient

mere act of "warehousing" such domain names or "activating" them failed to constitute infringing or diluting use.<sup>100</sup> These findings clearly are correct in light of the statutory language and case law regarding the trademark use requirement, discussed in Part I. The defendants in these cybersquatting cases clearly did not employ the marks to identify the source of goods or services, in even the most liberal sense.<sup>101</sup>

A line of cases, however, found that registration of a domain name comprised of a mark followed by a generic top level domain constitutes a Lanham Act trademark use when coupled with an *intent to sell or license the registration* to the trademark owner. This line of cases started with the Northern District of Illinois's decision in *Intermatic, Inc. v. Toeppen*.<sup>102</sup> In that case, Toeppen, an infamous cybersquatter, registered hundreds of marks as domain names in the ".com" top level domain, including the plaintiff's "Intermatic" mark for electronic products.<sup>103</sup> Toeppen

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'trademark use' to support infringement, unfair competition or dilution claim."); *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 957 (C.D. Cal. 1997), *aff'd*, 194 F.3d 980 (9th Cir. 1999) ("registration of a domain name, without more, does not constitute use of the name as a trademark" and does not infringe or dilute plaintiff's mark).

<sup>100</sup> See *HQM, Ltd. v. Hatfield*, 71 F. Supp. 2d 500, 508 (D. Md. 1999) (holding registration of domain name and activation of name for e-mail purposes did not constitute an infringing or diluting use); *Juno Online Servs., L.P. v. Juno Lighting, Inc.*, 979 F. Supp. 684, 691 (N.D. Ill. 1997) ("[T]he mere 'warehousing' of the domain name is not enough to find that defendant placed the mark on goods or 'used or displayed [the mark] in the sale of advertising of services' as required" in 15 U.S.C. § 1127 (2005)). Moreover, simply posting a domain name for auction on an Internet domain name auction site or operating a site on which such auctions took place did not constitute a sufficient trademark use of the incorporated mark for purposes of the Lanham Act. *Bird v. Parsons*, 289 F.3d 865, 881 (6th Cir. 2002).

<sup>101</sup> As one court stated, for example:

There is . . . no evidence that Network Solutions attaches the names to any goods or services that it sells. The argument that the domain names themselves are goods or services the sale of which may dilute the Academy's marks is not supported by sufficient evidence to lead this Court to find that such an argument would have a strong likelihood of success at trial. There has been no allegation that Network Solutions markets its registration service or the quality of its service by displaying or otherwise exploiting the Academy's marks. Without such a showing, the use in commerce requirement is not met.

*Acad. of Motion Picture Arts & Sci.*, 989 F. Supp. at 1279; see also *Lockheed Martin Corp.*, 985 F. Supp. at 956-57 ("When a domain name is used only to indicate an address on the internet, the domain name is not functioning as a trademark.") In *Lockheed*, the court explained that by accepting domain name registrations, NSI was not using the [mark] in connection with the sale, distribution or advertising of goods and services. *Id.* Rather, NSI merely used domain names to designate host computers on the Internet. *Id.* This was the type of purely 'nominative' function that is not prohibited by trademark law. *Id.*

<sup>102</sup> *Intermatic, Inc. v. Toeppen*, 947 F. Supp. 1227 (N.D. Ill. 1996).

<sup>103</sup> *Id.* at 1232.

subsequently set up a web page under the "intermatic.com" domain name which featured a map of Champaign-Urbanna, the town where Toeppen lived.<sup>104</sup> When the plaintiff contacted Toeppen, Toeppen offered to sell the registration to the plaintiff.<sup>105</sup> Toeppen did not use the domain name to identify or advertise any goods or services.<sup>106</sup>

The court, however, ignored the trademark use issue in considering Intermatic's section 32(1)(a) and section 43(a) infringement claims.<sup>107</sup> The court granted Intermatic's motion for summary judgment on its section 43(c) dilution claim, specifically finding "commercial use in commerce."<sup>108</sup> The court reasoned that "Toeppen's intention to arbitrage the 'intermatic.com' domain name" made his actions "commercial," and his use of the domain name on the Internet rendered his actions "in commerce."<sup>109</sup> However, the court did not explain how his actions constituted a trademark use.

The District Court for the Central District of California followed similar reasoning in *Panavision International, L.P. v. Toeppen*,<sup>110</sup> which involved the same defendant and similar facts. Although the court specifically found that Toeppen had never used the contested "panavision.com" domain name in connection with any goods or services,<sup>111</sup> it nonetheless found the requisite commercial use in commerce to grant summary judgment to the plaintiff on its section 43(c) dilution claim.<sup>112</sup> The court reasoned that while registration of a mark as

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<sup>104</sup> *Id.*

<sup>105</sup> *Id.* at 1233.

<sup>106</sup> *Id.*

<sup>107</sup> *Id.* at 1234-35. The court stated that "Intermatic need only prove that: 1) it owns prior rights in the INTERMATIC mark; and 2) Toeppen's use of "intermatic.com" is likely to cause consumer confusion, deception or mistake." Finding no issue about the plaintiff's superior ownership rights, the court went directly into an analysis of whether Toeppen's actions created a likelihood of confusion without considering the predicate issue of whether Toeppen's actions constituted trademark use. *Id.* The court concluded that there were questions of fact as to the likelihood of confusion and declined to grant Toeppen's motion for summary judgment. *Id.* The court's discussion might be taken to suggest that any form of unauthorized action in connection with a plaintiff's mark will constitute the requisite Lanham Act use in commerce if it causes a likelihood of confusion about the source, affiliation, or sponsorship of goods or services.

<sup>108</sup> *Id.* at 1239.

<sup>109</sup> *Id.* The court noted that because "Internet communications transmit instantaneously on a worldwide basis there is little question that the 'in commerce' requirement would be met in a typical Internet message." *Id.* (quoting 1 TILSON, TRADEMARK PROTECTION AND PRACTICE § 5.11[2], at 5-234 (1996)).

<sup>110</sup> *Panavision Int'l, L.P. v. Toeppen*, 945 F. Supp. 1296 (C.D. Cal. 1996), *aff'd.*, 141 F.3d 1311 (9th Cir. 1998).

<sup>111</sup> *Id.* at 1300.

<sup>112</sup> The court declined to address the plaintiff's infringement and section 43(a) unfair

a domain name without more is not a commercial use of the mark, Toeppen's actions constituted a commercial use because he made a business of registering trademarks as domain names and then selling the domain names to trademark owners.<sup>113</sup> Moreover, the court explained that the use was a trademark use because Toeppen "traded on the value of the marks as marks by attempting to sell the domain names" to the trademark owners.<sup>114</sup>

The Court of Appeals for the Ninth Circuit affirmed on appeal.<sup>115</sup> In finding the requisite commercial use in commerce, the court emphasized that Toeppen's "business" was to register trademarks as domain names and then sell them to the rightful trademark owners. This, the court held, was a commercial use of the marks, for purposes of a dilution claim.<sup>116</sup> Moreover, Toeppen traded on the value of Panavision's marks. So long as he held the Internet registrations, he curtailed Panavision's exploitation of the value of its trademarks on the Internet, a value which Toeppen then used when he attempted to sell the "panavision.com" domain name to Panavision.<sup>117</sup> The Ninth Circuit concluded: "Toeppen made a commercial use of Panavision's trademarks. It does not matter that he did not attach the marks to a product. Toeppen's commercial use was his attempt to sell the trademarks themselves."<sup>118</sup> The court cited the *Boston Professional Hockey Ass'n, Inc. v. Dallas Cap & Emblem Manufacturing, Inc.*<sup>119</sup> decision in support of this proposition, characterizing that case as establishing that sale of a mark by itself—in gross—is actionable under the Lanham Act.<sup>120</sup>

Courts in other circuits have followed this line of decisions,<sup>121</sup> though

competition claims. *Id.* at 1304.

<sup>113</sup> *Id.* at 1303.

<sup>114</sup> *Id.*

<sup>115</sup> *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998).

<sup>116</sup> *Id.* at 1325.

<sup>117</sup> *Id.*

<sup>118</sup> *Id.*

<sup>119</sup> *Boston Prof'l Hockey Ass'n., Inc. v. Dallas Cap & Emblem Mfg.*, 510 F.2d 1004, 1011 (5th Cir. 1004).

<sup>120</sup> *Id.* at 1326 n.5.

<sup>121</sup> *See, e.g.*, *Virtual Works, Inc. v. Network Solutions, Inc.*, 106 F. Supp. 2d 845, 847 (E.D. Va. 2000), *aff'd*, 238 F.3d 264 (4th Cir. 2001) ("Recent case law holds that internet cybersquatter constitutes per se trademark dilution."); *Toys "R" Us, Inc. v. Abir*, No. 97 Civ. 8673 JGK, 1999 WL 61817, at \*1 (S.D.N.Y. Feb. 10, 1999) (describing court's grant of summary judgment for plaintiff on dilution claim); *Minn. Mining & Mfg. Co. v. Taylor*, 21 F. Supp. 2d 1003, 1005 (D. Minn. 1998) (enjoining cybersquatter preliminarily on both infringement and dilution grounds, noting evidence that defendant intended to cause consumer confusion in order to extort money from plaintiff).

the Ninth Circuit itself has drawn some limits within its own jurisdiction. In *Avery Dennison Corp. v. Sumpton*,<sup>122</sup> the defendant, an Internet e-mail provider, registered thousands of domain names for purposes of licensing them to users as “vanity” e-mail addresses. Most of the domain names were common surnames, though some constituted the names of popular hobbies, careers, sports, or the like.<sup>123</sup> Plaintiff Avery Dennison, which owned the marks “Avery” and “Dennison” and operated web sites under the domain names “avery.com” and “averydennison.com,” sued, alleging that the defendant’s registration of the domain names “avery.net” and “dennison.net” constituted cybersquatting dilution under *Panavision*.<sup>124</sup> The Ninth Circuit rejected the claim, among other reasons, for lack of commercial use in commerce, as required under Lanham Act section 43(c). The court reasoned that section 43(c) “requires the defendant to be using the trademark as a trademark, capitalizing on its trademark status.”<sup>125</sup> However, the defendant had registered the “avery.net” and “dennison.net” domain names with the intent to capitalize on their surname status rather than on their trademark status.<sup>126</sup> The court reasoned that “[a]ppellants do not use trademarks qua trademarks as required by the case law to establish commercial use. Rather, Appellants use[d] words that happen to be trademarks for their non-trademark value.”<sup>127</sup> Thus, the court appeared to base a finding of use in this context on the defendant’s intent.

Even as moderated by *Avery Dennison*, the *Panavision* line of cases is inconsistent with the previous case law regarding infringing and diluting use.<sup>128</sup> First, an intent to trade on a mark’s value as a mark is not equivalent to trademark use.<sup>129</sup> As the *Holiday Inns, Inc. v. 800 Reservation, Inc.*<sup>130</sup> and *DaimlerChrysler AG v. Bloom*<sup>131</sup> line of cases made

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<sup>122</sup> *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868 (9th Cir. 1999).

<sup>123</sup> Unlike in most of the other classic cybersquatter cases, the defendant in *Avery Dennison* registered most of its domain names in the “.net” and “.org” top level domains. *Id.* at 873.

<sup>124</sup> *Id.* at 873.

<sup>125</sup> *Id.* at 880.

<sup>126</sup> *Id.*

<sup>127</sup> *Id.*

<sup>128</sup> See *Ford Motor Co. v. Great Domains.com, Inc.*, 177 F. Supp. 2d 635, 647-48 (E.D. Mich. 2002) (concluding that classic cybersquatting does not constitute trademark use for purposes either of trademark infringement or dilution cause of action).

<sup>129</sup> See *id.* at 652 (“While the distinction between an intentional cybersquatter’s reprehensible conduct and another’s unintentional tying up of a protected trademark is logical, subjective intent is not an appropriate consideration under the dilution or infringement statutes.”).

<sup>130</sup> *Holiday Inns, Inc. v. 800 Reservation, Inc.*, 86 F.3d 619 (6th Cir. 1996).



clear, a defendant's predatory intent to profit from its actions should not serve as a substitute for trademark use. The Lanham Act causes of action were not intended to penalize persons who seek to profit from the goodwill of another's mark, as such.<sup>132</sup> Rather, Congress intended the causes of action to prevent unauthorized uses of marks that interfere with consumers' ability to rely on the marks for information about a product or service source, sponsorship, or affiliation.

Trademark use involves applying a mark in a manner that invites consumers to associate the mark with goods or services that the user is selling or distributing. It involves directly presenting the mark to consumers so that they can rely on it for information about the source, sponsorship, or affiliation of the user's goods or services. The defendants in the *Panavision* line of cases clearly did not use the plaintiffs' marks in that way. Even if one were to argue that the defendants offered the "service" of selling and transferring ownership of domain names, they did not use the plaintiffs' marks to identify the source of those services. Moreover, the marks themselves fail to constitute "products" for this purpose.<sup>133</sup> Contrary to the Ninth Circuit's assertion in *Panavision*, *Boston Professional Hockey* provides no precedent for the proposition that selling a mark in gross constitutes a Lanham Act trademark use. Indeed, the Fifth Circuit subsequently warned that a liberal reading of *Boston Professional Hockey* is unwarranted.<sup>134</sup>

None of the acts involved in the classic cybersquatting cases — registering the mark as a domain name, intending to profit by offering it for sale to the trademark owner, or actually offering to sell it — entail presenting the mark to consumers in a manner that invites and permits them to determine the source, sponsorship, or affiliation of the defendant's products or services.<sup>135</sup> The fact that the mark may indicate source to consumers in other contexts and have value for that reason does not convert the defendant's particular action into to an infringing or diluting trademark use. None of the defendants' acts threatened to undercut the ability of consumers to rely on the plaintiffs' marks for

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<sup>131</sup> *DaimlerChrysler AG v. Bloom*, 315 F.3d 932 (8th Cir. 2003).

<sup>132</sup> See *supra* notes 11-22, 62-85 and accompanying text.

<sup>133</sup> Even in the cases in which the defendant set up a nominal website under the allegedly infringing or diluting domain name, the website provided no opportunity for consumers to associate the domain name with goods or services because no goods or services were being offered or advertised.

<sup>134</sup> See *Kentucky Fried Chicken Corp. v. Diversified Packaging Corp.*, 549 F.2d 368, 388-89 (5th Cir. 1977) (rejecting "any notion that a trademark is an owner's 'property' to be protected irrespective of its role in the protection of our markets").

<sup>135</sup> See *Ford Motor Co.*, 177 F. Supp. 2d at 647-54.

information about the source, sponsorship, or affiliation of goods or services. That being the case, there was no harm to consumers and no interference with the efficiency of the marketplace — none of the harms trademark law was created to address occurred.

While arguments may be made in favor of prohibiting cybersquatting as a matter of policy, Congress did not do so in the statutory language of Lanham Act sections 43(c), 32(1)(a), or 43(a).<sup>136</sup> Congress has since enacted legislation that is specifically tailored to combat classic cybersquatting.<sup>137</sup> Courts have subsequently suggested that classic cybersquatting claims are better adjudicated under this new Lanham Act section 43(d),<sup>138</sup> and the trend seems to be in that direction. Nonetheless, as will be discussed below, the reasoning in the *Panavision* line of cases, which focuses on the defendant's predatory intent and disassociates the mark from its role in identifying the source of goods or services, continues to serve as a problematic precedent for courts in evaluating the trademark use requirement in other Internet contexts.

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<sup>136</sup> Some courts have suggested that the *Panavision* line of cases' unprecedented suspension of the trademark use requirement is supported by Senator Patrick Leahy's remark in the legislative history that one purpose of the Federal Trademark Dilution Act might be to combat the actions of cybersquatters. See 141 CONG. REC. S19312 (daily ed. Dec. 29, 1995) (statement of Sen. Leahy) ("[I]t is my hope that this antidilution statute can help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others."); see also *Panavision Int'l, L.P. v. Toeppen*, 141 F.3d 1316, 1326 (9th Cir. 1998); *Panavision Int'l, L.P. v. Toeppen*, 945 F. Supp. 1296, 1302 n. 4 (C.D. Cal. 1996); *Intermatic, Inc. v. Toeppen*, 947 F. Supp. 1227, 1238 (N.D. Ill. 1996). However, this off-hand remark is not binding on the courts.

<sup>137</sup> 15 U.S.C. § 1125(d) (1999).

<sup>138</sup> See, e.g., *Porsche Cars N. Am., Inc. v. Porsche.net*, 302 F.3d 248, 261 (4th Cir. 2002) ("We may and do conclude that the enactment of the ACPA eliminated any need to force trademark dilution law beyond its traditional bounds in order to fill a past hole, now otherwise plugged, in the protection of trademark rights."); *Sporty's Farm L.L.C. v. Sportsman's Market, Inc.*, 202 F.3d 489, 497 (2d Cir. 2000) ("[The Anti-Cybersquatting Consumer Protection Act was] adopted specifically to provide courts with a preferable alternative to stretching federal dilution law when dealing with cybersquatting cases."); *Ford Motor Co.*, 177 F. Supp. 2d at 649, 655 ("[T]he ACPA appropriately regulates the otherwise 'first-come, first-serve' policy of distributing domain names by taking into account the legitimate competing interests that might exist in a given domain name. Thus, cybersquatting claims must be brought, if at all, under the ACPA."); see also MCCARTHY, *supra* note 11, § 25:77, at 258-59 ("Passage in 1999 of the federal Anti-Cybersquatting Act (ACPA) made dilution by cybersquatting largely obsolete. In fact, it may no longer be usable at all.").

It should be noted, however, that the anticybersquatting provisions expressly provide that the new section 43(d) cause of action "shall be in addition to any other civil action or remedy otherwise applicable." 15 U.S.C. § 1125(d)(2)(D)(3).

### B. *Unauthorized Uses of Marks in Forum Website Domain Names*

Using a mark in a domain name to identify a working website *can* constitute the requisite trademark use for purposes of the Lanham Act's infringement, unfair competition, and dilution causes of action.<sup>139</sup> If the defendant domain name user offers goods or services over the website, the inclusion of the allegedly infringing or diluting mark in the domain name may invite consumers to associate the mark with those goods or services and to rely on it for information about their source, sponsorship, or affiliation.<sup>140</sup> This would be sufficient to constitute "use in commerce,"<sup>141</sup> use "in connection with the sale, offering for sale, distribution, or advertising of goods or services,"<sup>142</sup> use "in connection with goods or services,"<sup>143</sup> or "commercial use in commerce,"<sup>144</sup> as provided in the Lanham Act.

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<sup>139</sup> However, as will be discussed in the following section, it is by no means inevitable that it do so. *See, e.g., Avery Dennison Corp. v. Sumpton*, 189 F.3d 868 (9th Cir. 1999) (to constitute infringement, use of domain name must constitute trademark use, not surname use); *Data Concepts, Inc. v. Digital Consulting, Inc.*, 150 F.3d 620, 627-28 (6th Cir. 1998) (J. Merritt, concurring) ("When a domain name is used only to indicate an address on the Internet and not to identify the source of specific goods and services, the name is not functioning as a trademark" because using a domain name to identify a website for sending and receiving e-mail does not in itself constitute trademark use); *Ford Motor Co.*, 177 F. Supp. 2d at 649-50 ("The line dividing use of a word or symbol in its trademark and non-trademark senses is determined, in significant part, by whether it is used in connection with goods or services."); *HQM, Ltd. v. Hatfield*, 71 F. Supp. 2d 500 (D. Md. 1999) (registering and activating domain name for e-mail purposes does not constitute requisite trademark use); *Lockheed Martin Corp. v. Network Solutions*, 985 F. Supp. 949, 956-57 (C.D. Cal. 1997) (using domain names may serve simply to designate set of computers in Internet, not to identify source of goods or services); MCCARTHY, *supra* note 11, § 25:76, at 25: 237-38 ("In the author's view, neither merely reserving a domain name nor the use of a domain name solely to indicate a site on the Internet, in and of itself, constitutes [use in connection with] 'goods or services' in the Lanham Act sense. Rather, one must consider the content of the site identified by the domain name."); Xuan-Thao N. Nguyen, *Shifting the Paradigm in E-Commerce: Move Over Inherently Distinctive Trademarks — The E-Brand, I-Brand, and Generic Domain Names Ascending to Power?*, 50 AM. U. L. REV. 937, 960-62 (2001).

<sup>140</sup> *Paccar Inc. v. Telescan Techs, L.L.C.*, 319 F.3d 243, 250 (6th Cir. 2003); *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1061 (9th Cir. 1999); *Avlon Indus. v. Robinson*, No. 01 C 3615, 2005 WL 331561, at \*1-3 (N.D. Ill. Feb. 8, 2005); *Green Prods. Co. v. Indep. Corn By-Products Co.*, 992 F. Supp. 1070, 1076-77 (N.D. Iowa 1997).

The mark might be deemed "affixed," within the meaning of Lanham Act section 45 because it is "displayed in the sale or advertising of services" or is used in "displays associated" with the sale of goods or "on documents associated with the goods or their sale." 15 U.S.C. § 1127 (2000).

<sup>141</sup> 15 U.S.C. §§ 1114(1)(a) (2005); 15 U.S.C. § 1125(a), 1125(c) (1999); 15 U.S.C. § 1127 (2000).

<sup>142</sup> 15 U.S.C. § 1114(1)(a).

<sup>143</sup> 15 U.S.C. § 1125(a)(1).

<sup>144</sup> 15 U.S.C. § 1125(c).

However, a number of courts have extended the Lanham Act causes of action well beyond situations in which the defendant offers goods or services on the website identified by the allegedly infringing domain name. These courts have found Lanham Act trademark use when the defendant conducts no meaningful commercial activity on the denominated website. They have done this by: (1) stretching the meaning of "services," as that term is used in the Lanham Act, (2) relying on links from the defendant's website to "commercial" sites, (3) reasoning that the *defendant's* use of the mark is "in connection with" the *plaintiff's* sales of goods or services, and (4) focusing on the defendant's predatory intent. Each of these approaches will be evaluated in the following subsections.

### 1. Stretching the Meaning of "Services"

In a number of cases, defendants have registered domain names consisting of the plaintiff's mark followed by a generic top level domain, not to sell or distribute goods or services, but to identify a "forum" website, in which the defendant voices criticisms of the plaintiff or its product or contests the plaintiff's political, social, or religious views. In one highly influential forum site case, *Planned Parenthood Federation of America, Inc. v. Bucci*,<sup>145</sup> the court justified finding the requisite Lanham Act trademark use by finding that the defendant's personal statement of opposing religious views constituted a service that was being distributed through the use of the allegedly infringing domain name.

In that case, the plaintiff was Planned Parenthood, a nonprofit organization that provides birth control counseling and abortion services.<sup>146</sup> The defendant Bucci was a religious Catholic who personally opposed birth control and abortion.<sup>147</sup> He was also the host of *Catholic Radio*, a daily radio program, and was an active participant in the anti-abortion movement.<sup>148</sup> Bucci registered the domain name "plannedparenthood.com" and set up a website.<sup>149</sup> On it he placed an image of the cover of an anti-abortion book entitled, *The Cost of Abortion*, by Lawrence Roberge.<sup>150</sup> Bucci provided links to the foreword and afterword of the book, to information about Roberge and how he could

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<sup>145</sup> *Planned Parenthood Fed'n of Am., Inc. v. Bucci*, No. 97 Civ. 0629, 1997 WL 133313 (S.D.N.Y. Mar. 24, 1997), *aff'd.*, 152 F.3d 920 (2d Cir.).

<sup>146</sup> *Id.* at \*1.

<sup>147</sup> *Id.*

<sup>148</sup> *Id.*

<sup>149</sup> *Id.*

<sup>150</sup> *Id.*

be reached for interviews or speaking engagements, and to a selection of quotations from others who endorsed the book.<sup>151</sup> The plaintiff brought Lanham Act claims for trademark infringement, unfair competition, and trademark dilution.<sup>152</sup>

The court found that the defendant's activities constituted the requisite Lanham Act trademark use of the plaintiff's mark, "in a variety of ways."<sup>153</sup> One justification the court offered was that the defendant's website offered "informational services for use in convincing people that certain activities, including the use of plaintiff's services, are morally wrong" and used the plaintiff's mark "in connection with the distribution of those services over the Internet."<sup>154</sup>

The Lanham Act does not provide a definition of "services." However, the *Planned Parenthood* court's view of Lanham Act "services" is extraordinarily broad.<sup>155</sup> All the defendant did, essentially, was state his personal opinion that the anti-abortion views Roberge expressed in his book were correct and worthy of reading. To elevate an individual's statement of his personal religious opinion to the level of a Lanham Act service goes well beyond any established precedent<sup>156</sup> and threatens to bring a wide array of fully protected First Amendment speech under the control of trademark owners.<sup>157</sup>

<sup>151</sup> *Id.* at \*1-2.

<sup>152</sup> *Id.* at \*3.

<sup>153</sup> *Id.* at \*4.

<sup>154</sup> *Id.*

<sup>155</sup> The court also found that Bucci's website constituted an advertisement of the Roberge book and that he thus used the plaintiff's mark in connection with the advertisement and distribution of a good. *Id.* at \*4. However, Bucci had no financial interest in sales of the book, and he received no compensation from Roberge or his publisher for his actions. See *Felix the Cat Prods., Inc. v. New Line Cinema Corp.*, 54 U.S.P.Q. 2d 1856, 1858 (C.D. Cal. 2000) (suggesting that in absence of financial interest, defendant's actions do not constitute advertising). Moreover it does not appear that the website offered information about where or how the book might be purchased or any link to a site that sold the book. Again, by finding that an individual's personal statement of opinion about the merits of a good constitutes an advertisement, the court went well beyond the common understanding of that concept and any case precedent concerning the meaning of advertisement for purposes of the Lanham Act.

<sup>156</sup> It should be noted that the defendant was not in the advertising business, nor was he in the business of family planning counseling, so that he might be viewed as competing with the plaintiff's service.

<sup>157</sup> Perhaps sensing the weakness of its argument, the court undertook to characterize Bucci's website as "merely one portion of his, and Catholic Radio's, broader effort to educate Catholics about the anti-abortion movement." *Planned Parenthood*, 1997 WL 133313, at \*4 (discussing plaintiff's section 32(a) claim); see also *id.* at \*6 (discussing plaintiff's section 43(c) claim: "Defendant's ownership of the domain name 'plannedparenthood.com' is part and parcel of Catholic Radio's broader efforts in the anti-abortion movement."). By linking Bucci's website to his actions as host for *Catholic Radio*

The Court of Appeals for the Second Circuit provided more fuel for the “personal opinion as information service” approach in *United We Stand America v. United We Stand America New York, Inc.*<sup>158</sup> In that case, the court suggested that any dissemination of information or opinion may be deemed a service for purposes of the Lanham Act, regardless of whether the dissemination is for profit or is nonprofit in nature.<sup>159</sup> In such cases, liability for unauthorized application of a mark in connection

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and to the *Catholic Radio* undertaking generally, the court portrayed the views expressed on the website as part of an established service organization’s agenda, rather than as the personal opinion of an individual. *Id.* at \*4-6. However, there is little in the facts to suggest that Bucci was acting in any official capacity or on behalf of any established service-rendering organization. The fact that Bucci expressed similar opinions to those of *Catholic Radio* or the Catholic Church, and expressed them in a range of different ways, should not be deemed sufficient to turn his personal statement of opinion on the website into a service for purposes of the Lanham Act.

For related criticisms of the *Planned Parenthood* decision, see Daniel T. Janis, *Internet Domain Names and the Lanham Act: Broadening Trademark Definitions and Their Implications for Speech on the Web*, 25 COLUM. J.L. & ARTS 21, 43-44 (2001).

[T]here was no allegation of, and the court makes no finding to the effect of, the defendant’s website being in any way sponsored by any organization other than the defendant himself. . . . The finding that the website was part of a “broader effort” seems grounded in the defendant’s employment and in the fact that his opinions resembled those espoused by Catholic Radio generally. An important distinction should be made between coincidence of opinions and sponsorship or agency. If what the court in this case meant to say is that the defendant provided a service for Catholic Radio because his actions were undertaken explicitly to further the causes of Catholic Radio, or that Catholic Radio had engaged him to do so, it should have stated so more explicitly. While the defendant’s actions may very well have benefited Catholic Radio, this should not be enough to impute his actions to it. Certainly, if the defendant had created the website after being asked or hired to do so by Catholic Radio, it would make sense to impute his actions to Catholic Radio. But without making this leap explicitly, the court risks allowing for parity to be found between entities just by virtue of concurrence of opinions.

*Id.*

In finding the requisite “commercial use” for the plaintiff’s dilution claim, the court also stressed the fact that Bucci had, in the course of hosting the *Catholic Radio* show, solicited contributions to help him defend against the plaintiff’s suit and to assist in the anti-abortion effort. *Id.* at \*6. The court noted that fundraising by nonprofits had been held to constitute commercial activity. *Id.* at \*6-7. However, even if fundraising is relevant as a general matter, there is nothing in the opinion to suggest that Bucci ever solicited or accepted contributions through use of his website and the allegedly infringing and diluting domain name.

<sup>158</sup> *United We Stand America, Inc. v. United We Stand, America New York Inc.*, 128 F.3d 86 (2d Cir. 1997). This case did not arise from an Internet dispute or the use of domain names. “United We Stand America” was the service mark initially used by the principal campaign committee for Ross Perot’s 1992 presidential campaign.

<sup>159</sup> *See Playboy Enters., Inc. v. Netscape Commc’ns Corp.*, 354 F.3d 1020, 1032 (9th Cir. 2004).

with the dissemination should turn on whether the use causes a likelihood of confusion regarding the source, sponsorship, or affiliation of the user's information or opinion.<sup>160</sup>

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<sup>160</sup> This broad construction of "service" could effectively eliminate any meaningful role for the trademark use requirement in limiting the rights of mark owners and balancing them against the First Amendment and competition interests of other users. This result is particularly dire in the Internet context, as application of the initial interest confusion doctrine has reduced a plaintiff's burden in demonstrating likelihood of confusion to practically nothing. See, e.g., *Playboy Enters.*, 354 F.3d at 1020 (J. Burzon, concurring) (criticizing initial interest confusion theory); *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036 (9th Cir. 1999) (finding infringement liability based on initial interest confusion); *Dogan & Lemley*, *supra* note 3, at 813-31 (criticizing courts' application of initial interest confusion doctrine).

In its decision, the *United We Stand* court distinguished and rejected the reasoning in several widely recognized cases that had been understood to limit the extent of a trademark owner's control over its mark. First, the court disapproved the reasoning in *Lucasfilm Ltd. v. High Frontier*, 622 F. Supp. 931 (D.D.C. 1985). In *Lucasfilm*, the district court dismissed a trademark dilution case brought by the owner of the "Star Wars" mark against public interest groups who used the term to identify the Regan Administration's Strategic Defense Initiative. *Lucasfilm*, 622 F. Supp. 935. The *Lucasfilm* court found that there could only be dilution if the defendants were using the Star Wars mark in connection with the sale of goods or services in commerce. *Id.* at 934. However, the defendants were "not engaged in selling anything but ideas." *Id.* The *Lucasfilm* court reasoned that "purveying points of view is not a service" contemplated by the Lanham Act. *Id.* In *United We Stand*, the Second Circuit argued that:

The *Lucasfilm* court . . . reached the right result but did not correctly describe the reason. If the court were right that communicating ideas and purveying points of view is not a service subject to the controls established by trademark law, then one who established a learning center would be free to call it Harvard or Yale University. We do not think the *Lucasfilm* court intended such a rule. In our view, the justification for denial of relief in that case lay in the fact that the defendants were using plaintiff's mark not in a manner that would create confusion as to source, but rather as part of a message whose meaning depended on reference to plaintiff's product.

*United We Stand*, 128 F.3d at 91. Thus, the point was not so much that the defendants were broadly engaged in disseminating ideas, which would not take them outside the scope of the trademark laws, but that they were using plaintiff's mark as an integral part of the idea being expressed. In addition, defendants' use created no confusion as to the source or origin. *Id.*

Second, the *United We Stand* court rejected the reasoning in *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26 (1st Cir. 1987), which followed the *Lucasfilm* analysis. In *L.L. Bean*, the trademark owner sued to enjoin distribution of a magazine parody of its mark, which featured a pretend "Back-to-School-Sex" catalog showing nude models in provocative poses with sex products. *L.L. Bean*, 811 F.2d at 27. The *L.L. Bean* court rejected the claim, reasoning that the defendant's publication was intended solely as humorous parody of the plaintiff and, in fact, offered nothing for sale. *Id.* at 32-33. Thus, the defendant used plaintiff's mark "solely for noncommercial purposes," and its parody constituted "an editorial or artistic, rather than a commercial, use of plaintiff's mark." *Id.* at 32. The *United We Stand* court rejected this reasoning: the court could not have meant that "editorial or artistic" and "commercial" are mutually exclusive categories and that the use

In *People for the Ethical Treatment of Animals v. Doughney*, the Fourth Circuit construed the *United We Stand* opinion to hold that the term “services” should be “interpreted broadly, to include the dissemination of information, including purely ideological information.”<sup>161</sup> Pursuant to this construction, the Fourth Circuit found that a single individual’s ridicule of an animal rights organization on a forum website may constitute a service to support a finding of trademark use in a Lanham Act trademark infringement or unfair competition case.<sup>162</sup> Given that virtually any website provides some form of information or opinion, such a construction of service may provide trademark owners a means to control *any* use of their marks as part of a domain name, even in connection with the most intensely personal, isolated statement of religious or political belief, rant, or product criticism on the Internet.<sup>163</sup> As discussed in Part I, one of the key purposes of the trademark use requirement is to prevent assertions of trademark rights that interfere with First Amendment interests. Construing “services” to extend to a

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of a mark in connection with humorous publication cannot be an infringement. Most editorial, artistic, and humorous works are sold in commerce. The point was rather that the defendant’s use of plaintiff’s mark was an integral part of the humorous message. It poked fun at the plaintiff but did not cause consumer confusion as to source or origin. *United We Stand*, 128 F.3d at 91-92.

Finally, the court rejected the reasoning in *International Association of Machinists and Aerospace Workers v. Winship Green Nursing Center*, 914 F. Supp. 651 (D. Me. 1996), *aff’d on other grounds*, 103 F.3d 196 (1st Cir. 1996). In *Winship*, the plaintiff union challenged the defendant employer’s right to use the union’s logo in anti-union literature simulating bills for union dues. *Winship*, 914 F. Supp. At 653. The court followed *Lucasfilm* and *L.L. Bean*, and reasoned that vying for workers’ votes was not commerce and was, therefore, not subject to Lanham Act regulation. *Id.* at 655-66. In *United We Stand*, the Second Circuit argued:

[W]e doubt the court would have adhered to this position if the employer had circulated bogus documents under the union’s letterhead that tried to mislead recipients into believing they came from the union. There was, however, no such risk. The documents circulated by the employer using the union’s logo were the functional equivalent of a letter from the employer saying, “If you vote in this union, you will have to pay a lot of money in dues.”

*United We Stand*, 128 F.3d at 92 n.3.

<sup>161</sup> *People for the Ethical Treatment of Animals, Inc., v. Doughney*, 113 F. Supp. 2d 915, 919 (E.D. Va. 2000), *aff’d*, 263 F.3d 359 (4th Cir. 2001).

<sup>162</sup> *Id.* at 919, 921.

<sup>163</sup> See MCCARTHY, *supra* note 11, at 252-53 (“Even such mundane things as reciting favorite recipes or reprinting stories from the news media could be characterized as the free distribution of information services.”). However, in *Bosley Medical Institute, Inc. v. Kremer*, 403 F.3d 672 (9th Cir. 2005), the Ninth Circuit found that criticism of the plaintiff’s goods or services is not itself a service within the meaning of Lanham Act infringement, unfair competition, and dilution provisions.



private individual's statement of her political or religious point of view, in conjunction with use of a mark in a domain name, surely undermines this purpose.

However, the *United We Stand* decision need not be read so broadly. In that case, the issue was whether an incorporated political party's actions — political organizing, running an office, soliciting politicians to run on its slate, issuing press releases to support particular candidates and causes, endorsing candidates, and distributing partisan political literature — constituted a Lanham Act service. The Second Circuit found that it did.<sup>164</sup> All of the case precedent that the Second Circuit cited for its decision found that systematic actions of established, publicly recognized organizations, within the scope of their stated mission, constituted services for purposes of a Lanham Act cause of action.<sup>165</sup> Regardless of whether these organizations were profit-making or nonprofit, they could reasonably be characterized as using the mark "in the ordinary course of trade," as prescribed in the Lanham Act's definition of "use in commerce."<sup>166</sup> Neither the *United We Stand* decision nor any of the precedent it relied on applied a finding of services to an individual's public expression of personal opinion.

## 2. Relying on Links to Commercial Sites

In some cases involving forum or other noncommercial websites, courts have relied on links to other, more commercial sites to find that the first site's domain name constitutes a trademark use. The first such case was *Jews for Jesus v. Brodsky*.<sup>167</sup> In *Jews for Jesus*, the defendant, an attorney and web designer who opposed the plaintiff organization's religious message, registered a version of the plaintiff's mark with the ".org" top level domain and used it as the domain name for a website that was critical of the plaintiff's religious message.<sup>168</sup> The single-page

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<sup>164</sup> The court characterized the organization's actions as "the valuable service of communicating to voters that it has determined that the election of those candidates would be beneficial to the objectives of the organization" and noted that if "different organizations were permitted to employ the same trade name in endorsing candidates, voters would be unable to derive any significance from an endorsement . . ." *United We Stand*, 128 F.3d at 90.

<sup>165</sup> *See id.* at 89-91.

<sup>166</sup> 15 U.S.C. § 1127 (2000).

<sup>167</sup> *Jews for Jesus v. Brodsky*, 993 F. Supp. 282 (D.N.J.), *aff'd*, 159 F.3d 1351 (3d Cir. 1998).

<sup>168</sup> The text of the site was as follows:

Jews for Jesus?

Are you interested in learning about Jews and Jesus?

site included a link to a site operated by Outreach Judaism, an organization that was also a vocal opponent of the religious views the plaintiff promoted.<sup>169</sup> The Outreach Judaism site offered information critical of and contrary to the teachings of the plaintiff organization and some items for sale, such as audio tapes and books.<sup>170</sup>

In the resulting lawsuit, the court granted the plaintiff's motion for a preliminary injunction, finding a likelihood of success on Lanham Act sections 32, 43(a), and 43(c) grounds.<sup>171</sup> The court did not address the trademark use requirement in the course of finding a likelihood of success on the trademark infringement claim, but cited several grounds for finding the requisite trademark use for the dilution and unfair competition claims.<sup>172</sup> One ground was the defendant's link to the Outreach Judaism site, which the court deemed commercial, due to its sale of books and tapes on religious topics.<sup>173</sup> The court held that, in light of the limited nature of defendant's website and its link to the Outreach Judaism site, it was "apparent that Defendant Internet site [was] a conduit to the Outreach Judaism Organization Internet site," notwithstanding the defendant's website disclaimer that there was no affiliation.<sup>174</sup> Moreover, the defendant's activities were "in connection with goods and services" because the hyperlink was "designed to promote the viewpoint of the Outreach Judaism Organization and to encourage the purchase of the products and services offered by that organization."<sup>175</sup> Yet, there was nothing in the facts to suggest that the defendant had any relationship with Outreach Judaism (apart from

Want to know why one cannot believe in Jesus and be a Jew?

**The answers you seek already exist within your faith.**

*Come home to the truth and beauty of Judaism.*

**Don't be fooled.**

Click *here* to learn more about how the Jews for Jesus cult is founded upon deceit and distortion of fact.

**PLEASE NOTE**

This website is an independent project which reflects the personal opinion of its owner, and is in no way affiliated with the Jewish organization Outreach Judaism, or the Christian organization Jews for Jesus.

Send all correspondence to *stevebro@worldnet.att.net*.

*Id.* at 291 n.13.

<sup>169</sup> *Id.* at 290.

<sup>170</sup> *Id.* at 291.

<sup>171</sup> *Id.* at 294, 313.

<sup>172</sup> *Id.* at 308-11.

<sup>173</sup> *Id.* at 288-91.

<sup>174</sup> *Id.* at 308.

<sup>175</sup> *Id.* at 309.

agreeing with its religious views) or that he received any economic benefit from Outreach Judaism's sale of its books.<sup>176</sup> The court did not appear to consider the possibility that the defendant's link served merely as a convenient means to express his own views without the trouble of reproducing the arguments set forth on the Outreach Judaism site.<sup>177</sup>

Subsequent cases have followed the *Jews for Jesus* lead with regard to forum or noncommercial sites, even though the subsequent defendants' sites were much more substantial and contained a number of links so that they could not be deemed a "mere conduit" to a different, commercial site. For example, in *People for the Ethical Treatment of Animals*, the plaintiff animal rights organization sued the defendant, who had registered the domain name "peta.org" and set up a site entitled "People Eating Tasty Animals," which made fun of the plaintiff and its views.<sup>178</sup> The defendant's site stated that it was a "resource for those who enjoy eating meat, wearing fur and leather, hunting, and the fruits of scientific research," and contained links to various meat, fur, leather, hunting, animal research, and other organizations, all of which held views or engaged in activities generally antithetical to the plaintiffs'.<sup>179</sup> The Fourth Circuit upheld summary judgment for the plaintiff on trademark infringement, dilution, and unfair competition grounds.<sup>180</sup> In finding the requisite trademark use, the court noted: "To use PETA's Mark 'in connection with' goods or services, Doughney need not have actually sold or advertised goods or services on the *www.peta.org* website. Rather, Doughney need only have connected the website to others' goods or services."<sup>181</sup> Here, the defendant's website offered links to more than thirty commercial operations offering goods and services.<sup>182</sup> Again, however, there was nothing to suggest that the defendant had any affiliation with the linked sites or stood to benefit personally by web users' visiting the sites.<sup>183</sup> The mere existence of the links rendered the

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<sup>176</sup> *Id.* at 362.

<sup>177</sup> From a web user's perspective, a "hyperlink" is highlighted text or an image that, when clicked, permits the user to view another web document. *Bensusan Rest. Corp. v. King*, 126 F.3d 25, 27 n.1 (2d Cir. 1997). One wonders whether the *Jews for Jesus* court would have reached the same conclusion if the defendant's website had simply suggested to readers that they check out the Outreach Judaism site and provided the address, but not a link. Would the court have dubbed that an "advertisement?"

<sup>178</sup> *People for the Ethical Treatment of Animals, Inc. v. Doughney*, 263 F.3d 359, 363 (4th Cir. 2001).

<sup>179</sup> *Id.* at 363.

<sup>180</sup> *Id.* at 362.

<sup>181</sup> *Id.* at 365.

<sup>182</sup> *Id.*

<sup>183</sup> *Id.* at 362-64.

defendant's use of the domain name a trademark use, even though the defendant's use of the plaintiff's mark could not be characterized as inviting consumers to rely on the mark for information about the source of goods or services offered either on the defendant's website or on the linked sites.<sup>184</sup>

Some other courts have hesitated to rely on links to establish Lanham Act trademark use, suggesting that the connection between the defendant's domain name and the goods or services offered on a linked site is too attenuated and that, given the interconnected nature of the World Wide Web, basing a finding of trademark use on the existence of links would essentially place every unauthorized reproduction of a plaintiff's mark on the Internet within the mark owner's reach.<sup>185</sup> This

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<sup>184</sup> See also *Taubman Co. v. Webfeats*, 319 F.3d 770, 777 (6th Cir. 2003). In *Taubman*, the defendant, upon hearing that plaintiff was building a shopping mall (called "Shops at Willow Bend") near his home, registered the domain name "shopsatwillowbend.com" and created a "fan site" at that address, featuring information about the mall, a map, and links to the individual websites of the tenant stores. *Id.* at 772. He also included a link to the plaintiff's website, a link to the website of a company run by his girlfriend (which sold custom-made shirts), and a link to the site he maintained for his own web design business. *Id.* The court treated the links as "advertising" and held that these "advertisements," "though extremely minimal," constituted use of the plaintiff's mark "in connection with the advertising" of goods sold by the advertisers. *Id.* at 775.

<sup>185</sup> See *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161, 1168 (C.D. Cal. 1998) ("Looking beyond the 'Bally sucks' site to other sites within the domain or to other linked sites would, to an extent, include the Internet in its entirety. The essence of the Internet is that sites are connected to facilitate access to information. Including linked sites as grounds for finding commercial use or dilution would extend the statute far beyond its intended purpose of protecting trademark owners from uses that have the effect of 'lessening . . . the capacity of a famous mark to identify and distinguish goods or services.'"); see also *Voice-Tel Enters., Inc. v. JOBA, Inc.*, 258 F. Supp. 2d 1353, 1363 (N.D. Ga. 2003) ("The Court agrees that to extend a claim for dilution to a hyperlink situation would 'extend the statute far beyond its intended purpose.'"); *Ford Motor Co. v. 2600 Enters.*, 177 F. Supp. 2d 661, 664 (E.D. Mich. 2001) (quoting and citing *Bally Total Fitness* with approval); Giorgio Nicolo Vergani, *Electronic Commerce and Trade Marks in the United States: Domain Names, Trade Marks and the "Use in Commerce Requirement" on the Internet*, 21(9) EUR. INTELL. PROP. L. REV. 450, 459-60 (1999) ("Holding that a hyperlink to a commercial site, coupled with the similarity between the domain name and a mark might be, alone, sufficient to prohibit the use of the domain name, is tantamount to giving the trade mark owner unconditional protection . . . . [T]he courts have stretched the trade mark doctrine so that the association with a product or service is not required to qualify a name as a trademark, either to find 'use in commerce' of the same mark or to infringe another's trade mark rights.").

In *Bosley Medical Institute, Inc. v. Kremer*, the Ninth Circuit left open possibility that links from an otherwise noncommercial website directly to commercial businesses might render the linking site commercial, but rejected arguments that a link to a discussion group, which in turn contains advertisements, is enough. *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 677-78 (9th Cir. 2005) ("This roundabout path to the advertising of others is too attenuated [to render an otherwise noncommercial site commercial]."). The Ninth Circuit also found that the defendant's link to the lawyers representing him in litigation with

instinct is far more consistent with both the traditional scope of Lanham Act protection and the purpose underlying the Lanham Act causes of action and the trademark use limitation. When the defendant uses a mark as the domain name for his site and the sale or advertising of goods or services takes place on a different site, it is extremely difficult to find the direct association of the mark to goods or services traditionally expected for affixation and trademark use. The use of the mark is not in connection with the *user's* sale of goods or services. Moreover, it is highly unlikely that members of the public would rely on the defendant's use of the mark in its domain name as an indication of the source, sponsorship, or affiliation of goods or services being offered at another, linked site.

Thus, none of the harms the Lanham Act was enacted to address are implicated. Because the association of marks to goods is indirect, the defendant's application of the mark is unlikely to mislead consumers or otherwise interfere with the ability of consumers to rely on the plaintiff's mark for information about the source or characteristics of the plaintiff's goods or services. Internet users are accustomed to encountering multiple links on the websites they visit. There is no general expectation that linked and linking sites are part of a single or affiliated entity.<sup>186</sup>

Permitting trademark owners to regulate use of their marks in connection with links may disrupt the effectiveness of the Internet to provide a wide range of information efficiently to users.<sup>187</sup> Moreover, extending the trademark owner's rights to prohibit such indirect associations seriously interferes with First Amendment interests. In most forum cases, use of the plaintiff's mark accurately identifies the subject matter or content of the defendant's website to Internet users, regardless of whether that website takes issue with the plaintiff's stand on social or religious issues or criticizes the plaintiff's product or service.<sup>188</sup> Application of the plaintiff's mark makes it possible for the

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plaintiff was insufficient. *Id.*

<sup>186</sup> See *Knight-McConnell v. Cummins*, No. 03 Civ. 5035 (NRB), 2004 WL 1713824, at \*2 (S.D.N.Y. July 29, 2004) ("The mere appearance on a website of a hyperlink to another site will not lead a web-user to conclude that the owner of the site he is visiting is associated with the owner of the linked site.").

<sup>187</sup> See Leslie C. Roach, "I See What You Are Saying": *Trademarked Terms and Symbols as Protected Consumer Commentary in Consumer Opinion Websites*, 24 SEATTLE U. L. REV. 599, 616 (2000) ("[U]se in commerce, the gatekeeper of trademark law, should not be expanded to encompass the entirety of the World Wide Web. The rejection of the standards for commercial use enunciated in *Planned Parenthood* and *Jews for Jesus* is imperative if the consumer dialog regarding products and services is to survive on the Internet.").

<sup>188</sup> See *Bosley Med. Inst.*, 403 F.3d at 679 ("While it is true that [www.BosleyMedical.com](http://www.BosleyMedical.com) is not sponsored by Bosley Medical, it is just as true that it is *about* Bosley Medical. The

defendant to get its noncommercial message to Internet users who are likely to be interested in information about the plaintiff or its product or service. To prohibit the use of the plaintiff's mark in such instances may effectively silence the defendant. As noted in Part I, the trademark use requirement exists to strike a balance between the plaintiff's interest in private ownership of a word or symbol and others' access to that word or symbol as a means of expressing ideas or providing information. Construing "trademark use" to exist in cases of linking seriously undermines that balance.

Prohibiting the use of marks to identify "cybergripping" sites — sites that criticize the plaintiff or its product — may also undermine competition. If businesses are able to stifle effective criticism by prohibiting use of their marks as domain names for gripe sites, the businesses will have less incentive to provide a good product or service. As one commentator put it, "cybergripping sites can serve as a 'watchdog' in the industry," which will encourage the industry as a whole to provide better service to customers.<sup>189</sup> Moreover, cybergripping sites will increase the effective flow of useful information to consumers — consumers will not be limited to information provided by the plaintiff through its advertisements and promotions. Information from dissatisfied former customers will better enable consumers to make informed decisions.<sup>190</sup>

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PETA approach would put most critical, otherwise protected consumer commentary under the restrictions of the Lanham Act.").

A domain name is the gateway to any web page, and the message contained in the domain name cannot be separated from the content in the web page to which the domain name points. A very simple and common way of searching for a particular kind of information on the Internet is to enter into one's browser domain names having an intuitive connection to the kind of information desired. Viewed in this light, a domain name is akin to an index listing in a periodical. Just as a trademark owner could effectively cut off access to all commentary critical of its product by forbidding the use of its mark in an index of articles, so too could it accomplish this silencing goal by preventing its name from being used in a domain name.

Janis, *supra* note 157, at 36-37.

<sup>189</sup> Martha Kelley, *Is Liability Just a Link Away? Trademark Dilution by Tarnishment Under the Federal Trademark Dilution Act of 1995 and Hyperlinks on the World Wide Web*, 9 J. INTEL. PROP. L. 361, 378-79 (2002); see also Oscar S. Cisneros, *Berkeley Technology Journal Annual Review of Law and Technology — Trademark: Bally Total Fitness Holding Corp. v. Farber*, 15 BERKELEY TECH. L. J. 229, 239-40 (2000).

<sup>190</sup> Kelley, *supra* note 189, at 379.

### 3. Reasoning that the Defendant's Use of the Mark Is "In Connection With" the Plaintiff's Sale of Goods or Services

Courts have also reasoned that a defendant's incorporation of a mark into a domain name for a forum or other noncommercial site constitutes the requisite trademark use because it *affects the plaintiff's sale or distribution of goods or services*. The first court to broach this theory was the *Planned Parenthood* court. The court explained that:

[D]efendant's use of plaintiff's mark is "in connection with the distribution of services" because it is likely to prevent some Internet users from reaching plaintiff's own Internet website. Prospective users of plaintiff's services who mistakenly access defendant's website may fail to continue to search for plaintiff's own home page, due to anger, frustration, or the belief that plaintiff's home page does not exist. Therefore, defendant's action in appropriating plaintiff's mark has a connection to plaintiff's distribution of its services.<sup>191</sup> A number of other courts have followed the *Planned Parenthood* court's lead and have based a finding of trademark use on the notion that the defendant's reference to the mark may affect the *plaintiff's* sales and, thus, should be considered "in connection with" those sales.<sup>192</sup>

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<sup>191</sup> *Planned Parenthood Fed'n of Am. v. Bucci*, No. 97 Civ. 0629, 1997 WL 133313, at \*4 (S.D.N.Y. Mar. 24, 1997).

<sup>192</sup> See *E. & J. Gallo Winery v. Spider Webs Ltd.*, 286 F.3d 270, 275 (5th Cir. 2002) (relying on *People for the Ethical Treatment of Animals and Planned Parenthood*); *People for the Ethical Treatment of Animals, Inc. v. Doughney*, 263 F.3d 359, 365 (4th Cir. 2001) ("To use PETA's Mark 'in connection with' goods or services, Doughney need not have actually sold or advertised goods or services on the *www.peta.org* website. Rather, Doughney need only have prevented users from obtaining or using PETA's goods or services . . . ."); *Faegre & Benson, LLP v. Purdy*, No. Civ. 03-6472 (MJD/JGL), 2004 WL 167570, at \*2 (D. Minn. Jan. 5, 2004) ("Defendants' use of domain names incorporating Faegre's mark is in connection with goods or services, because it is designed to, and is likely to, prevent some Internet users from reaching Faegre's official website."); *PGC Prop., LLC v. Wainscott/Sagaponack Prop. Owners, Inc.*, 250 F. Supp. 2d 136, 140-41 (E.D.N.Y. 2003) ("It is well-established that the 'in connection with' requirement is satisfied not only by use of the mark in connection with goods or services distributed or advertised by the trademark infringer, but by use in connection with the goods or services distributed by the trademark holder."); *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176, 186, 192-93 (W.D.N.Y. 2000) (finding both use "in connection with" goods or services and "commercial use in commerce" based on reasoning that defendant's use of mark affected plaintiff's sale or distribution of its own goods or services.); *Trade Media Holdings Ltd. v. Huang & Assocs.*, 123 F. Supp. 2d 233, 242-43 (D.N.J. 2000); *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 309 (D.N.J. 1998) ("[T]he conduct of the Defendant is not only designed to, but is likely to, prevent some Internet users from reaching the Internet site of the Plaintiff Organization . . . . As such, the conduct of the Defendant is 'in connection with goods and services' as that term is used in Section 1125(a) . . . ."), *aff'd*, 159 F.3d 1351 (3d Cir. 1998).

This line of reasoning is foreign to the rationale underlying and justifying trademark protection. The trademark laws prevent a defendant from using a plaintiff's mark to identify goods or services other than the plaintiff's when the use is likely to confuse consumers about the source, affiliation, or sponsorship of the parties' goods or services and thus increase their search costs. The more recent dilution laws prevent a defendant from using a plaintiff's famous mark in sales of goods other than the plaintiff's if that use diminishes the effectiveness of the mark to identify and distinguish the plaintiff's goods or services. When a defendant uses a plaintiff's mark in a domain name to identify a website that neither sells nor advertises goods or services, this will not mislead consumers about the source of goods or services, nor will it associate the mark with others' goods or services in a manner that will dilute the public's association of the mark with the plaintiff.<sup>193</sup> The *Planned Parenthood* line of cases puts a defendant's reference to the mark and the plaintiff's sale or advertisement of goods or services together in an attempt to create a form of trademark use. However, both the reference to the mark and the sale, distribution, or advertisement of goods or services must be the defendant's in order for there to be an infringing or diluting trademark use. Moreover, the defendant's mark must be understandable as identifying and distinguishing the *defendant's*

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Not all courts have accepted this line of reasoning. See, e.g., *Bosley Med. Inst.*, 403 F.3d at 678-79 (noting that this approach "would place most critical, otherwise protected consumer commentary under the restrictions of the Lanham Act"); *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002 (9th Cir. 2004) (rejecting "effect on commerce" test for commercial use); *Taubman Co. v. Webfeats*, 319 F.3d 770, 777 (6th Cir. 2003) (questioning reasoning in *Planned Parenthood*); *Ford Motor Co. v. 2600 Enters.*, 177 F. Supp. 2d 661, 664-65 (E.D. Mich. 2001) ("[T]he implication in *Planned Parenthood* and *Jews for Jesus* that the 'commercial use' requirement is satisfied any time unauthorized use of a protected mark hinders the mark owner's ability to establish a presence on the Internet or otherwise disparages the mark owner is flawed . . . . If the FTDA's 'commercial use' requirement is to have any meaning, it cannot be interpreted so broadly as to include any use that might disparage or otherwise commercially harm the mark owner."); *Int'l Ass'n of Machinists & Aerospace Workers v. Winship Green Nursing Home*, 914 F. Supp. 651, 655 (D. Me. 1996), *aff'd*, 103 F.3d 196 (1st Cir. 1996) (rejecting argument that defendant's use of mark in manner that impedes *plaintiff's* sale or offering of services constitutes use "in connection with any goods or services").

<sup>193</sup> See *DaimlerChrysler AG v. Bloom*, 315 F.3d 932, 938-39 (8th Cir. 2003) (finding no infringement or section 43(a) violation when defendant operates telephone number corresponding to letters in plaintiff's mark, which consumers mistakenly dial in search for plaintiff, when defendant does not sell goods or services to consumers who mistakenly call).

As Professor McCarthy has noted: "[D]ilution by blurring is triggered by presenting consumers with two commercial sources under the same mark, not by foreclosing the senior user from a particular venue or medium for advertising its mark. A nontrademark use of a famous mark does not dilute." MCCARTHY, *supra* note 11, § 25:77, at 25-257 n.13.



goods or services, not the plaintiff's.<sup>194</sup> Relying on the plaintiff's use of a mark in sales to hold the defendant liable for infringing or diluting the mark undermines the Lanham Act's trademark use requirement. It also makes it possible to hold liable any defendant who reproduces the plaintiff's mark in a noncommercial setting, as long as the action could be found to affect the plaintiff's sales in some way.<sup>195</sup>

The defendant's reference to the plaintiff's mark in the course of criticizing the plaintiff or its product or service, or making a joke at the plaintiff's expense, may have a negative impact on the plaintiff's business goodwill. However, the trademark laws were never intended to redress all injuries to a plaintiff's business goodwill or all free riding that might arise through a defendant's unauthorized reproduction of a plaintiff's mark.<sup>196</sup> Thus, for example, a defendant's reference to the plaintiff's mark in comparative advertising may allow the defendant to free ride on the plaintiff's business goodwill and cause commercial loss

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<sup>194</sup> Courts have long held that another party's use of a plaintiff's mark strictly to identify the *plaintiff's* goods or services is not actionable. *See, e.g.,* *Champion Spark Plug Co. v. Sanders*, 331 U.S. 125 (1947) (finding no cause of action when defendant uses plaintiff's mark to notify consumers that its reconditioned spark plugs were originally manufactured by plaintiff); *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302 (9th Cir. 1992) (finding no cause of action when defendant newspapers referred to plaintiff by name in course of surveying readers about their opinions of plaintiff); *Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir. 1968) (finding no cause of action when defendant asked consumers to compare its product with plaintiff's product, referring to plaintiff's product by its mark).

<sup>195</sup> *See Winship Green*, 914 F. Supp. at 655-56. In this case, the court explained that:

Plaintiffs misread "any goods or services" to include the *holder's* as well as the *infringer's* "goods or services." All registered marks are, by definition, "in connection with" the mark holder's "goods or services." All unauthorized uses of such marks, in turn, inherently bear that same connection. On Plaintiff's reading, then, all unauthorized uses would be "in connection with [a holder's] goods or services," and no unauthorized use would ever be excluded by operation of this language. This interpretation not only effectively reads the language out of the statute, it ignores the critical function of this language, discussed above, to help delineate the scope of trademark property rights so that conflicts with the First Amendment are minimized.

*Id.*

<sup>196</sup> *1-800 Contacts, Inc. v. WhenU.Com., Inc.*, 414 F.3d 400, 410-11 (2d Cir. 2005) (citing cases and authorities for proposition that free riding in itself is not actionable absent trademark use); Lemley, *supra* note 85, at 2 (explaining why "free riding is desirable in intellectual property cases except in limited circumstances where curbing it is necessary to encourage creativity" and "why economic theory demonstrates that too much protection is just as bad as not enough protection"). *But see* Franklyn, *supra* note 85, at 119 ("A strong case can be made that free riding on a famous mark is unfair and economically undesirable.").

to the plaintiff, but it is not actionable.<sup>197</sup> A defendant's retention of the plaintiff's mark in the course of selling plaintiff's goods secondhand may likewise take advantage of the plaintiff's business goodwill and cause the plaintiff commercial loss, but it is not actionable.<sup>198</sup> Noncommercial parodies and unfavorable references to the plaintiff through use of its mark may attract greater public notice of the defendant's message, allow the defendant to benefit from public recognition of the plaintiff's mark, and cause the plaintiff commercial injury, but they are not actionable.<sup>199</sup> A consumer's reference to the plaintiff's mark in telling friends that the plaintiff's product is "lousy" may cause plaintiff to lose sales, for that matter. That doesn't make it trademark infringement or dilution.<sup>200</sup> In the same manner, incorporation of a plaintiff's mark into a domain name may lead to some loss of customers who are distracted from their search for the plaintiff's site on the Internet.<sup>201</sup> However, because the defendant

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<sup>197</sup> *Chanel*, 402 F.2d at 562; *Societe Comptoir De L'Industrie Cotonnier Etablissements Boussac v. Alexander's Dep't Stores*, 299 F.2d 33 (2d Cir. 1962).

<sup>198</sup> *Champion Spark Plug*, 331 U.S. at 125.

<sup>199</sup> *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26 (1st Cir. 1987); *see also Dogan & Lemley*, *supra* note 3, at 795 (stating that public interest may outweigh trademark owner's interest in "appropriating the full value of its goodwill"); *Lunney*, *supra* note 11, at 455-61 (explaining that business free riding is often procompetitive).

<sup>200</sup> *See Rochat*, *supra* note 187, at 626 ("Judges must remember that consumer opinions are not actionable under the trademark laws, regardless of their form or pervasiveness.").

<sup>201</sup> One might question how serious the risk of this is, however. *See, e.g., Strick Corp. v. Strickland*, 162 F. Supp. 2d 372, 377, 379-80 (E.D. Pa. 2001).

It is clear that "Internet surfers are inured to the false starts and excursions awaiting them" and are "unlikely to be dissuaded, or unnerved when, after tak[ing] a stab at what they think is the most likely domain name for the particular website" guess wrong and bring up another's webpage.

*Id.* at 377.

[T]rademark law requires reasonableness on the part of consumers. . . . Although the need to search for the mark holder's site "may rise to the level of inconvenience, this inconvenience [is] not cognizable. . . . An Internet user who intends to access either party's products or services but has not done so before, may go to a search engine, or to America Online, to Keyword. . . . Any inconvenience to an Internet user searching for Plaintiff's website is trivial. Searches for Plaintiff's web page on popular internet search engines, including google.com, goto.com, and lycos.com, list Plaintiff's website as their first or second "hits."

*Id.* at 379 (citations omitted); *see also Ford Motor Co. v. 2600 Enters.*, 177 F. Supp. 2d 661, 665-66 (E.D. Mich. 2001); *Janis*, *supra* note 157, at 44 ("Common experience strongly suggests that finding a desired website exactly on one's first try is the exception, not the rule of searching the Internet. To say that a person would likely give up trying to find the desired site after one attempt due to anger or frustration represents a misguided if not disingenuous view of the nature of searching for information on the Internet.").

did not use the plaintiff's mark as a trademark, to identify the source, sponsorship, or affiliation of goods or services other than the plaintiff's, the resulting commercial loss to the plaintiff is not actionable under the trademark laws. The fact of commercial harm to the plaintiff cannot in itself establish trademark use on the part of the defendant. The only harm the trademark laws are meant to redress is harm arising from an unauthorized trademark use, which increases consumer search costs and interferes with marketplace efficiency.

Much of the concern expressed by courts applying the "in connection with plaintiff's sales" theory has been that the defendant's use of the mark in its domain name would frustrate Internet users who expect to find the plaintiff at "Plaintiff'sMark.com." Simply registering the plaintiff's mark as the defendant's domain name may have the same effect of frustrating such consumers, even though the defendant maintains no website under the domain name. However, most courts addressing the issue have found that mere registration of a mark alone does not constitute trademark use.<sup>202</sup> If the act of registration is not trademark use, the act of establishing a website under the domain that does not sell, distribute, or advertise goods or services should not be either.<sup>203</sup>

#### 4. Relying on the Defendant's Predatory Intent

Finally, in finding infringement and dilution in forum site domain name cases (where the alleged unlawful domain names identify websites where no sale or advertising of goods or services takes place), a number of courts have emphasized the defendant's apparent *intent to divert consumers* from their search for the plaintiff and expose them to the defendant's own conflicting religious, political, social, or consumer views.<sup>204</sup> While a defendant's intent may be relevant to the issue of

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<sup>202</sup> See *supra* notes 98-99 and accompanying text.

<sup>203</sup> See *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 959-60 (C.D. Cal. 1997) ("The non-commercial use of a domain name that impedes a trademark owner's use of that domain name does not constitute dilution.").

<sup>204</sup> See, e.g., *Bd. of Dirs. of Sapphire Bay Condos. W. v. Simpson*, 129 F. App'x 711, 714-15 (3d Cir. 2005) (affirming dilution finding, and emphasizing defendant's intent to hurt plaintiff financially); *Faegre & Benson, LLP v. Purdy*, No. Civ.03-6472 (MJD/JGL), 2004 WL 167570, at \*2 (D. Minn. Jan. 5, 2004) ("Defendants' use of domain names incorporating Faegre's mark is in connection with goods or services, because it is designed to, and is likely to, prevent some Internet users from reaching Faegre's official website."); *PGC Prop., LLC v. Wainscott/Sagaponack Prop. Owners, Inc.*, 250 F. Supp. 2d 136, 141 (E.D.N.Y. 2003) ("[T]he plaintiffs contend that the defendants set up the domain name 'poxabogue.org' with the intent of diverting actual and prospective customers of the plaintiff's services and

likelihood of consumer confusion,<sup>205</sup> there is no apparent reason why it should be relevant in determining whether the defendant has made a trademark use. One might argue that intent to harm should be viewed as circumstantial evidence of likely or actual harm, but as discussed in Part II.B.3, harm to the plaintiff is not the appropriate criteria in itself for determining whether the defendant has made a Lanham Act trademark use.<sup>206</sup> Trademark use turns on the association of the mark with the defendant's products or services, and how consumers are likely to perceive the association. As discussed in Part I.B.2, the Sixth and Eighth Circuits and some district courts have wisely refused to consider the defendant's intent in determining whether a defendant has made a trademark use.<sup>207</sup>

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of harming the plaintiffs commercially. Based on these allegations, the Court finds that the plaintiffs have standing to bring a Section 43(a) claim."); *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176, 192-93 (W.D.N.Y. 2000) ("[D]efendants' use of plaintiffs' trademark constitutes a commercial use because defendants' actions are designed to, and do, harm plaintiff commercially."); *Jews for Jesus v. Brodsky*, 993 F. Supp. 282, 308 (D.N.J. 1998) ("Defendant has done more than merely register a domain name. He has created, in his words, a 'bogus Jews for Jesus' site intended to intercept, through the use of deceit and trickery, the audience sought by the Plaintiff Organization."); *Planned Parenthood Fed'n of Am., Inc. v. Bucci*, No. 97 Civ. 0629 (KMW), 1997 WL 133313, at \*6 (S.D.N.Y. Mar. 24, 1997) ("[D]efendant has appropriated plaintiff's mark in order to reach an audience of Internet users who want to reach plaintiff's services and viewpoint, intercepting them and misleading them in an attempt to offer his own political message.").

<sup>205</sup> See RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 22 (1995).

<sup>206</sup> See *Rochat*, *supra* note 187, at 614 (criticizing *Planned Parenthood* and *Jews for Jesus* courts' reasoning as "arguably inspired more by a desire to punish defendants engaging in unsavory tactics than by clear legal reasoning").

<sup>207</sup> See *Taubman Co. v. Webfeats*, 319 F.3d 770, 775 (6th Cir. 2003) ("Although Mishkoff claims his intention in creating his website was non-commercial, the proper inquiry is not one of intent."); *DaimlerChrysler AG v. Bloom*, 315 F.3d 932, 937-39 (8th Cir. 2003) (rejecting proposition that "the intent to exploit a mark can be a 'use' within the meaning of the Lanham Act"); *Holiday Inns, Inc. v. 800 Reservation, Inc.*, 86 F.3d 619 (6th Cir. 1996); *Bosley Med. Inst., Inc. v. Kremer*, No. Civ.01-1752WQHJMA, 2004 WL 964163, at \*8 (S.D. Cal. Apr. 30, 2004), *aff'd in part, rev'd in part*, 403 F.3d 672 (9th Cir. 2005) ("Kremer's desire to undermine Bosley's business, and his use of Bosley's marks to further that agenda, do not constitute a commercial use of the marks."); *Ford Motor Co. v. Greatdomains.com, Inc.*, 177 F. Supp. 2d, 635, 652 (E.D. Mich. 2001) (holding that intent is not appropriate consideration); *U-Haul Int'l, Inc. v. Kresch*, 943 F. Supp. 802, 810 (E.D. Mich. 1996) ("[T]his court cannot look to the defendants' intent as a ground for a § 1125 violation, but must first find an actual use of the mark.").

The Ninth Circuit, in the cybersquatting cases discussed *supra*, relied on the defendants' intent to commercially exploit the trademark status of domain names that incorporated plaintiffs' marks in finding the requisite commercial use in commerce for the dilution cause of action. See *supra* notes 102-29 and accompanying text. It has continued to consider a defendant's intent to profit financially from use of the plaintiff's mark in other trademark use contexts. See *Bosley Med. Inst.*, 403 F.3d at 679. Undoubtedly, this unwarranted stretching of the Lanham Act has influenced the further stretching of the use

### 5. A Summary of the Forum Site Domain Name Situation

Some courts have readily recognized the lack of trademark use in forum domain name cases.<sup>208</sup> However, too many have rushed to find a trademark use without proper consideration of the long-established limitations on trademark owners' rights under the Lanham Act, the particular purpose of the trademark use limitation, or the long-term implications of extending mark owners' rights to stifle forum site users. By classifying statements of personal opinion as commercial services, relying on links to remote websites, misfocusing on commercial injury to the plaintiff (instead of the search cost harms the Lanham Act is meant to address), and allowing themselves to be carried away by their distaste for the defendants' intentions, these courts are undermining the ability of the trademark use requirement to balance the economic property interests of trademark owners against the public's interests — the interest in a competitive marketplace in which useful information can flow freely to consumers — and the First Amendment interests in using words and symbols to convey ideas and information. It threatens to bring a wide array of noncommercial speech under trademark owners' control, effectively smothering criticisms that consumers and other Internet users who are interested in the plaintiff may find useful. It also threatens to interfere with the growth and effectiveness of the World Wide Web to bring a range of information to consumers efficiently, through informative domain names and expansive use of hyperlinks.

It bears mentioning that these courts have also overlooked an additional, express limitation that Congress placed on the availability of the dilution and section 43(a) causes of action to reinsure against the very same harms. Lanham Act section 43(c)(4)(B), enacted in 1995, specifically provides that "noncommercial use of a mark" is not actionable.<sup>209</sup> Most courts and authorities to address the issue have

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requirement in the forum website cases.

<sup>208</sup> *Bosley Med. Inst.*, 403 F.3d at 672; *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002, 1018-19 (9th Cir. 2004); *Voice-Tel Enters. v. JOBA, Inc.*, 258 F. Supp. 2d 1353, 1362-63 (N.D. Ga. 2003); *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161, 1166-68 (C.D. Cal. 1998).

<sup>209</sup> The noncommercial use exception may be properly defined as a further refinement of the trademark use requirement and, thus, a part of the plaintiff's burden of proof. Patrick D. Curran, *Diluting the Commercial Speech Doctrine: "Noncommercial Use" and the Federal Trademark Dilution Act*, 71 U. CHI. L. REV. 1077, 1105 (2004). On the other hand, it may be construed as a defense to the dilution cause of action. MCCARTHY, *supra* note 11, § 24.97. However, the net effect of the commercial use in commerce requirement, in combination with the noncommercial use exception, is to limit section 43 liability to uses of marks in in commercial speech.

agreed that Congress intended to limit the federal dilution cause of action to uses of a famous mark in commercial speech.<sup>210</sup> This seems clear from the legislative history. The Act's sponsors in both the House and Senate were concerned about potential First Amendment problems that could arise from extending trademark owners' rights beyond trademark uses that created a likelihood of consumer confusion.<sup>211</sup> Upon introducing the House and Senate dilution bills, each sponsor explained that the proposed bill would "not prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction."<sup>212</sup> The House Judiciary Committee Report agreed that "the bill [would] not prohibit or threaten 'noncommercial expression, as that term has been defined by the courts."<sup>213</sup> The bill's section-by-section analysis, presented in the House and Senate, noted that the "noncommercial use" exemption "expressly incorporates the concept of 'commercial' speech from the 'commercial speech' doctrine, and proscribes dilution actions that seek to enjoin use of famous marks in 'non-commercial' uses (such as consumer product reviews)."<sup>214</sup>

Section 43(c)(4) provides that noncommercial uses "shall not be actionable *under this section*," which has led a number of authorities to conclude that Congress also intended expressly to limit section 43(a) claims for infringement of unregistered marks to cases involving commercial speech.<sup>215</sup> This noncommercial use prohibition strongly

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<sup>210</sup> *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 904-06 (9th Cir. 2002); *Bosley Med. Inst.*, 2004 WL 964163, at \*6-7 (citing *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1032 (9th Cir. 2004)); *Am. Family Life Ins. Co. v. Hagan*, 266 F. Supp. 2d 682, 696-700 (N.D. Ohio 2002); *Northland Ins. Cos. v. Blaylock*, 115 F. Supp. 2d 1108, 1123 (D. Minn. 2000); MCCARTHY, *supra* note 11, § 24:97.2, at 24-222-23. As Professor McCarthy has noted, legislative history indicates that Congress intended the section 43(c)(4)(B) exemption to do two things: (1) incorporate the Supreme Court's concept of 'commercial speech,' and (2) to forbid the use of section 43(c) to enjoin use of famous marks in 'non-commercial' settings. *Id.*

<sup>211</sup> An earlier federal dilution provision, proposed as part of the Trademark Law Revision Act of 1988, was deleted due to First Amendment concerns. See H.R. REP. NO. 100-1028, at 5-7 (1988).

<sup>212</sup> 141 CONG. REC. S19306-10, S19310 (daily ed. Dec. 29, 1995) (statement of Sen. Hatch); 141 CONG. REC. H14317-01, H14318 (daily ed. Dec. 12, 1995) (statement of Rep. Moorhead).

<sup>213</sup> H.R. REP. NO. 104-374, at 4 (1995), reprinted in 1995 U.S.C.C.A.N. 1029, 1031.

<sup>214</sup> H.R. REP. NO. 104-374, at 8, reprinted in 1995 U.S.C.C.A.N. 1029, 1035; see 141 CONG. REC. S19306-10, S19311 (daily ed. Dec. 29, 1995) (stating that exemption "is consistent with existing case law[, which] recognize[s] that the use of marks in certain forms of artistic and expressive speech is protected by the First Amendment"). At the request of one of the bill's sponsors, the section-by-section analysis was printed in the Congressional Record. *Id.*

<sup>215</sup> See, e.g., *Ficker v. Tuohy*, 305 F. Supp. 2d 569, 572 (D. Md. 2004) ("The Court notes that the Lanham Act provides 'non-commercial use of a mark' is not actionable under

reinforces the purpose and policy underlying the trademark use requirement as it is traditionally understood. However, a number of the cases discussed above appear to have extended section 43(a) and (c) protection to fully protected First Amendment speech, notwithstanding section 43(c)(4).<sup>216</sup>

### C. Metatag "Use"

Website operators have also made unauthorized reproductions of others' marks in metatags. Metatags consist of HTML code integrated into a website, which is invisible to website visitors but can be read by search engines. The metatags are meant to communicate the contents of

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section 43 of the act."); *PGC Prop., L.L.C. v. Wainscott/Sagaponack Prop. Owners, Inc.*, 250 F. Supp. 2d 136, 141 (E.D.N.Y. 2003) ("Section 43(a) applies only to actions taken by a party 'in connection with goods and services,' (citations omitted) and is limited by 15 U.S.C. § 1125(c)(4)(B), which states that 'noncommercial use of a mark' is not actionable under the Lanham Act."); *Bihari v. Gross*, 119 F. Supp. 2d 309, 318 (S.D.N.Y. 2000) ("[Section] 43(a) is limited by 15 U.S.C. § 1125(c)(4), which states that '[n]oncommercial use of a mark' is not actionable under the Lanham Act"); *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176, 196-97 (W.D.N.Y. Feb. 28, 2000) ("Unlike § 1114, § 1125(a)(1)(A) is limited by § 1125(c)(4)(B), which provides that '[n]oncommercial use of a mark' is not actionable under § 1125."); *Planned Parenthood Fed'n of Am., Inc. v. Bucci*, No. 97 Civ. 0629 (KMW), 1997 WL 133313, at \*7 (S.D.N.Y. Mar. 24, 1997) ("Section 1125(a) is also limited by § 1125(c)(4)(B), which states that 'noncommercial use of a mark' is not actionable under the Lanham Act."), *aff'd*, 152 F.3d 920 (2d Cir. 1998); *MCCARTHY*, *supra* note 11, § 24:97, at 24-221 ("[B]ecause the preface to the three statutory defenses states that they make nonactionable all claims brought 'under this section,' they are apparently also defenses to any claim under § 43(a), whether for trademark infringement, false advertising or dilution.").

Some courts have suggested that none of the Lanham Act provisions apply to noncommercial speech. *See, e.g., Taubman Co. v. Webfeats*, 319 F.3d 770, 774 (6th Cir. 2003) ("The Lanham Act is constitutional because it only regulates commercial speech, which is entitled to reduced protections under the First Amendment. Thus, we must first determine if [defendant's] use is commercial and therefore within the jurisdiction of the Lanham Act . . ."). However, courts often have relied on the Lanham Act to impose liability in cases of noncommercial speech. *See, e.g., Anheuser-Busch, Inc. v. Balducci Publ'ns*, 28 F.3d 769 (8th Cir. 1994) (imposing liability for use of plaintiff's mark in parody in defendant's humor magazine). For further discussion of the extent to which Lanham Act actions are confined to commercial speech, see *Lamparello v. Falwell*, Nos. 04-2011 & 04-2122, 2005 WL 2030729 (4th Cir. Aug. 24, 2005).

<sup>216</sup> *See, e.g., Faegre & Benson, LLP v. Purdy*, 129 F. App'x 323 (8th Cir. 2005) (anti-abortion website); *Taubman*, 319 F.3d 770 (addressing noncommercial "fan site" containing information about new shopping mall building project); *People for the Ethical Treatment of Animals, Inc. v. Doughney*, 263 F.3d 359 (4th Cir. 2001) (addressing forum website ridiculing animal rights group); *Coca-Cola Co. v. Purdy*, 74 U.S.P.Q. 2d 1048 (D. Minn. 2005) (addressing anti-abortion website); *Jews for Jesus v. Brodsky*, 993 F. Supp. 282 (D.N.J. 1998) (addressing forum website criticizing plaintiff's religious message); *OBH*, 86 F. Supp. 2d 176 (website criticizing plaintiff newspaper); *Planned Parenthood*, 1997 WL 133313 (addressing anti-abortion website). A full exploration of this issue, however, must be the topic for a future article.

a website to Internet search engines by means of a short description and “keywords.”<sup>217</sup> Search engines operate in different ways and continue to evolve. However, particularly during the late 1990s, search engines often relied on keywords in metatags to formulate and rank their search results. For example, X Co., the operator of a pornographic website, might include the keyword “sex” in its metatags. If an Internet user entered the term “sex” as a search term, his search engine might search domain names, the actual text of indexed websites, and metatags for a match, find “sex” in X Co.’s metatags, and thus list X Co.’s website in its search result. Depending on the algorithm the search engine used for determining rankings and other factors, X Co. might get itself ranked higher in the search results (and thus increase the chances that the searcher would visit its website) by repeating the word “sex” numerous times in its metatags.<sup>218</sup> X Co. might also decide to include the words “playboy” and “playmate,” which are the registered trademarks of Playboy Enterprises, Inc. (“PEI”), in its metatags. This would land its website on the search result pages of Internet users who used these PEI marks as search terms.

Search engine designers have since moved away from reliance on metatags in formulating search results.<sup>219</sup> Nonetheless, during the period

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<sup>217</sup> *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1045 (9th Cir. 1999); *Bihari*, 119 F. Supp. 2d at 312 n.3.

<sup>218</sup> See *Brookfield*, 174 F.3d at 1045 (“Search engines look for keywords in places such as domain names, actual text on the web page, and metatags . . . . The more often a term appears in the metatags and in the text of the web page, the more likely it is that the web page will be ‘hit’ in a search for that keyword and the higher on the list of ‘hits’ the web page will appear.”). But see Eric Goldman, *Deregulating Relevancy Internet Trademark Law*, 54 EMORY L.J. 507, 537-38 (2005) (explaining that it is incorrect to assume that repetitious reproduction of mark in metatags will lead to high placement in search results because of numerous other variables which affect placement and are out of website operator’s control).

See Maureen A. O’Rourke, *Defining the Limits of Free Riding in Cyberspace: Trademark Liability for Metatagging*, 33 GONZ. L. REV. 277, 279-86 (1997-98), for a useful and more in-depth description of the use of metatags.

<sup>219</sup> For example, O’Rourke states that:

The search engines have begun fighting this manipulation of metatags with technological fixes ranging from the simple to the complex. Some engines, including the widely used Excite, simply do not honor metatags, considering them to be unreliable indicators of a site’s contents. Others such as Hotbot, do consider metatags, but only as the last metric for ranking. Others will ignore repeated occurrences of the same word, delete a site from their indices if its description does not accurately reflect the site’s contents or it otherwise violates the search engine’s policies, and/or limit manipulation by changing ranking criteria without notice.

O’Rourke, *supra* note 218, at 286-87 (citations omitted); see also MCCARTHY, *supra* note 11, §



of reliance on metatags, a number of lawsuits arose challenging defendants who made unauthorized use of others' marks in metatags. These resulted in a body of "metatagging" case law, which has served and will undoubtedly continue to serve as precedent in newly arising Internet contexts.

Presumably, if the metatagging defendant's website does not sell, distribute, or advertise goods or services, its insertion of another's mark in its metatags should not constitute an infringing or diluting trademark use for purposes of the Lanham Act. As discussed in the prior section,<sup>220</sup> in such a case, consumers will not associate the mark with goods or services the user is offering for sale and rely on the mark to identify the defendant's goods or services and distinguish them from those of others. Moreover, the insertion of the mark in metatags will not constitute commercial speech, as is required for a suit pursuant to Lanham Act section 43(a) or (c).<sup>221</sup> As one set of commentators put it, no one doubts that members of an organization dedicated to workers' rights have a right to picket the front of XYZ Co. to complain about abuse of workers, and there is little question that those picketers have a right to use XYZ's name and mark on their picket signs. If such an organization were to set up a website describing XYZ by mark and name and setting forth the same critical commentary, it should be able to include XYZ's mark in metatags, to ensure that Internet users seeking information on XYZ Co. will retrieve the address of the organization's website, regardless of whether this causes commercial harm to XYZ Co.<sup>222</sup> The reference to the mark in metatags describes the contents of the website and proposes no commercial transaction.<sup>223</sup>

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25:69, at 25-163 (explaining that today most Internet users employ Google search engine, which does not rely on metatags at all); Goldman, *supra* note 218, at 567-68 ("[A]most all search engines have removed keyword metatags from their relevancy algorithms.").

<sup>220</sup> See *supra* notes 139-208 and accompanying text.

<sup>221</sup> See Thomas F. Presson & James R. Barney, *Trademarks as Metatags: Infringement or Fair Use?*, 26 AIPLA Q.J. 147, 160-62 (1998) ("[I]t is reasonable to conclude that an Internet site devoted to art, literature, or news, that uses another's trademark as part of its substantive content, should be permitted under the First Amendment to use the trademark as a metatag to inform search engine users of the Website's Internet address."); *supra* notes 209-16 and accompanying text.

<sup>222</sup> Presson & Barney, *supra* note 221, at 161-62.

<sup>223</sup> In *Bihari v. Gross*, 119 F. Supp. 2d 309 (S.D.N.Y. 2000), a "gripe site metatagging" case, the defendant was a dissatisfied customer of the plaintiff's interior design services. He set up websites under the domain names "designscam.com" and "manhattaninteriordesign.com," where he posted his criticisms of the plaintiff and her design services. *Bihari*, 119 F. Supp. at 313. The defendant included the plaintiff's mark in the website metatags. *Id.* In considering whether this constituted commercial use of the plaintiff's mark for purposes of Lanham Act section 43(a), the court specifically found that

Most of the metatagging cases addressed by the courts, however, involved websites that sold, distributed, or advertised goods or services and thus properly could be deemed “commercial” in nature.<sup>224</sup> But most of the reported decisions provide little or no evaluation of the trademark use issue.<sup>225</sup> The Ninth Circuit’s decision in *Brookfield Communications*,

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the defendant did not sell website visitors any products or services and that the websites did not offer any commercial transaction. *Id.* at 318. However, the defendant’s websites contained hyperlinks to websites that promoted the services of other interior designers. Relying on *Jews for Jesus*, the court reasoned that the websites acted as a conduit, “steering potential customers away from Bihari Interiors and toward its competitors, thereby transforming [defendant’s] otherwise protected speech into a commercial use.” *Id.*

But the court then found that the defendant’s actions were excused as a fair use of the plaintiff’s marks and, therefore, did not infringe. The court explained that:

Gross has included “Bihari Interiors” in the metatags of his websites because the websites provide information about Bihari Interiors and Marianne Bihari. Gross has not used the terms “Bihari Interiors” and “Bihari” in the metatags as a mark, but rather, to fairly identify the content of his websites. In short, Gross uses the “Bihari Interiors” mark in its descriptive sense only.

Moreover, use of the “Bihari Interiors” mark in the metatags of his websites is the only way Gross can get his message to the public. A broad rule prohibiting use of “Bihari Interiors” in the metatags of websites not sponsored by Bihari would effectively foreclose all discourse and comment about Bihari Interiors, including fair comment. Courts must be particularly cautious of overextending the reach of the Lanham Act and intruding on First Amendment values.

*Id.* at 322-23 (citations omitted). Thus the court reached a result that was consistent with a proper application of the section 43(a) trademark use requirement. However, its reasoning in finding a fair use undercuts its reasoning in finding the requisite trademark use and commercial speech, and its round-about approach to reaching the right result sets a confusing precedent.

<sup>224</sup> *E.g.*, *Horphag Research Ltd. v. Pellegrini*, 337 F.3d 1036 (9th Cir. 2003); *Promatek Indus., Ltd. v. Equitrac Corp.*, 300 F.3d 808 (7th Cir. 2002); *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, (7th Cir. 2000); *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036 (9th Cir. 1999); *Bayer Corp. v. Custom Sch. Frames*, 259 F. Supp. 2d 503 (E.D. La. 2003); *New York State Soc. of Certified Pub. Accountants v. Eric Louis Assocs., Inc.*, 79 F. Supp. 2d 331 (S.D.N.Y. 1999); *SNA, Inc. v. Array*, 51 F. Supp. 2d 554 (E.D. Pa. 1999), *aff’d*, 259 F.3d 717 (3d Cir. 2001); *Playboy Enters., Inc. v. Asiafocus Int’l, Inc.*, No. Civ.A. 97-734-A, 1998 WL 724000 (E.D. Va. April 10, 1998); *Playboy Enters., Inc. v. Calvin Designer Label*, 985 F. Supp. 1220 (N.D. Cal. 1997). Most of these cases involved additional alleged infringing references to the plaintiffs’ mark (for example, in the defendant’s domain name).

<sup>225</sup> Some opinions appear to emphasize the defendant’s intent in finding infringement liability. *E.g.*, *Faegre & Benson, LLP v. Purdy*, 367 F. Supp. 2d 1238, 1246-47 (D. Minn. 2005); *SNA, Inc.*, 51 F. Supp. 2d at 560-61; *Asia Focus, Int’l*, 1998 WL 724000, at \*6. See generally Mark Sableman, *Link Law Revisited: Internet Linking Law at Five Years*, 16 BERKELEY TECH. L. J. 1273, 1302-03 (2001). Others may simply have assumed that since the defendant was engaged in a commercial enterprise, its use of the plaintiff’s mark in metatags constituted the requisite trademark use. For example, the Ninth Circuit appears to see the trademark use requirement as simply turning on whether the defendant’s trademark

*Inc. v. West Coast Entertainment Corp.* has been the most influential of the metatagging decisions.<sup>226</sup> In *Brookfield*, the defendant video rental store chain set up a website under the "moviebuff.com" domain name and included "moviebuff" in its metatags.<sup>227</sup> The website offered videos and other entertainment-related merchandise for sale, along with a searchable database of entertainment industry information.<sup>228</sup> The plaintiff, which sold its own entertainment industry information software and services under the "MovieBuff" mark, sought to enjoin the defendant's actions under Lanham Act sections 32 and 43(a).<sup>229</sup> The Ninth Circuit found that the plaintiff was likely to succeed on the merits of its argument that the *domain name use* infringed, and then considered whether it should preliminarily enjoin the defendant's use of the plaintiff's mark in metatags as well.<sup>230</sup> In making this evaluation, the court assumed that the defendant would be operating its website under a domain name that did not incorporate the "MovieBuff" mark.<sup>231</sup> Nonetheless the court found grounds to enjoin the metatag use.<sup>232</sup> It did not expressly address the trademark use question, but moved directly to an initial interest confusion analysis.<sup>233</sup> The court did, however, emphasize that the defendant's metatag use would divert Internet users looking for "Moviebuff" to its website and explained:

Using another's trademark in one's metatags is much like posting a sign with another's trademark in front of one's store. Suppose West Coast's competitor (let's call it "Blockbuster") puts up a billboard on a highway reading — West Coast Video: 2 miles ahead at Exit 7" — where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast's store will pull off at Exit 7 and drive around looking for it. Unable to locate West Coast, but seeing the Blockbuster store right by the highway entrance, they may simply rent there.<sup>234</sup>

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reference was in a commercial or noncommercial context. See *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 676-77 (9th Cir. 2005). It relegates any further evaluation of the nature of the defendant's commercial reference to the limited classical and nominative fair use defenses. See *infra* notes 254-58, 328-35 and accompanying text.

<sup>226</sup> *Brookfield*, 174 F.3d at 1036.

<sup>227</sup> *Id.* at 1042.

<sup>228</sup> *Id.*

<sup>229</sup> *Id.* at 1041-42, 1043.

<sup>230</sup> *Id.* at 1062.

<sup>231</sup> *Id.*

<sup>232</sup> *Id.* at 1066.

<sup>233</sup> *Id.* at 1062-66.

<sup>234</sup> *Id.* at 1064. This analogy has been the subject of significant criticism. For example:

If this analogy were correct, it might demonstrate trademark use. In the Ninth Circuit's scenario, the defendant's reference to the plaintiff's mark on a billboard applies the mark to indicate the source of goods, suggesting that the goods sold at a particular location are the plaintiff's. Consumers are exposed to the mark, are invited to rely on it, and are led to a single place where they expect to find the plaintiff's goods but only find the defendant's.

However, the Ninth Circuit's analogy is inaccurate. In the metatag situation, Internet users employing the plaintiff's mark as a search term are never exposed to the defendant's reference to the plaintiff's mark in metatags and, thus, do not (and cannot) rely on it to inform them about the source of goods or services located at the defendant's website. Moreover, unlike in the *Brookfield* analogy, internet users are not led to a single site, but rather are presented with a search result page that lists a number of sites by name. The only effect of the defendant's incorporation of the plaintiff's mark in metatags is to get the defendant's website listed on that search result page, along with the plaintiff's. Assuming that the defendant's domain name does not incorporate plaintiff's mark, as the Ninth Circuit assumed in *Brookfield*, there is no occasion for consumer deception. Consumers are accustomed to receiving a wide range of listings on search result pages. There is no

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Use of the highway billboard metaphor is not the best analogy to a metatag on the Internet. The harm caused by a misleading billboard on the highway is difficult to correct. In contrast, on the information superhighway, resuming one's search for the correct website is relatively simple. With one click of the mouse and a few seconds delay, a viewer can return to the search engine's results and resume searching for the original website.

Bihari v. Gross, 119 F. Supp. 2d 309, 320 n.15 (2000); see also Goldman, *supra* note 218, at 570-74 (listing several reasons why *Brookfield* billboard analogy is inept); Presson & Barney, *supra* note 221, at 173-74 (noting that hypothesized "sign" may carry other messages than "this way to the plaintiff"); Julie A. Rajzer, *Misunderstanding the Internet: How Courts Are Overprotecting Trademarks Used in Metatags*, 2001 MICH. ST. L. REV. 427, 456 (noting that it is much easier for Internet searchers to return to their search than it is for persons in brick and mortar world); Widmaier, *supra* note 19, at 652 ("Unlike the billboard in the *Brookfield* metaphor, metatags are not visible to consumers. Search engines may see them, but the search engines are not susceptible to the mark's commercial magnetism."); F. Gregory Lastowka, Note, *Search Engines, HTML, and Trademarks: What's the Meta For?*, 86 VA. L. REV. 835, 856-63 (2000) (noting that billboard cannot be invisible, and arguing that proper metaphor for metatags is voluntary consumer questionnaire, proper metaphor for a search engine listing is bin, and proper metaphor for description metatag is product label).

However, the Seventh Circuit has adopted the *Brookfield* billboard analogy. *Promatek Indus., Ltd. v. Equitrac Corp.*, 300 F.3d 808, 813 (7th Cir. 2002); *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F.3d 456, 465 (7th Cir. 2000). Professor McCarthy also endorses it in his treatise. MCCARTHY, *supra* note 11, § 25:69, at 25-159.

reason for them to assume that the mere appearance of two sites on a search result page indicates that the sites are related.<sup>235</sup>

A better analogy is to a customer who walks into a restaurant and asks the waiter for a Coke.<sup>236</sup> Rather than simply bringing the Coke, the waiter hands the customer a menu of soft drink offerings, on which both Coke and Pepsi are clearly indicated, and asks the customer to make a selection. This action may invite the customer to change his mind and order a Pepsi, to the detriment of the Coca-Cola Company, but there is no consumer reliance on an unauthorized use of the plaintiff's mark and there is no deception at any point.<sup>237</sup> Under the restaurant analogy, the metatag's use of the plaintiff's mark just gets the metatag on the menu (the search result page), along with the plaintiff and before the customer.<sup>238</sup>

The question is whether using the plaintiff's mark to get on the search result page constitutes actionable Lanham Act trademark use. In the broad sense, the defendant is applying the plaintiff's mark in the course of selling or advertising its own products or services. However, as noted above, consumers are never exposed to the defendant's reference to the plaintiff's mark, and they do not rely on it for information about the source of goods or services on the defendant's website. The *Holiday Inns*

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<sup>235</sup> See *infra* note 244.

<sup>236</sup> If the waiter brings the customer a Pepsi instead (without telling the customer of the switch), that might constitute passing off. If the waiter brings a Pepsi, sets it on the table, and then tells the customer of the switch before the customer drinks it, that might be characterized as a case of initial interest confusion.

<sup>237</sup> This assumes, of course, as in *Brookfield*, that the defendant is not using the plaintiff's mark as a domain name and reflects its own identity in its domain name or website.

<sup>238</sup> There is free riding on the plaintiff's business goodwill, but no deception, either initially or at the point of sale. The *Brookfield* court found a likelihood of initial interest confusion, essentially by equating a likelihood of confusion with a defendant's benefitting from the plaintiff's business goodwill:

West Coast's use of "moviebuff.com" in metagags will still result in what is known as initial interest confusion. Web surfers looking for Brookfield's "MovieBuff" products who are taken by a search engine to "westcoastvideo.com" will find a database similar enough to "MovieBuff" such that a sizeable number of consumers who were originally looking for Brookfield's product will simply decide to utilize West Coast's offerings instead. Although there is no source confusion in the sense that consumers know they are patronizing West Coast rather than Brookfield, there is nevertheless initial interest confusion in the sense that, by using "moviebuff.com" or "MovieBuff" to divert people looking for "MovieBuff" to its website, West Coast improperly benefits from the goodwill that Brookfield developed in its mark.

*Brookfield*, 174 F.3d at 1062. For criticism of this aspect of the case, see *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1034-35 (9th Cir. 2004) (Burzon, J., concurring).

and *DaimlerChrysler* decisions<sup>239</sup> stress that, to make a trademark use, a defendant must expose consumers to the plaintiff's mark. In each of those cases the defendants used telephone numbers whose alphanumeric translations constituted the plaintiffs' marks.<sup>240</sup> Consumers, seeking the plaintiffs, would dial the numerical equivalent of the plaintiff's marks and reach the defendants.<sup>241</sup> However, the Sixth and Eighth Circuits found that the defendants had not made an actionable trademark use of the plaintiffs' marks because they had never exposed consumers to the alphanumeric translations: as the Eighth Circuit put it, the defendant must advertise or otherwise promote "the alphanumeric translation of the phone number thereby causing the public to see the protected mark and associate the infringer's goods or services with those of the mark holder."<sup>242</sup> In a similar fashion, consumers are not exposed to a defendant's use of the plaintiff's mark in metatags because the metatags are invisible to website visitors. The fact that the metatags *could* be made visible in source code is not sufficient since they generally are not.<sup>243</sup>

As noted earlier, it is unlikely that a consumer who enters a trademark as a search term will assume that all of the websites listed in the search result page are related to the trademark owner. It is common experience that most of the results of an Internet keyword search are irrelevant.<sup>244</sup> Moreover, even if the searcher decides to visit the defendant's site at a domain name that does not incorporate plaintiff's mark and discovers goods and services, the searcher will not see the metatags and may not encounter the plaintiff's mark there at all. Under these circumstances, it is unlikely that the consumer will be under the impression that the plaintiff's mark identifies the source, sponsorship, or affiliation of those goods or services. The connection is too attenuated.<sup>245</sup>

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<sup>239</sup> See *supra* notes 62-85 and accompanying text.

<sup>240</sup> *DaimlerChrysler AG v. Bloom*, 315 F.3d 932, 935 (8th Cir. 2003); *Holiday Inns, Inc. v. 800 Reservations, Inc.*, 86 F.3d 619, 620 (6th Cir. 1996).

<sup>241</sup> *DaimlerChrysler*, 315 F.3d at 935; *Holiday Inns*, 86 F.3d at 621.

<sup>242</sup> *DaimlerChrysler*, 315 F.3d at 939. The telephone number itself was neither phonetically nor visually similar enough to the plaintiff's mark to be considered a reproduction or colorable imitation of it. *Id.*

<sup>243</sup> See *id.* (finding that fact that telephone number might be translated into plaintiff's mark was not sufficient).

<sup>244</sup> Goldman, *supra* note 218, at 519, 577; O'Rourke, *supra* note 218, at 293, 294, 301-02; see also Tim Jackson, *The Case of the Invisible Ink*, FIN. TIMES, Sept. 22, 1997, at 17 (suggesting that "appearing on a [search result] list does no more to create the impression of an association or business connection than appearing on the same page in the telephone directory"); Bart Ziegler, *On Line: Why Search Engines Don't Turn Up Many Websites*, WALL. ST. J., Dec. 10, 1996, at B1 (providing examples of how searches provide unrelated results).

<sup>245</sup> O'Rourke, *supra* note 218, at 296, 302; Rajzer, *supra* note 234, at 461.

This situation is hard to distinguish from what routinely happens in brick and mortar stores. A consumer may go into a grocery store intending to buy a six-pack of Cokes. However, approaching the soft drink shelves, she encounters a wide range of colas and other soft drinks sitting alongside the Cokes. This may lead her to decide on a different brand, but there is no deception. Indeed, providing the opportunity for a side-by-side comparison benefits the consumer.<sup>246</sup> To date, no court has decreed that the practice of placing competing brands side-by-side on a shelf constitutes trademark use or infringement, even though the mark of one of the leading producers may have originally drawn consumers to the shelf.

Thus, finding the necessary Lanham Act trademark use on the part of a metatagging defendant, even when the defendant operates a commercial website, is a stretch, at best. There are public policy reasons to avoid making that stretch. For example, important benefits arise from permitting free use of others' marks in metatags. Metatags may serve an important indexing function on the Internet.<sup>247</sup> As the Ninth Circuit has noted, website operators have a legitimate interest in describing the contents of their sites, and the public has an important interest in their ability to do so.<sup>248</sup> To the extent that search engines rely on metatags, it may be necessary for website operators to use others' marks in their metatags, for example, as a means of describing themselves or their products,<sup>249</sup> as a means of comparing their products to those of their competitors,<sup>250</sup> or as a means of notifying the public that they buy or sell new or used versions of the plaintiff's product or accessories that are

<sup>246</sup> *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1035-36 (9th Cir. 2004) (Berzon, J., concurring); *Presson & Barney*, *supra* note 221, at 165-67; *Rajzer*, *supra* note 234, at 461-62.

<sup>247</sup> See *Bihari v. Gross*, 119 F. Supp. 2d 309, 323 (S.D.N.Y. 2000) ("Metatags serve as a cataloging system for a search engine."); MCCARTHY, *supra* note 11, § 25:69, at 25-156 ("[Metatags act] as an index or reference source identifying the content of the website for search engines."); Ira S. Nathenson, *Internet Infoglut and Invisible Ink: Spamdexing Search Engines with Meta Tags*, 12 HARV. J.L. & TECH. 43, 47 (1998) ("By themselves, meta tags represent a modern variant on long-utilized systems of keyword indexing, such as those used by libraries in their card catalogs."); *Widmaier*, *supra* note 19, at 669-70 (stating that metatags serve crucial informative function because they facilitate retrieval of information via search engines).

<sup>248</sup> *Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 803-04 (9th Cir. 2002).

<sup>249</sup> *Id.* (finding that defendant, former Playboy Playmate of the Year, had no practical way of describing herself without using plaintiff's marks, and noting that "[p]recluding the use would have the unwanted effect of hindering the free flow of information on the internet, something which is certainly not a goal of trademark law").

<sup>250</sup> *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1066 (9th Cir. 1999).

compatible with it. Metatags that employ a plaintiff's mark may be an efficient way to notify persons searching for the plaintiff that the defendant's website has some information that may be relevant.<sup>251</sup> Even when the defendant's sole purpose is to attract consumers to a product that directly competes with the plaintiff's, this may still serve the public. As others have explained, shoppers benefit from having a listing of other sites that they can opt to browse for alternatives to the plaintiff's product.<sup>252</sup> The ultimate purpose of trademark protection is to facilitate the flow of useful, nonconfusing information to consumers and to enhance marketplace efficiency. Trademark law should not be used to prohibit actions that promote these purposes. Search result listings that provide an array of information relevant to the product whose mark the consumer has entered, as well as to competing products, may be a highly valuable and efficient resource for consumers.<sup>253</sup>

Some courts have acknowledged some of these legitimate interests, not through their evaluation of the scope of Lanham Act trademark use, but through application of the fair use<sup>254</sup> and nominative fair use<sup>255</sup>

<sup>251</sup> *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161, 1165 (C.D. Cal. 1998).

<sup>252</sup> Consumers may use a mark as a form of shorthand for a particular product in formulating web searches, hoping to obtain a listing of results well beyond the mark owner's website. *Presson & Barney*, *supra* note 221, at 165-67; *Rajzer*, *supra* note 234, at 455, 460-63; *Sableman*, *supra* note 225, at 1308.

<sup>253</sup> See *Goldman*, *supra* note 218, at 585 (stating that metatag use does not increase consumer search costs and may decrease them). As Professor Goldman points out, search engines compete for users' business, and, thus, have a strong economic motivation to make search results as relevant and useful as possible. *Id.* at 591. Search engines are becoming increasingly sophisticated and are quite capable of countering any gaming activities by website operators that threaten to undermine the usefulness of search results. *Id.* at 590. There is no need for judicial intervention into this process. *Id.* at 536, 569.

<sup>254</sup> The fair use defense is codified in Lanham Act section 33(b)(4):

That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin.

15 U.S.C. § 1115 (b)(4) (2005).

<sup>255</sup> The nominative fair use defense has been described as follows:

First, the [defendant's product or service] must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

*New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (citations



doctrines<sup>256</sup> which provide an affirmative defense to an infringement or dilution claim. However, evaluating the defendant's actions as fair use may shift the burden of proof from the plaintiff to the defendant and bring in additional factors that are foreign to the initial, traditional trademark use requirement. Such factors include the defendant's good faith intent only to use a descriptive mark in its primary, descriptive capacity, or an evaluation of the necessity of referring to the plaintiff. Relegating an evaluation of the nature of the defendant's use to the classic and nominative fair use defenses may also impose liability for uses that are nontrademark uses, but nonetheless are not descriptive or nominative, as those concepts have been defined by the courts. And characterizing the trademark use determination as an issue of fair use may also encourage courts to base their finding of trademark use on the defendant's subjective intent.<sup>257</sup> As discussed in Part I.B.2, the issue of the defendant's intent or good faith is not relevant to the question of traditional trademark use and may interfere with accomplishment of the purposes of the trademark use requirement.<sup>258</sup>

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omitted).

<sup>256</sup> E.g., *Horphag Research Ltd. v. Pellegrini*, 337 F.3d 1036, 1041 (9th Cir. 2003); *Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 803-04 (9th Cir. 2002); *Faegre & Benson, LLP v. Purdy*, 367 F. Supp. 2d 1238, 1246-47 (D. Minn. 2005); *Bijor Lubricating Corp. v. Devco Corp.*, 332 F. Supp. 2d 722, 733-34 (D.N.J. 2004); *J.K. Harris & Co., L.L.C. v. Kassel*, 253 F. Supp. 2d 1120, 1124-27 (N.D. Cal. 2003); *Trans Union L.L.C. v. Credit Research, Inc.*, 142 F. Supp. 2d 1029, 1039-40 (N.D. Ill. 2001); *Bihari v. Gross*, 119 F. Supp. 2d 309, 321-324 (S.D.N.Y. 2000); *SNA, Inc. v. Array*, 51 F. Supp. 2d 554, 562-63 (E.D. Pa. 1999).

<sup>257</sup> See, e.g., *Horphag Research Ltd.*, 337 F.3d at 1041 ("[T]his court has held that 'the nominative fair use defense is available only if 'the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one.'" (citations omitted)); *Welles.*, 279 F.3d at 803-04 (noting that defendant was entitled to include plaintiff's marks in metatags as a means of describing herself, but that if she had repeated marks extensively, so as to ensure that search engines ranked her site highly, court's decision might differ); *Bihari*, 119 F. Supp. 2d at 323 ("To benefit from the defense of fair use, Gross must have acted in good faith. The inquiry into defendant's good faith focuses on whether 'the defendant adopted its mark with the intention of capitalizing on plaintiff's reputation and goodwill, and any confusion between his and the senior user's product.'" (citations omitted)); *SNA, Inc.*, 51 F. Supp. 2d at 563 ("This case can be distinguished from *Playboy Enterprises, Inc. v. Welles*. In that case, the court found that defendant 'used plaintiff's trademarks in good faith to index the content of her website.' Here, based on the repetitious usage and the evidence of defendant's general intent to harm plaintiffs, the court cannot find that this use is a similar good faith effort simply to index the content of the website; instead, it is a bad faith effort to confuse internet users that is likely to succeed." (citations omitted)); see *supra* notes 62-85 and accompanying text.

<sup>258</sup> See *supra* notes 62-85 and accompanying text.

#### D. Contextual Advertising

Two recent developments in Internet advertising are again leading some courts to ignore or construe away the trademark use requirement. These developments involve hidden references to marks to facilitate contextual advertising. WhenU.Com, Inc. provided the first instance, though other companies have joined in similar practices.<sup>259</sup> WhenU.Com installs its "SaveNow" software onto users' computers with the users' consent, generally bundled with other software such as a screen-saver program, that is offered for free.<sup>260</sup> The SaveNow program tracks the user's use of the web, examining the search terms and website URLs the user enters.<sup>261</sup> It compares these terms and URLs to its directory, which lists a large number of web addresses, keywords, and search terms, categorized in much the same way that telephone directories categorize businesses.<sup>262</sup> If it finds a match for the user's search term or URL, it identifies the relevant product or service category and causes an ad to appear on the user's screen pertaining to that category.<sup>263</sup> For example, if the user is browsing the Wells Fargo Bank's website at "wellsfargo.com," the SaveNow software checks its directory, finds the Wells Fargo URL in its directory in the "finance/mortgage" category, and pops up an ad for a competing bank's financial services on the user's computer screen.<sup>264</sup> The ads vary in their format and placement, but some of them appear in front of, and partially obscure, the window the user has open at the time.<sup>265</sup> The user must then either click the ad closed or use the keystrokes "Alt-F4" to get rid of it.<sup>266</sup> The ads are displayed in separate, conspicuously branded windows and specifically advise the user that they are from WhenU.Com and are not sponsored by whatever website

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<sup>259</sup> 1-800 Contacts, Inc. v. WhenU.Com, 414 F.3d 400 (2d Cir. 2005); Gator.com Corp. v. L.L. Bean, No. 02-15035, 2005 WL 351228 (9th Cir. Feb. 15, 2005); Wells Fargo & Co. v. WhenU.Com, Inc., 293 F. Supp. 2d 734 (E.D. Mich. 2003); U-Haul Int'l, Inc. v. WhenU.Com, Inc., 279 F. Supp. 2d 723 (E.D. Va. 2003); *In re The Gator Corp. Software Trademark & Copyright Litig.*, 259 F. Supp. 2d 1378 (J.P.M.L. 2003); Kristen M. Beystehner, *See Ya Later, Gator: Assessing Whether Placing Pop-Up Advertisements on Another Company's Website Violates Trademark Law*, 11 J. INTELL. PROP. L. 87 (2003).

<sup>260</sup> Users agreed to the SaveNow installation in a click-wrap agreement as a condition of receiving free download of the other software.

<sup>261</sup> 1-800 Contacts, 414 F.3d at 404; Wells Fargo, 293 F. Supp. 2d at 743; U-Haul Int'l, 279 F. Supp. 2d at 725-26.

<sup>262</sup> See sources cited *supra* note 261.

<sup>263</sup> See sources cited *supra* note 261.

<sup>264</sup> Wells Fargo, 293 F. Supp. 2d at 743-44.

<sup>265</sup> U-Haul Int'l, 279 F. Supp. 2d at 726.

<sup>266</sup> *Id.*

the user may be viewing.<sup>267</sup> The user may click on the ad to visit the advertiser's website.<sup>268</sup> In some cases, the ad may offer a coupon good for discounts on the advertiser's website.<sup>269</sup>

The second instance involves a growing practice by Internet search engines called "keying." Keying allows advertisers to target consumers with certain interests by keying banner advertisements to appear on the search result page when search engine users enter pre-identified search terms. The Ninth Circuit provided the following "innocuous" example:

[A] person who searches for a term related to gardening may be a likely customer for a company selling seeds. Thus, a seed company might pay to have its advertisement displayed when searchers enter terms related to gardening. After paying a fee to [the search engine], that company could have its advertisements appear on a page listing the search results for gardening-related terms; the ad would be "keyed" to gardening-related terms.<sup>270</sup>

Likewise, an advertiser may have its ad keyed to another company's mark, so that each time an Internet user enters the mark as a search term, the advertiser's banner ad appears on the search result page. The keyed advertisements generally include a link to the advertiser's website.

One can immediately see how a number of the Internet use decisions discussed in earlier sections might provide a foundation for courts to find that sellers of contextual advertising services (or their clients)<sup>271</sup> make an infringing trademark use of the marks that trigger the pop-up or banner ads. For example, courts might draw a parallel to the cybersquatting decisions,<sup>272</sup> reasoning that much like cybersquatters offering to sell domain names, contextual advertising services intentionally "trade on the value or good will" of the plaintiffs' marks, selling that value to advertisers who want to free ride on the plaintiffs'

<sup>267</sup> *1-800 Contacts*, 414 F.3d at 405 n.7.

<sup>268</sup> For a more detailed description of the SaveNow software, see Melinda M. Kline, Comment, *Missing the Mark: The Trademark Battle over Software-Based Contextually Targeted Advertising on the Internet*, 54 CASE W. RES. L. REV. 917, 922-26 (2004).

<sup>269</sup> *Wells Fargo*, 293 F. Supp. 2d at 738 n.4.

<sup>270</sup> *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1022-23 (9th Cir. 2004).

<sup>271</sup> To date, courts have not clarified whether they would apply a direct infringement analysis in evaluating the contextual advertising services' actions or merely apply a theory of contributory infringement based on the client's direct infringement. See, e.g., *id.* at 1024 (characterizing decision as "tricky"); see also Widmaier, *supra* note 19, at 632-33 (discussing how *Playboy* court created form of "constructive trademark use" in finding defendant search engines liable).

<sup>272</sup> Kline, *supra* note 268, at 936-38; see *supra* notes 102-114 and accompanying text.

business goodwill.<sup>273</sup> Courts might likewise analogize to the decisions finding placement of marks in metatags an infringing trademark use: in each case the defendant makes a hidden reproduction of the plaintiff's mark as a means of getting its own products or services before Internet users who are seeking the plaintiff.<sup>274</sup> Moreover, the domain name decisions finding a trademark use based on the effect the defendant's actions have on the plaintiff's sales, or on the selling-power of the plaintiff's mark,<sup>275</sup> would seem on point. The reason is that the defendants' contextual advertising presents alternative sources to consumers, which undoubtedly leads some who originally intended to purchase from the plaintiff to purchase elsewhere.<sup>276</sup>

However, following these precedents would take the infringement and dilution causes of action even further from their limited purpose and may have serious anticompetitive effects as well. Including marks in software advertising directories and keying ads to marks do not constitute trademark use because they do not use the mark as a brand to communicate the source of the defendant's (or anyone else's) goods or services to consumers. The domain name registration cases, discussed in Part II.A,<sup>277</sup> provide a far better precedent for determining the trademark use issue in the contextual advertising cases.<sup>278</sup> Just as the domain name registrar makes money by registering domain names that incorporate marks, sellers of contextual advertising make money by selling advertising rights triggered by others' marks. Thus, both can be characterized as trading on the goodwill of others' marks. However, neither uses the marks to identify or distinguish the source of goods or services, but rather only uses them in a "machine-linking capacity." It

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<sup>273</sup> E.g., *Gov't Employees Ins. Co. v. Google, Inc.*, 330 F. Supp. 2d 700 (E.D. Va. 2004); Michael Warnecke, 'Playboy' Pop-ups May Hold Clues to Resolving Trademark Battles Over Adware, 67 PAT. TRADEMARK & COPYRIGHT J. (BNA) 374 (2004).

<sup>274</sup> See *supra* notes 217-57 and accompanying text. The metatagging analogy has been made by a number of courts and commentators. E.g., *Playboy Enters., Inc.*, 354 F.3d at 1034 (Berzon, J., concurring); *Employees Ins. Co.*, 330 F. Supp. 2d at 703; Christine D. Galbraith, *Electronic Billboards Along the Information Superhighway: Liability Under the Lanham Act for Using Trademarks to Key Internet Banner Ads*, 41 B.C. L. REV. 847, 879 (2000).

<sup>275</sup> See *supra* notes 191-207 and accompanying text.

<sup>276</sup> The plaintiffs in the *WhenU.Com* cases have argued for this reasoning. *Wells Fargo & Co. v. WhenU.Com, Inc.*, 293 F. Supp. 2d 734, 758-59 (E.D. Mich. 2003); *U-Haul Int'l, Inc. v. WhenU.Com, Inc.*, 279 F. Supp. 2d 723, 728-29 (E.D. Va. 2003); cf. *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 309 F. Supp. 2d 467, 489 (S.D.N.Y. 2003), *rev'd*, 414 F.3d 400 (2d Cir. 2005).

<sup>277</sup> See *supra* notes 98-101 and accompanying text.

<sup>278</sup> *Wells Fargo & Co.*, 293 F. Supp. 2d at 746-47, 762; *U-Haul Int'l*, 279 F. Supp. 2d at 728; *Dogan & Lemley*, *supra* note 3, at 35-36, 41.

follows that "where the pure machine-linking function is the only use at issue, there is no trademark use and there can be no infringement."<sup>279</sup>

Another appropriate precedent can be found in the *Daimler-Chrysler* decision, where the Eighth Circuit found no trademark use by a defendant who licensed retail Mercedes dealers to use a vanity telephone number that translated into the plaintiff's "Mercedes" mark.<sup>280</sup> The defendant, like the defendants in the contextual advertising cases, did not advertise or promote the vanity number or its translation to consumers and did not otherwise use the plaintiff's mark to identify the source of goods or services. In both the *Daimler-Chrysler* and contextual advertising cases, consumers are never exposed to the defendant's reference to the plaintiff's mark, so that it would be impossible for them to associate it with goods or services or rely on it for information about source, sponsorship, or affiliation.<sup>281</sup>

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<sup>279</sup> *U-Haul Int'l*, 279 F. Supp. 2d at 728 ("Likewise in the instant case, WhenU's incorporation of U-Haul's URL and 'U-Haul' in the SaveNow program is not a trademark use because WhenU merely uses the marks for the 'pure machine-linking function' and in no way advertises or promotes U-Haul's web address or any other U-Haul trademark." (quoting *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 956 (C.D. Cal. 1997), *aff'd*, 194 F.3d 980 (9th Cir. 1999)); see also *Wells Fargo & Co.*, 293 F. Supp. 2d at 762 ("[W]hen a domain name is used to indicate an address on the Internet, and not to identify the source of goods and services, it is not functioning as a trademark." (citing *Bird v. Parsons*, 289 F.3d 865, 877-78 (6th Cir. 2002))).

<sup>280</sup> *DaimlerChrysler AG v. Bloom*, 315 F.3d 932 (8th Cir. 2003); see *Wells Fargo & Co.*, 293 F. Supp. 2d at 757 (relying on *DaimlerChryslerAG* and *Holiday Inns* for proposition that "[t]here can be no liability under the Lanham Act absent the use of a trademark in a way that identifies the products and services being advertised by the defendant"); *U-Haul Int'l*, 279 F. Supp. 2d at 728 (relying on *DaimlerChrysler* to find that contextual advertiser did not engage in trademark use); Dogan & Lemley, *supra* note 3, at 36.

<sup>281</sup> Contextual advertising, as implemented in the SaveNow software and trademark-keyed banner advertisements, has also been analogized to lawful comparative advertising. *Wells Fargo & Co.*, 293 F. Supp. 2d at 761; *U-Haul Int'l*, 279 F. Supp. 2d at 728; Kurt M. Saunders, *Confusion Is the Key: A Trademark Analysis of Keyword Banner Advertising*, 71 *FORDHAM L. REV.* 543, 572 (2002). As the *Wells Fargo & Co.* court explained:

The rule favoring comparative advertising "rests upon the traditionally accepted premise that the only legally relevant function of a trademark is to impart information as to the source or sponsorship of the product." Comparative advertisements may therefore make use of competitors' trademarks even if the advertiser reaps the benefit of "the product recognition engendered by the owner's popularization, through expensive advertising, of the mark."

*Wells Fargo & Co.*, 293 F. Supp. 2d at 761 (citations omitted).

The SaveNow pop-ups and keyed banner advertisements do serve the purposes of comparative advertising. However, unlike traditional comparative advertising, they never expose consumers to the plaintiff's mark. Thus, there is no way consumers can mistakenly rely on the mark to indicate the source of the defendant's goods or services. *But see* Kline, *supra* note 268, at 937-38 (arguing that contextual advertising is not comparable to

The first two case decisions to address trademark owners' infringement claims in the contextual advertising context, *Wells Fargo & Co. v. WhenU.com, Inc.* and *U-Haul International, Inc. v. WhenU.com*, readily recognized the lack of trademark use on the defendant's part and rejected the claims.<sup>282</sup> WhenU, the proprietor of the SaveNow software described above, was the defendant in both cases. The plaintiffs in each case raised essentially the same three arguments.

First, they argued that causing the defendants' pop-up ads to appear on the same screen as the plaintiffs' websites and trademarks constituted a trademark use.<sup>283</sup> Presumably, the theory was that the defendant WhenU "displayed" the plaintiffs' marks in association with its client-advertisers' goods or services, as provided in the Lanham Act's definition of "use in commerce."<sup>284</sup> Both district courts rejected the argument, finding that the SaveNow ads appeared in a separate and distinct window on users' screens.<sup>285</sup> There was nothing to suggest any association between the material in the SaveNow window and the material in the windows containing the plaintiffs' websites.<sup>286</sup> The *U-Haul* court noted that Microsoft Windows users are accustomed to having unrelated materials appear simultaneously on their screens in different windows.<sup>287</sup> The mere fact of simultaneous visibility did not establish the requisite trademark use.<sup>288</sup>

Second, the plaintiffs argued that WhenU's employment of their marks in the SaveNow directory to trigger pop-up ads constituted the requisite

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comparative advertising).

<sup>282</sup> See generally *Wells Fargo & Co.*, 293 F. Supp. 2d (rejecting Lanham Act section 32(1)(a) claim); *U-Haul Int'l*, 279 F. Supp. 2d (rejecting Lanham Act sections 32(1)(a), 43(a), and 43(c) claims). Both courts stressed that trademark use is a substantive prerequisite to liability, separate from likelihood of confusion, and both stressed that to make a trademark use, the defendant must use the plaintiff's mark to identify the source of products or services. *Wells Fargo & Co.*, 293 F. Supp. 2d at 757-58; *U-Haul Int'l*, 279 F. Supp. 2d at 727-28.

<sup>283</sup> *Wells Fargo & Co.*, 293 F. Supp. 2d at 758; *U-Haul Int'l*, 279 F. Supp. 2d at 727.

<sup>284</sup> The Lanham Act provides that mark is "used in commerce" when it is "placed in any manner on the goods or their containers or the displays associated therewith" or is "displayed in the sale or advertising of services." 15 U.S.C. § 1127 (2005).

Both the *U-Haul International* and the *Wells Fargo & Co.* opinions expressly rely on the section 45 definition of "use in commerce." *Wells Fargo & Co.*, 293 F. Supp. 2d at 757-58; *U-Haul Int'l*, 279 F. Supp. 2d at 727. There was no evidence to suggest that the defendant's pop-up advertisements themselves reproduced the plaintiff's mark.

<sup>285</sup> *Wells Fargo & Co.*, 293 F. Supp. 2d at 760; *U-Haul Int'l*, 279 F. Supp. 2d at 727.

<sup>286</sup> *Wells Fargo & Co.*, 293 F. Supp. 2d at 759-61; *U-Haul Int'l*, 279 F. Supp. 2d at 727-28.

<sup>287</sup> *U-Haul Int'l*, 279 F. Supp. 2d at 727-28.

<sup>288</sup> *Id.*; see also *Wells Fargo & Co.*, 279 F. Supp. 2d at 761 ("Plaintiff's marks are neither displayed or appear to be displayed on WhenU's windows, and the fact that WhenU advertisements appear on the computer screen at the same time plaintiffs' webpages are visible in a separate window does not constitute a use in commerce of plaintiffs' mark.").

trademark use.<sup>289</sup> Both courts rejected the argument.<sup>290</sup> As the *Wells Fargo* court explained, the defendant used the marks to "identify the category the participating consumer is interested in, such as mortgages, and to dispatch a contextually relevant advertisement to that consumer."<sup>291</sup> "This does not constitute the 'use' of any trademark belonging to plaintiffs, as that term is used in the Lanham Act, because WhenU does not use any of the plaintiffs' trademarks to indicate anything about the source of the products and services it advertises."<sup>292</sup>

Finally, the plaintiffs relied on the *Planned Parenthood* line of cases<sup>293</sup> to argue that the defendant's pop-up scheme constituted a use in commerce because it interfered with consumers' ability to use the plaintiffs' websites. Both the *U-Haul* and the *Wells Fargo* courts distinguished this line of cases, reasoning that such cases involved actions that interfered with users' access to the plaintiffs' websites. As the *Wells Fargo* court explained:

WhenU only uses plaintiffs' marks in its directory, to which the typical consumer does not have access, in order to determine what advertisements to direct to consumers. Unlike *PETA* and *Planned Parenthood*, a consumer entering the domain name or URL address for [plaintiffs] in fact accesses the [plaintiffs'] websites. Plaintiffs present no evidence to suggest that consumers are unable to reach their sites as a result of the simultaneous appearance of WhenU's advertisements on their computer screens. To view plaintiffs' websites in full, consumers only need to move, minimize, or close the advertisement windows.<sup>294</sup>

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<sup>289</sup> *Wells Fargo & Co.*, 293 F. Supp. 2d at 758; *U-Haul Int'l*, 279 F. Supp. 2d at 727.

<sup>290</sup> *Wells Fargo & Co.*, 293 F. Supp. 2d at 762; *U-Haul Int'l*, 279 F. Supp. 2d at 728.

<sup>291</sup> *Wells Fargo & Co.*, 293 F. Supp. 2d at 762.

<sup>292</sup> *Id.*; see *U-Haul Int'l*, 279 F. Supp. 2d at 728 ("U-Haul fails to adduce any evidence that WhenU uses U-Haul's trademarks to identify the source of its goods or services. . . . WhenU's incorporation of U-Haul's URL and 'U-Haul' in the SaveNow program is not a trademark use because WhenU merely uses the marks for the 'pure machine-linking function' and in no way advertises or promotes U-Haul's web address or any other U-Haul trademark.").

<sup>293</sup> Specifically, the plaintiffs in *U-Haul International, Inc.* relied on *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359 (4th Cir. 2002), and *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176 (W.D.N.Y. 2000). *U-Haul Int'l*, 279 F. Supp. 2d at 728-29. The *Wells Fargo & Co.* plaintiffs relied on *People for the Ethical Treatment of Animals*, 263 F.3d 59 (2001) and *Planned Parenthood Federation of America, Inc. v. Bucci*, No. 97 Civ. 0629 (KMW), 1997 WL 133313 (S.D.N.Y. 1997), *aff'd*, 152 F.3d 920 (2d Cir. 1998). For discussions of these and other decisions in this line of cases, see *supra* notes 191-203 and accompanying text.

<sup>294</sup> *Wells Fargo & Co.*, 293 F. Supp. 2d at 759. The *U-Haul International* court noted:

The *Wells Fargo* court, in particular, stressed that trademark law is only concerned with source identification and is not meant to protect consumer goodwill in a more general sense.<sup>295</sup> Moreover, the public interest in marketplace competition outweighed the plaintiff's "private injury."<sup>296</sup> "Plaintiffs' objection to WhenU's advertising is that it presents customers with alternative choices for procuring the services offered by plaintiffs, increasing the chance that prospective customers will entertain more attractive offers. Federal policy has long favored such comparative advertising and disfavored restrictions on such advertising."<sup>297</sup>

In contrast to the first two, the third court to consider a challenge to the SaveNow pop-up scheme, in *1-800 Contacts, Inc. v. WhenU.Com*,<sup>298</sup> readily found the requisite trademark use. The court stated that the defendant's acts constituted a "display" of the plaintiff's mark in the advertising of others' goods or services.<sup>299</sup> The court did not explain why the appearance of SaveNow's ad and the plaintiff's website on the same screen constituted the requisite display, nor did it address the objection that the ad and the website appeared in separate and distinct windows. Instead, the court stressed that WhenU capitalized on the plaintiff's reputation and business goodwill.<sup>300</sup>

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[T]he SaveNow program is installed by the computer user who can decline to accept the licensing agreement or decline to download the program. Thus, the user controls the computer display the moment the WhenU ad pops up, and the user may also have other programs with pop-up windows notifying the user of an event within the computer system. The SaveNow program is, therefore, no different than an e-mail system that pops a window up when the registered user receives a new e-mail message.

*U-Haul Int'l*, 279 F. Supp. 2d at 729.

<sup>295</sup> *Wells Fargo & Co.*, 293 F. Supp. 2d at 761.

<sup>296</sup> *Id.* at 762.

<sup>297</sup> *Id.* at 772.

<sup>298</sup> *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 309 F. Supp. 2d 467 (S.D.N.Y. 2003) (alleging Lanham Act sections 32(1)(a), 43(a), and 43(c) claims against WhenU), *rev'd*, 414 F.3d 400 (2d Cir. 2005).

<sup>299</sup> *Id.* at 489-90.

<sup>300</sup> The court stated:

[I]n causing pop-up advertisements [for plaintiff's competitor] to appear when SaveNow users have specifically attempted to access Plaintiff's website on which Plaintiffs trademark appears defendants are displaying Plaintiff's mark "in the . . . advertising of" [the competitor's] services. . . . SaveNow users that type Plaintiff's website address into their browsers are clearly attempting to access Plaintiff's website because of prior knowledge of the website, knowledge that is dependent on Plaintiff's reputation and goodwill. SaveNow users that type Plaintiff's trademark "1-800 Contacts" into a search engine in an attempt to find the URL for Plaintiff's website are exhibiting a similar knowledge of Plaintiff's



The district court in *1-800 Contacts* also determined that placement of the plaintiff's URL, which incorporated the plaintiff's mark, into the SaveNow directory constituted an actionable use of the plaintiff's mark — in advertising other companies' services.<sup>301</sup> The court expressly rejected the argument that infringing use requires "use as a trademark to identify or distinguish products or services."<sup>302</sup> Again, the court stressed that the defendant's directory use permitted the defendant and its clients "to profit from the goodwill and reputation in Plaintiff's website that led the user to access Plaintiff's website in the first place."<sup>303</sup> The court cited the *Planned Parenthood* line of cases<sup>304</sup> as support for its findings, noting that these cases find the requisite Lanham Act use in part because the defendants' actions "affected plaintiffs' ability to offer their services in commerce."<sup>305</sup> The court distinguished *Holiday Inns*<sup>306</sup> and expressly rejected the reasoning and outcome in *U-Haul* and *Wells Fargo*.<sup>307</sup>

On appeal, the Second Circuit found the *U-Haul* and *Wells Fargo* opinions more persuasive than that of the district court and reversed on the ground that WhenU made no trademark use as a matter of law.<sup>308</sup> First, the Second Circuit rejected the argument that inclusion of the 1-800

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goods and services, and pop-up advertisements that capitalize on this are clearly using Plaintiff's mark. Thus, by causing pop-up advertisements to appear when SaveNow users have specifically attempted to find or access Plaintiff's website, Defendants are "using" Plaintiff's marks that appear on Plaintiff's website.

*Id.* at 489 (citations omitted).

<sup>301</sup> *Id.*

<sup>302</sup> *Id.*

<sup>303</sup> *Id.* at 490.

<sup>304</sup> Specifically, the court cited *OBH, Inc. v. Spotlight Magazine*, 86 F. Supp. 2d 176 (W.D.N.Y. 2000), and *People for the Ethical Treatment of Animals*, 263 F.3d 59 (2001), and *Planned Parenthood Federation of America, Inc. v. Bucci*, No. 97 Civ. 0629 (KMW), 1997 WL 133313 (S.D.N.Y. Mar. 24, 1997), *aff'd*, 152 F.3d 920 (2d Cir. 1998). *1-800 Contacts*, 309 F. Supp. 2d at 489. For discussions of these cases, see *supra* notes 191-203 and accompanying text.

<sup>305</sup> *1-800 Contacts*, 309 F. Supp. 2d at 489.

<sup>306</sup> *Id.* at 490 ("Again, this case does not support Defendant WhenU.com's claim that it has not used Plaintiff's website within the meaning of the Lanham Act."). For a discussion of the *Holiday Inns* decision, see *supra*, notes 62-74 and accompanying text.

<sup>307</sup> *1-800 Contacts*, 309 F. Supp. 2d at 490 n.43.

In *Wells Fargo* . . . the court determined that inclusion in SaveNow's proprietary directory of the Plaintiff's trademark was not "use," based on its reading of Sixth Circuit case law. In *U-Haul* . . . the court made a similar ruling based on a factual finding that WhenU.com uses the marks for a "pure machine-linking function." This Court disagrees with, and is not bound by these findings.

*Id.* For criticisms of the *1-800 Contacts* decision, see Dogan & Lemley, *supra* note 3.

<sup>308</sup> *1-800 Contacts*, 414 F.3d at 403.

web address in the SaveNow directory constituted the requisite trademark use.<sup>309</sup> The court noted that:

A company's internal utilization of a trademark in a way that does not communicate it to the public is analogous to an individual's private thoughts about a trademark. Such conduct simply does not violate the Lanham Act, which is concerned with the use of trademarks in connection with the sale of goods or services in a manner likely to lead to consumer confusion as to the source of such goods or services.<sup>310</sup>

The Second Circuit then found that the defendant's placement of pop-up ads on computer screens displaying the 1-800 website was not a display of the plaintiff's mark by the defendant and did not constitute trademark use.<sup>311</sup> The court stressed that the ads appeared on a separate window that was prominently branded with the WhenU mark and had "absolutely no tangible effect on the appearance or functionality of the 1-800 website."<sup>312</sup>

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<sup>309</sup> *Id.* at 403-08.

<sup>310</sup> *Id.* at 409. The Second Circuit narrowed the scope of its decision, however, by stressing that WhenU did not reproduce the plaintiff's trademark in its directory: it only reproduced its web address, which "functions more or less like a public key to 1-800's website." *Id.* at 408-09. The court noted that WhenU used the plaintiff's web address "precisely because it is a website address, rather than because it bears any resemblance to 1-800 trademark." *Id.* at 409. Moreover,

[A] WhenU pop-up ad cannot be triggered by a [computer] user's input of the 1-800 trademark or the appearance of that trademark on a webpage accessed by the [computer] user. Rather, in order for WhenU to capitalize on the fame and recognition of 1-800's trademark — the improper motivation both 1-800 and the district court ascribe to WhenU — it would have needed to put the actual trademark on the list.

*Id.* The Court also stressed that, unlike some of its competitors, WhenU did not disclose the contents of its directory to advertising clients or permit the clients to request or purchase a connection to specific key words. *Id.* The court did not explain why these considerations were relevant or important.

<sup>311</sup> *Id.* at 409-10.

<sup>312</sup> *Id.* at 410. The court explained:

The appearance of WhenU's pop-up ad is not contingent upon or related to 1-800 trademark, the trademark's appearance on 1-800's website, or the mark's similarity to 1-800's website address. Rather, the contemporaneous display of the ads and trademarks is the result of the happenstance that 1-800 chose to use a mark similar to its trademark as the address to its webpage and to place its trademark on its website. The pop-up ad, which is triggered by the [computer] user's input of 1-800's website address, would appear even if 1-800's trademarks were not displayed on its website . . . . In addition, 1-800's website address is not the only term in the SaveNow directory that could trigger a Vision Direct ad to

The Second Circuit noted that the primary basis for the district court's finding of use was "WhenU's alleged effort to capitalize on a [computer] user's specific attempt to access the 1-800 website."<sup>313</sup> However, "[a]bsent improper use of 1-800's trademark," such conduct would not violate the Lanham Act.<sup>314</sup> The Second Circuit went on to distinguish cases in which the alleged trademark use diverted or misdirected computer users away from the plaintiff's website or altered the results computer users would obtain when searching with the plaintiff's mark, thus avoiding any direct conflict with the *Planned Parenthood* and *Brookfield* lines of cases.<sup>315</sup>

In contrast to the WhenU pop-up cases, the banner ad keying cases to date have been resolved against the defendants. In the first case, *Playboy Enterprises, Inc. v. Netscape Communications Corp.*, the plaintiff Playboy Enterprises sued search engines Netscape and Excite, alleging that their keying practices infringed and diluted the Playboy marks.<sup>316</sup> The defendant search engines had various lists of terms to which they keyed advertisers' banner ads.<sup>317</sup> They required adult entertainment advertisers to key to a particular list containing over 400 terms relating to adult entertainment.<sup>318</sup> Most of these terms were not trademarks (such as "sex" or "gangbusters") but the list did include two of the plaintiff's

"pop up" on 1-800's website.

*Id.*

<sup>313</sup> *Id.*

<sup>314</sup> *Id.* at 410. The court added:

Indeed, it is routine for vendors to seek specific "product placement" in retail stores precisely to capitalize on their competitors' name recognition. For example, a drug store typically places its own store-brand generic products next to the trademarked products they emulate in order to induce a customer who has specifically sought out the trademarked product to consider the store's less-expensive alternative. WhenU employs this same marketing strategy by informing [computer] users who have sought out a specific trademarked product about the available coupons, discounts, or alternative products that may be of interest to them.

*Id.* at 411.

<sup>315</sup> *Id.* The court stressed, however, that evidence of a likelihood of confusion was not relevant to the issue of trademark use: use and likelihood of confusion are separate and distinct elements of a cause of action. According to the court, "'use' must be decided as a threshold matter because, while any number of activities may be 'in commerce' or create a likelihood of confusion, no such activity is actionable under the Lanham Act absent the 'use' of a trademark." *Id.* at 412.

<sup>316</sup> *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1023 (9th Cir. 2004).

<sup>317</sup> *Id.*

<sup>318</sup> *Id.*

marks: “playboy” and “playmate.”<sup>319</sup> Whenever search engine users entered any of the 400 search terms on the list, the adult entertainment advertisers’ banner ads would appear on the search result screen. The district court granted the defendants’ motions for summary judgment on the ground that the defendants had made no actionable trademark use of the plaintiff’s marks.<sup>320</sup> The Ninth Circuit reversed.<sup>321</sup>

The Ninth Circuit stated as a “given” that the defendants had “used the marks in commerce” without the plaintiff’s permission.<sup>322</sup> In stating this, the court construed the use in commerce requirement as solely jurisdictional in nature.<sup>323</sup> The court noted that the Lanham Act also defines “use in commerce,” but found that this definition “applies to the required use a plaintiff must make in order to have rights in a mark, as defined by 15 U.S.C. § 1051”<sup>324</sup> and not to the issue of infringement.<sup>325</sup> Thus, the Ninth Circuit appeared to reject the notion that any affixation or trademark use requirement exists as a prerequisite to infringement liability.<sup>326</sup> The court went immediately into an analysis of the likelihood of confusion issue, finding a likelihood of initial interest confusion.<sup>327</sup>

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<sup>319</sup> *Id.*

<sup>320</sup> According to the district court: “Defendants’ use of the words ‘playboy’ and ‘playmate’ in their search engines does not equate to commercial exploitation of plaintiff’s (‘PEII’) trademarks. Defendants do not use PEII’s trademarks *qua* trademarks. Although PEII uses its trademarks to identify its goods and services, defendants do not.” *Playboy Enters., Inc. v. Netscape Commc’ns Corp.*, Nos. SACV 99-320 AHS EEX, SACV 99-321 AHS EEX, 2000 WL 1308815, at \*1 (C.D. Cal. Sept. 13, 2000), *rev’d*, 354 F.3d 1020 (9th Cir. 2004). With regard to the dilution claim, the court noted: “According to the evidence of record, neither defendants nor the advertisers with whom defendants contract use PEII’s trademarks to identify their goods.” *Id.*

<sup>321</sup> *Playboy Enters., Inc.*, 354 F.3d at 1023.

<sup>322</sup> *Id.* at 1024.

<sup>323</sup> *Id.* at 1024 n.11. The court explained that “[f]ederal jurisdiction over trademark cases rests on the Commerce Clause, sweeps as broadly as possible, and clearly encompasses the circumstances of this case.” *Id.*

<sup>324</sup> *Id.*

<sup>325</sup> *Id.* at 1023 n.11.

<sup>326</sup> In a subsequent decision, the Ninth Circuit rejected the notion that the Lanham Act sections 32, 43(a), and 43(c) use in commerce requirements incorporate a requirement of trademark use or affixation, finding that use in commerce “is simply a jurisdictional predicate to any law passed by Congress under the Commerce Clause.” *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 677 (9th Cir. 2005). However, the court noted the section 32 requirement that the defendant’s use be in connection with a sale of goods or services (and its substantive equivalent in Lanham Act section 43(c)) and construed this language to remove noncommercial use from the reach of the Lanham Act causes of action. *Id.*

<sup>327</sup> *Playboy Enters., Inc.*, 354 F.3d at 1029. The District Court for the Northern District of California subsequently relied on the *Playboy* decision in denying a motion to dismiss Lanham Act claims against Google and other search engines that also employ marks in a keyword-triggered advertising program. *Google v. Am. Blind & Wallpaper Factory, Inc.*,

The Ninth Circuit then turned to the question of affirmative defenses. The court dismissed the possibility of a fair use defense on the ground that no fair use defense is available in the presence of a likelihood of confusion.<sup>328</sup> The court rejected the defendants' nominative fair use defense<sup>329</sup> because it was not essential for the defendants to use the plaintiffs' marks — they could have used other words, such as all the nontrademark terms on their adult entertainment list, to trigger adult-oriented banner ads.<sup>330</sup> Noting that the nominative fair use defense only permits use of a plaintiff's mark to identify the plaintiff, the court concluded: "Defendants do not wish to identify PEI or its products when they key banner advertisements to PEI's marks. Rather they wish to identify consumers who are interested in adult-oriented entertainment so they can draw them to competitors's websites. Accordingly, their use is not nominative."<sup>331</sup>

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No. C3-05340, 2005 U.S. Dist. LEXIS 6228 (N.D. Cal. Mar. 30, 2005). The search engines moved to dismiss American Blind's claims on the ground that it had not alleged actionable trademark use. *Id.* at \*2. However, the court held that in light of the *Playboy* decision, it did not appear "beyond doubt" that American Blind would fail. *Id.* at \*35 ("[*Playboy*] concluded that the defendant's alleged 'use' of the plaintiff's trademarks — a 'misappropriation' of the goodwill of the plaintiff's marks by defendant 'in conjunction with advertising,' whereby Internet users were led to the Websites of the plaintiff's competitors — was 'actionable.'"). The district court reasoned that even though *Playboy* provided no discussion of the trademark use issue, it must have engaged in an "implicit, preliminary determination of actionable 'trademark use'" or else it would not have found it necessary to engage in its likelihood of confusion analysis. *Id.* at \*27. However, in denying the motion to dismiss, the district court stressed that it expressed no opinion as to whether the defendants ultimately would succeed in avoiding liability. *Id.* at \*31.

<sup>328</sup> *Playboy Enters.*, 354 F.3d at 1029. The Supreme Court has subsequently rejected the Ninth Circuit's blanket rule that the fair use defense is unavailable if there is a likelihood of consumer confusion. *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 125 S. Ct. 542, 550 (2004). Rather, the Supreme Court held that "fair use can occur along with some degree of confusion." *Id.*

<sup>329</sup> *Playboy Enters.*, 354 F.3d at 1030. The Ninth Circuit's nominative fair use was designed to permit certain unauthorized uses of a plaintiff's mark to identify the plaintiff itself or its products or services. *Id.* at 1030-31. In evaluating the applicability of the defense, the court used a three-factor test:

First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

*New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

<sup>330</sup> *Playboy Enters.*, 354 F.3d at 1030.

<sup>331</sup> *Id.*

As discussed earlier,<sup>332</sup> the Ninth Circuit's tendency to relegate examination of the nature of the defendant's use to the fair use or nominative fair use defense is highly troublesome. It relieves the plaintiff of its traditional burden of proving trademark use and essentially requires the defendant to carry the burden of proving nontrademark use as an affirmative defense. Perhaps even more importantly, it seriously limits the defendant's ability to benefit from a showing of nontrademark use: both the fair use defense and the nominative fair use defense are restricted to specific types of nontrademark use and impose additional elements as a prerequisite to gaining the affirmative defense. To satisfy the Ninth Circuit's nominative fair use defense, the defendant must demonstrate: (1) that it used the plaintiff's mark only to refer to the plaintiff's goods or services, (2) that there was no feasible alternative way to do this, and (3) that the reference to the plaintiff's mark was as minimal as reasonably possible.<sup>333</sup>

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<sup>332</sup> See *supra* notes 254-58 and accompanying text.

<sup>333</sup> In the context of the classic fair use defense, 15 U.S.C. § 1115(b)(4) (2002), the Ninth Circuit required a defendant to show: (1) that the defendant only used the plaintiff's mark in its capacity as a descriptive word, and (2) that the use caused no likelihood of consumer confusion. *KP Permanent Make-up, Inc.*, 125 S. Ct. at 544. However, the Supreme Court subsequently rejected this approach, finding that, once the plaintiff has made out a prima facie case for infringement, the defendant may nonetheless prevail by demonstrating that the use was a fair use. *Id.* Thus, a plaintiff might demonstrate that the defendant made a trademark use — that the defendant used the word that is the plaintiff's mark in a manner that allows consumers to associate it with the goods or services the user is offering for sale or distribution and to rely on it to identify and distinguish the defendant's goods or services — and that the use is likely to cause a likelihood of consumer confusion. Nonetheless, the defendant may avoid liability by demonstrating that the use was a fair one: that it was made in good faith, merely to describe qualities or characteristics of the defendant's product or service. As the Supreme Court noted, the Lanham Act was not intended to "deprive commercial speakers of the ordinary utility of descriptive words." *Id.* at 550; see also *U.S. Shoe Corp. v. Brown Group, Inc.*, 740 F. Supp. 196, 198-99 (S.D.N.Y. 1990), *aff'd*, 923 F.2d 844 (2d Cir. 1990).

For purposes of infringement liability, determining whether the defendant has made a trademark use of a plaintiff's mark is an objective inquiry. The question is simply whether the defendant's use presented the mark to consumers in a manner that invited them to associate the mark with the defendant's goods or services and to rely on it for information about the products' or services' source, sponsorship, or affiliation. See *supra* note 49 and accompanying text. The section 33(b)(4) fair use defense is subjective in nature, excusing uses that may, objectively, constitute trademark use, but which were intended by the defendant, in good faith, only to describe the defendant's product or service. The purpose of this defense is to give businesses necessary leeway to use words in their descriptive capacity in order to compete effectively. *KP Permanent Make-Up, Inc.*, 125 S. Ct. at 550; *U.S. Shoe Corp.*, 740 F. Supp. at 198-99; see 15 U.S.C. § 1115(b)(4) (codifying fair use defense).

The defendant's subjective intent is not relevant to the finding of a trademark use. However, the Ninth Circuit has relied on consideration of the defendant's subjective intent

Thus, in *Playboy*, the Ninth Circuit expressly recognized that the defendants were making a nontrademark use — that their use did not identify any goods or services but only identified consumers who were interested in adult entertainment.<sup>334</sup> However, the only significance the court attributed to this was to find that it disqualified the defendants from having a nominative fair use defense (which only authorizes use of a plaintiff's mark to identify the plaintiff or its goods or services).<sup>335</sup>

The second keying case, *Government Employees Insurance Co. v. Google, Inc.*, challenged the Google search engine's practice of tying "sponsored links" to the input of certain trademarks as search terms.<sup>336</sup> In that decision, the District Court for the Eastern District of Virginia acknowledged the trademark use requirement and found that it was satisfied.<sup>337</sup> The court relied on the metatag decisions and on the *Planned Parenthood* line of cases as precedent, reasoning that the defendant's actions might prevent users from obtaining or using the plaintiff's goods or services.<sup>338</sup> The court also seemed to be influenced by the reasoning in the cybersquatter decisions.<sup>339</sup> The defendant argued that it had not used the plaintiff's marks in a way that was visible to consumers and might be understood to identify the source of products or services.<sup>340</sup> Rather it had only used the marks in "internal computer algorithms to determine

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to trade on the value of the plaintiff's mark in order to find infringing use in the cybersquatting context. See *supra* notes 102-27 and accompanying text. Other decisions have clearly been influenced by the defendant's "predatory" purpose in finding the requisite trademark use. See *supra* note 204 and accompanying text. However, such subjective evaluations of the defendant's purpose in determining whether the defendant made a trademark use do not serve the purposes of the trademark use requirement. See *supra* notes 10, 177-180 and accompanying text.

<sup>334</sup> *Playboy Enters.*, 354 F.3d at 1030.

<sup>335</sup> Often, when a defendant uses the plaintiff's mark solely for the purpose of identifying the plaintiff's goods or services, the use will not constitute a trademark use for purposes of the plaintiff's case in chief because the use will not lead consumers to rely on the mark to identify and distinguish the defendant's goods or services.

<sup>336</sup> *Gov't Employees Ins. Co. v. Google, Inc.*, 330 F. Supp. 2d 700 (E.D. Va. 2004).

<sup>337</sup> *Id.* at 703-04.

<sup>338</sup> *Id.* at 703. In *People for the Ethical Treatment of Animals*, the Fourth Circuit specifically rejected the argument that the defendant's use of the PETA trademark in a domain name was not in connection with goods and services: "[the defendant] need only have prevented users from obtaining or using PETA's goods or services, or need only have connected the website to other's goods or services." *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 365 (4th Cir. 2001). Similarly, courts have found that the use of trademarks in metatags constitutes a use in commerce under the Lanham Act. See also *Google, Inc. v. Am. Blind & Wallpaper Factory, Inc.*, No. C3-05340, 2005 U.S. Dist. Lexis 6228, at \*18 (N.D. Cal. Mar. 30, 2005) (analogizing keyword-triggered advertising to use of marks in metatags, held to infringe in *Brookfield*).

<sup>339</sup> *Gov't Employees Ins. Co.*, 330 F. Supp. 2d at 703.

<sup>340</sup> *Id.* at 702.

which advertisements to show.”<sup>341</sup> The court rejected the argument, accepting the plaintiff’s argument that the defendant “unlawfully used [the plaintiff’s] trademarks by allowing advertisers to bid on the trademarks and pay defendants to be linked to the trademarks.”<sup>342</sup>

Keying to marks and including them in pop-up directories is directly analogous to a number of activities that we have long taken for granted in the concrete world and would never view as infringing trademark use. For example, we do not think that there is trademark use when stores deliberately place generic equivalents next to branded products on store shelves or accommodate requests by one competitor to place its product directly above or below another’s in a store display.<sup>343</sup> These are routine marketing practices and are often lauded as promoting competition and providing consumers with more choices. The fact that placement of the generic or competing brand leads consumers away from the brand they originally intended to purchase does not render these practices unlawful. Likewise, we only chuckle when a coffee shop chain aggressively decides to locate an outlet next door to an established competitor: we do not consider this to be an infringing trademark use, even though the chain thus draws off customers initially attracted to the area by the competitor.<sup>344</sup> We would not deem it a trademark infringement for the owner of a single stretch of land to sell billboard space to two competing soft drink producers or fast-food chains,<sup>345</sup> nor

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<sup>341</sup> *Id.* at 702-03.

<sup>342</sup> *Id.* at 704. The court distinguished the *U-Haul* decision on the ground that “WhenU allowed advertisers to bid on broad categories of terms that included the trademarks, but did not market the protected marks themselves as keywords to which advertisers could directly purchase rights.” *Id.* For the *Government Employees Insurance Co.* court’s subsequent ruling regarding the likelihood of confusion, see *Government Employees Insurance Co. v. Google, Inc.*, No. 1:04CV507, 2005 WL 1903128, at \*3-5 (E.D. Va. Aug. 8, 2005).

<sup>343</sup> Dogan & Lemley, *supra* note 3, at 810 (“Generic drug manufacturers aren’t liable for placing their drugs near their brand-name equivalents on drug store shelves, and these stores aren’t liable for accepting the placement.”); Saunders, *supra* note 281, at 573 (comparing keyword banner advertising to “the common practice of placing a store’s own generic products next to branded products on the same shelf”).

<sup>344</sup> Neal Chatterjee & Connie E. Merriett, Note, *U-Haul International, Inc. v. WhenU.Com, Inc., Wells Fargo & Co. v. WhenU.Com, Inc. and 1-800 Contacts Inc. v. WhenU.Com, Inc.: Pop-up Advertising as “Use in Commerce”; Under the Lanham Act: A Case Analysis*, 20 SANTA CLARA COMPUTER & HIGH TECH. L.J. 1113, 1129 (2004) (analogizing use of marks in pop-up directories to “locating a store next door to a competitor’s premises.”); Dogan & Lemley, *supra* note 3, at 809-10 (“Gas stations and restaurants are not liable for locating across the street from an established competitor, trading on the attraction the established company has created or benefitting from the size of the sign the established company has put up.”).

<sup>345</sup> Chatterjee & Merriett, *supra* note 344, at 1129 (analogizing use of marks in pop-up



would we impose liability on the producers of telephone yellow pages and theater programs for placing the ads of competing companies on the same page.<sup>346</sup> Yet, in the Internet context, one set of bad precedents has supported another, to the point that the equivalent acts involved in contextual advertising are deemed to constitute potentially infringing or diluting trademark use. A number of courts have fixated on protecting business goodwill against freeriding — a goal that greatly exceeds the modest purposes of trademark protection<sup>347</sup> — and in doing so, have undercut the overall purpose of trademark law, which is to promote competition.<sup>348</sup> Moreover, they risk impairing the effectiveness of the

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advertising to "erecting a billboard displaying plaintiff's trademarks on a highway" and allowing a competitor to put up a sign on the same stretch of road).

<sup>346</sup> See Dogan & Lemley, *supra* note 3, at 809 ("Makers of telephone directories aren't liable for putting all the ads for taxi services together on the same page."); Saunders, *supra* note 281, at 573 (equating keyword banner advertising to "buying advertising space on the same page of telephone yellow pages or theater program on which a competitor's advertisement appears").

Many other concrete-world analogies to keyword banner advertising and contextual pop-ups can be and have been drawn. For example, many grocery stores use consumer purchases to trigger electronic coupons for competing brands at the checkout counter. Matthew A. Kaminer, *The Limitations of Trademark Law in Addressing Trademark Keyword Banners*, 16 SANTA CLARA COMPUTER & HIGH TECH. L.J. 35, 59-60 (1999); Saunders, *supra* note 281, at 573. When a customer asks a store clerk the location of a particular brand, the clerk may tell the customer that a competing brand is currently on sale. Saunders, *supra* note 281, at 573. Amazon.com and Barnesandnoble.com customize the results of customer requests for books by displaying lists of other suggested books that the customer might enjoy. *Id.* Magazines may sell advertising that relates to the content of a particular issue when the issue discusses competing trademark owners. Dogan & Lemley, *supra* note 3, at 809. One company may hand out leaflets in front of a competitor's store. Chatterjee & Merriett, *supra* note 344, at 1129. The district court in the *Playboy* decision provided an analogy in which a driver leaves the freeway for the purpose of stopping at a particular well-known burger restaurant, but upon arriving there, sees a sign that advertises "Better Burgers: 1 Block Further." *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 55 F. Supp. 1070, 1075 (C.D. Cal. 1999). The driver then decides to drive on to explore other burger options. *Id.* The same person owns both the land on which the first burger restaurant is located and the land on which the billboard is located. *Id.*

<sup>347</sup> *1-800 Contacts, Inc. v. WhenU.com, Inc.*, 414 F.3d 400, 400, 410 (2d Cir. 2005); *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672, 676-77 (9th Cir. 2005); Dogan & Lemley, *supra* note 3, at 802 ("Courts in Internet cases have resurrected the oft-rejected unjust enrichment rationale for trademark rights, and have used it as the basis for a steady expansion of trademark holders' rights. . . . [This] expansion[] undermine[s] the core goal of trademark law — to reduce consumer search costs and increase the availability of information in the marketplace.").

<sup>348</sup> It seems clear that contextual advertising, through use of marks, promotes competition and may benefit consumers. See, e.g., Kaminer, *supra* note 346, at 58-59 (arguing that contextual advertising benefits consumers by enabling them to identify equivalent substitutes for expensive items); Saunders, *supra* note 281, at 545-46, 573-74 (arguing: (1) keyword advertising generates revenue that allows search engines to continue providing their services for free, (2) contextual advertising benefits consumers by

Internet to provide innovative and useful means of marketing products and services.

### III. THE APPROPRIATENESS OF THE "TRADEMARK USE" REQUIREMENT IN THE INTERNET SETTING

Commentators have written at some length about the potential dangers of overprotecting trademarks. First, overprotection may have anticompetitive effects, permitting trademark owners to erect substantial barriers to competition. As traditionally conceived, trademark law strikes a careful balance to ensure that genuinely deceptive (and more recently, dilutive) uses of marks, which increase consumer search costs, are prohibited, while uses to critique or compare the mark owners's products and thus enhance the flow of useful information to consumers are permitted. Overprotection skews that balance, leading to the suppression of information essential to a properly functioning market.<sup>349</sup> Threats of lawsuits to enforce "property-like" trademark rights may also provide a potent weapon against commercial competitors, disrupting the marketing of new, competing products.<sup>350</sup> Moreover, property-based trademark rights may enable mark owners to differentiate their products, gather excessive market power, and generate the downward sloping demand curve of monopolists without the offsetting efficiency gains that justify more narrowly confined trademark rights.<sup>351</sup> Second, overprotection of trademark rights may interfere with traditional First

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enabling them to learn of more choices related to their search query, (3) contextual advertising may also stimulate competition among sellers, leading to lower prices and improved quality).

<sup>349</sup> Dogan & Lemley, *supra* note 3, at 778.

<sup>350</sup> Litman, *supra* note 51, at 1730 n.77 ("Extending enhanced legal protection to trade symbols imposes significant costs of its own. If we put to one side the expense involved in judicial resolution of trademark law disputes, we still need to confront the fact that litigation over trade symbols and advertising can be a powerful weapon to deploy against a commercial competitor. Wielded with skill, it can accomplish delay in the introduction of promising new products, the abandonment of effective advertising campaigns, massive expenditures on legal counsel, and persistent impediments to securing favorable financing. Where products seem roughly competitive, a little well-placed litigation can tilt the playing field.").

<sup>351</sup> Lunney, *supra* note 11, at 372; *see also* Kenneth L. Port, *The Congressional Expansion of American Trademark Law: A Civil Law System in the Making*, 35 WAKE FOREST L. REV. 827, 831 (2000) ("The economic rationale for trademark protection is undermined [by expansion of rights] because the expansion actually increases total transaction costs rather than being, at least, cost neutral. . . . [T]he expansion undercuts the legal rationale for trademark protection because it tips the scales in favor of protecting the goodwill of the trademark owner rather than balancing the interests of the consumer to be free from confusion and third parties' right to compete.").

Amendment interests in freedom of expression. As Judge Kozinski has explained:

[T]rademarks play a significant role in our public discourse. They often provide some of our most vivid metaphors, as well as the most compelling imagery in political campaigns. Some ideas — “it’s the Rolls Royce of its class,” for example — are difficult to express any other way. That’s no accident. Trademarks are often selected for their effervescent qualities, and then injected into the stream of communication with the pressure of a fire hose by means of mass media campaigns. Where trademarks come to carry so much communicative freight, allowing the trademark holder to restrict their use implicates our collective interest in free and open communication.<sup>352</sup>

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<sup>352</sup> Alex Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. REV. 960, 973 (1993); see *Cohen v. California*, 403 U.S. 15, 26 (1971) (“[W]e cannot indulge the facile assumption that one can forbid particular words without also running a substantial risk of suppressing ideas in the process.”); Keith Aoki, *How the World Dreams Itself to Be American: Reflections on the Relationship Between the Expanding Scope of Trademark Protection and Free Speech Norms*, 17 LOY. L.A. ENT. L. REV. 523, 545 (1997) (“[I]n postmodernity, self identity is constructed through the integration of consumption objects with self, and the ‘consumption of commodified representational forms is a productive activity in which people engage in meaning-making to adapt signs, texts, and images to their own agendas.’ Recodification enables individuals, through self-extension processes, to integrate trademarks by allowing for the simultaneous consumption and creation of meaning. When courts chill recodification by disallowing the use of trademarks by all but owners, they chill the ability of the individual to act as both consumer and producer. This in turn chills the individual’s ability to engage in identity formation through self-extension processes.” (quoting Rosemary J. Coombe, *Objects of Property and Subjects of Politics: Intellectual Property Law and Democratic Dialogue*, 69 TEX. L. REV. 1853, 1862 (1991))); Denicola, *supra* note 11, at 195-96 (“Famous trademarks offer a particularly powerful means of conjuring up the image of their owners, and thus become an important, perhaps at times indispensable, part of the public vocabulary. Rules restricting the use of well-known trademarks may therefore restrict the communication of ideas. When this occurs the confrontation between trademark protection and free speech can no longer be ignored.”); Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 NOTRE DAME L. REV. 397, 418-19 (1990) (arguing that marks have expressive dimension and may be “rhetorically unique” so that placing expressive uses of marks under mark owners’ control may strongly impair First Amendment interests); Mark A. Lemley, *The Modern Lanham Act and the Death of Common Sense*, 108 YALE L. J. 1687, 1710-11 (1999) (“The expansive power that is increasingly being granted to trademark owners has frequently come at the expense of freedom of expression. As trademarks are transformed from rights against unfair competition to rights to control language, our ability to discuss, portray, comment, criticize and make fun of companies and their products is diminishing. There are persuasive reasons to permit political and social uses of trademarks. With the importance of brand image in today’s economy, trademarks “form an important part of the public dialog on economic and social issues.” (quoting MCCARTHY, *supra* note 11, § 31:146, at 31-213)).

Finally, particularly in the Internet context, overprotection of marks may interfere with the development and use of efficient search and marketing technologies.<sup>353</sup>

Given these considerations, it is important to ask whether there is something special about the Internet context that justifies downgrading or eliminating the traditional trademark use requirement. However, careful consideration reveals no reason to think that continued application of the requirement will interfere with the effectiveness of trademark law to accomplish its purposes in the Internet context.<sup>354</sup> As discussed earlier, trademark protection is meant to facilitate a competitive marketplace by enabling consumers to rely on the information that marks provide in making purchase decisions. Marks identify the source, sponsorship, or affiliation of products and services, thus communicating information about their quality and characteristics. Marks ensure that consumers are able to buy what they want efficiently.<sup>355</sup> The social importance of a mark lies in its association with a product or service that is being offered for sale. If a mark is being used in a way that does not expose it to consumers or does not associate it with the user's goods or services, then there is no reason for the law to intervene. Marks consist of words and symbols that may carry an important communicative value apart from the identification of the user's goods or services. There is no rational basis for recognizing in gross rights in words or symbols.

This lack of a rational basis is evident first in the cyberquatting context. With traditional cybersquatting, the harm that trademark law was designed to address does not exist. In most instances, consumers are never exposed to the cybersquatter's registration of a domain name that incorporates a plaintiff's mark. Even when the cybersquatter sets up a token website under the domain name, as in the *Toeppen* line of cases,<sup>356</sup> the use does not associate the mark with the sale of any goods or

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<sup>353</sup> E.g., Dogan & Lemley, *supra* note 3, at 831-32 (noting concern that expansive application of trademark laws may interfere with development of efficient search algorithms and with mechanisms that can decrease consumer search costs though provision of customized advertisements or information); Goldman, *supra* note 218, at 509 ("Without limits, trademark law has the capacity to counterproductively destroy the Internet's utility for everyone.").

<sup>354</sup> See also Dogan & Lemley, *supra* note 3, at 831 ("[F]ar from justifying the expansion of trademark rights, the characteristics of the Internet provide a strong policy basis for maintaining those historic limits."); Kevin J. Greene, *Abusive Trademark Litigation and the Incredible Shrinking Confusion Doctrine — Trademark Abuse in the Context of Entertainment Media and Cyberspace*, 27 HARV. J.L. & PUB. POL'Y 609 (2005).

<sup>355</sup> See *supra* notes 11-14 and accompanying text.

<sup>356</sup> See *supra* notes 102-121 and accompanying text.

services. Under these circumstances, the ability of consumers to rely on the mark for information about the source, qualities, or characteristics of products or services is not undermined or frustrated. The mark owner's desire to use the mark in its own domain name may be frustrated, and Congress has found this desire to be worthy of protection through specially tailored legislation.<sup>357</sup> However, distorting the causes of action for trademark infringement and dilution to address this interest of the mark holder sets a precedent for disassociating the mark from its role in indicating the source, sponsorship, or affiliation of products, thus creating a slippery and treacherous slope. Once the disassociation is accepted, mark owners have a foothold from which to extend their rights in a manner that impedes rather than enhances marketplace competition and suppresses important expressive interests.<sup>358</sup>

Use of a trademark as the domain name for a website may cause the harms that trademark law was designed to prevent, but only when the domain name user offers goods or genuine services on his website. If the website does not offer goods or services, then consumers will not understand the use of the plaintiff's mark to indicate the origin of goods or services offered for sale and no trademark harm will occur; the source-indicating capacity of the mark will not be undermined. Incorporating a plaintiff's mark into a domain name for a forum website provides a new, highly effective way for critics of a mark owner to promulgate their displeasure. However, using a plaintiff's mark to indicate that one is discussing the plaintiff is not unlawful in itself,<sup>359</sup> nor is criticizing a plaintiff. The fact that the Internet domain name system makes such lawful acts easier and more effective provides no justification in itself for giving the mark owner the right to suppress them.<sup>360</sup> While trademark law was designed to prevent injury to a mark

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<sup>357</sup> See 15 U.S.C. § 1125(d) (1999) (anticybersquatting law).

<sup>358</sup> See Litman, *supra* note 51, at 1721 (stating that purpose of trademark law is "not the protection of trademark owners, but the promotion of competition"); Jessica Litman, *The DNS Wars: Trademarks and the Internet Domain Name System*, 4 J. SMALL & EMERGING BUS. L. 149, 157 (2000) ("[S]ome trademark interests perceived the domain name conundrum as an opportunity to expand their rights beyond the limits imposed by traditional trademark law. That trademark owners should pursue such a course is easy to understand, but there is no policy reason why we should design the architecture of the system to assist them.").

<sup>359</sup> E.g., *New Kids on the Block v. News Am. Pub'g, Inc.*, 971 F.2d 302, 307 (9th Cir. 1992); *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 31 (1st Cir. 1987).

<sup>360</sup> See Leslie C. Rochat, *supra* note 187, at 626 ("Judges must remember that consumer opinions are not actionable under the trademark law, regardless of their form or pervasiveness. Courts should not expand trademark protection beyond its statutory scope simply because they are dealing with a new medium that has the potential to reach an audience greater than any other.").

owner's reputation that arises as a side-effect of consumer confusion about product source, it was not designed to protect a mark owner from criticism,<sup>361</sup> nor does the public benefit from such a construction of trademark rights.<sup>362</sup> The argument that forum uses of mark/domain names frustrate consumers who are seeking the plaintiff's website is greatly overplayed. Most Internet shoppers use search engines to find the products they seek, and the search result page descriptors will likely enable them to choose the site they want. Moreover, even if consumers do reach the forum website defendant's site by mistake, switching costs are low in the Internet context:<sup>363</sup> unlike in the concrete world, a consumer who finds herself on the wrong site need only hit the "back" button.

Reference to marks in metatags likewise provides no justification for dispensing with the trademark use requirement. Consumers are not exposed to marks in metatags and, thus, will not rely on them for information about the source, sponsorship, or affiliation of products. There is little reason to think that consumers will be misled by the presence of websites other than the mark owner's in the search result.<sup>364</sup> No search provider delivers only perfectly relevant results — searchers expect that they may need to sort through them.<sup>365</sup> Moreover, as Professor Goldman has explained, one cannot assume that consumers who input a mark as a search term only wish to reach the mark owner's site. They may enter a mark simply as a proxy to get to the general field of product, to comparison shop, or to gather other information that is unrelated to a purchase decision.<sup>366</sup> Prohibiting associative uses of

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<sup>361</sup> *L.L. Bean, Inc.*, 811 F.2d at 29.

<sup>362</sup> See Denicola, *supra* note 11, at 195-202 (addressing First Amendment implications of prohibiting use of marks to identify their owners or their owner's products); Greene, *supra* note 354, at 609 ("[T]he use of trademark litigation to silence dissent from corporate mega-companies poses as great, if not greater, a threat to social discourse as does copyright extension and expansion.").

<sup>363</sup> Greene, *supra* note 354, at 520-21 ("[A] searcher's cost to change an Internet search is trivial. All the searcher needs to do is hit the back button, type a new web address into the address bar, or select a new bookmark. Any of these steps requires just a moment or two of the searcher's time. The costs to switch a web search compare very favorably to other offline searches, such as using the Yellow Pages (which require extra time to dial, reach a live person and get questions answered) or driving around town looking for a particular item . . .").

<sup>364</sup> See *supra* note 244 and accompanying text; see also Goldman, *supra* note 218, at 577 ("Searchers do not understand why they get the search results they see, so they have no basis to infer some connection between a trademark owner and search results.").

<sup>365</sup> See *infra* note 244 and accompanying text.

<sup>366</sup> Goldman, *supra* note 218, at 581-82. According to research that Professor Goldman discusses in his article, for every 100 visits to a retail website, only one or two of those visits

competitors' marks in formulating a search result may undercut the usefulness of such searches. Even when searchers enter the plaintiff's mark in order to buy the plaintiff's product, use of a plaintiff's mark to bring other websites into the search result may reduce consumer search costs rather than increase them.<sup>367</sup> Consumers are then provided with links not just to the plaintiff's website, but also to sites that critique the plaintiff's product, offer plaintiff's product secondhand, offer complimentary products or services, or offer competing products. This benefits consumers and promotes competition — the very purposes of trademark law — and outweighs any interest the mark owner may have in obtaining Internet users' exclusive attention. To the extent that the use of marks in metatags or through other hidden methods yet to be discovered frustrates or interferes with consumer searches, mark owners may rely upon search engines to put a stop to it without the need for legal intervention. Search engines have a strong economic incentive to design their search algorithms to give consumers the most relevant possible results<sup>368</sup> and will devise their own technological means to prevent third-party interference.<sup>369</sup> Extension of trademark rights to hidden references to marks on the Internet may ultimately interfere with the ability of search engines to devise the most useful search mechanisms.<sup>370</sup>

As noted in Part II.D, search engines' use of marks to trigger contextual advertising presents no new issues — it merely offers a more effective way for competitors to do what they have always done.<sup>371</sup> Locating one's shop or purchasing advertising in the proximity of a competitor's shop or advertising has long been understood to be a legal

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will result in a transaction with the retailer. *Id.* at 583 (citing Bryan Eisenberg, *Benchmarking on Average Conversion Rate*, CLICKZ.COM, June 4, 2004, <http://www.clickz.com/experts/crm/traffic/print.php/3362641>).

<sup>367</sup> Goldman, *supra* note 218, at 585.

<sup>368</sup> *Id.* at 591 ("More than any other attribute, search engines compete on the relevancy of their search results — searchers want relevant results. Thus, search engines that do a better job anticipating and solving searcher needs should have competitive success in the marketplace.").

<sup>369</sup> *Id.* at 569 ("No matter what the publisher does, search engines ultimately decide what data to collect, how to weigh it and how to present it.").

<sup>370</sup> See Dogan & Lemley, *supra* note 3, at 785 (stating that excessive protection of marks "will inevitably chill the behavior of publishers, search engines, and other intermediaries whose information-facilitating services implicate the use of all kinds of words, including trademarks").

<sup>371</sup> See *supra* notes 343-46 and accompanying text; see also Dogan & Lemley, *supra* note 3, at 812-13, 831 ("Holding search engines liable for giving consumers what they are looking for — content targeted in response to their queries — would be perverse in a legal system devoted to helping consumers conduct efficient searches.").

and appropriate way to compete for business. A search engine's hidden use of marks to accomplish this in the Internet context poses no threat to the effectiveness of marks to communicate to consumers information about the source, quality, or characteristics of the user's goods or services.

#### CONCLUSION

The trademark use requirement clearly exists, but has not been stressed in the prior case law. This is primarily because, prior to the advent of the Internet, there were relatively few occasions for competitors to capitalize on a plaintiff's mark without making a trademark use of it. Similarly, commentators or detractors could not make a sufficiently effective use of the mark in connection with their message to evoke lawsuits. The Internet changed this, and in many instances, the new opportunities it provides will benefit consumers by facilitating the flow of useful information, reducing search costs, and enhancing competition. However, if this is to happen, courts must be cognizant of the trademark use limitation to both the infringement and dilution causes of action, for it provides the means to maintain the careful balance that trademark law was meant to provide: prohibiting actions that undercut the ability of consumers to rely on marks for reliable product information, while allowing references to marks that simply enhance the flow of information to consumers and foster competition.<sup>372</sup> Far from interfering with the effectiveness of trademark law to accomplish its purposes in the Internet context, the trademark use requirement serves as an essential means of protecting consumers' interests in the digital context.<sup>373</sup> Permitting trademark owners to extend

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<sup>372</sup> See *S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 573 (1987) (Brennan, J., dissenting) ("[T]he Lanham Act is carefully crafted to prevent commercial monopolization of language that otherwise belongs in the public domain."); Denicola, *supra* note 11, at 193-97 (explaining how trademark use requirement reconciles trademark protection with First Amendment interests); Dogan & Lemley, *supra* note 3, at 811 (stating that trademark use requirement balances "the search costs that will be imposed if we forbid relevant advertising against the search costs that might result from permitting that advertising and potentially confusing consumers. The trademark use doctrine strikes that balance in favor of permitting uses that are generally cost-reducing because they provide relevant, nonconfusing information to consumers, even if on occasion they may be cost-enhancing."); Leval, *supra* note 22, at 195-96 (explaining that trademark use requirement constitutes built-in protection of First Amendment interests); Rochat, *supra* note 187, at 610-16 (arguing that expanding or disregarding trademark use will have dangerous repercussions for consumer dialog regarding products and services on the Internet).

<sup>373</sup> See Goldman, *supra* note 218, at 593-95 (noting that rigorous definition of "trademark use" will help to ensure that effective search engines can be devised to serve consumer



their rights to actions that do not constitute trademark use will stifle the development of new information technologies, with no offsetting advantage.<sup>374</sup>

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needs for information on Internet).

<sup>374</sup> See Dogan & Lemley, *supra* note 3, at 785 (noting that extending concept of trademark use "will inevitably chill the behavior of publishers, search engines and other intermediaries whose information-facilitating services implicate the use of all kinds of words, including trademarks").

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