Don't Blame Google: Allowing Trademark Infringement Actions against Competitors Who Purchase Sponsored Links on Internet Search Engines Under the Initial Interest Confusion Doctrine

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Imagine you sit down to check your e-mail when you remember hearing about a new Audi sports car. You Google "Audi" and more than 184,000,000 search results appear on your computer screen. Along the top and side of the screen, several sites appear to be highlighted over the other search results. As your mouse moves toward the first link, you think: Google is so efficient, it even picked the best results, and unfortunately you do not notice that the highlighted sites are in a section titled "sponsored links." Instead of Audi's official website, you are directed to Infinity's website, one of Audi's main competitors. Even though you initially think that Infinity should not be allowed to misdirect consumers in this way, you are quickly distracted by Infinity's new line of luxury cars and soon forget why you even Googled "Audi" in the first place.

The scenario described above is the subject of a new and unsettled area of trademark law. Trademark law serves two primary purposes: protecting private interests and the interests of the general public. First, trademarks

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2. See 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 3:2, at 3-3 to -4 (4th ed. 1996 & Supp. 2006) [hereinafter MCCARTHY ON TRADEMARKS] (listing the four fundamental functions of trademarks); Gregory Shea, Note, Trademarks and Keyword Banner Advertising, 75 S. CAL. L. REV. 529, 557 (2002) (stating that “[t]rademark law focuses on protecting consumers”); see also Horphag Research Ltd. v. Pellegrini, 337 F.3d 1036, 1040 (9th Cir. 2003) (“Federal trademark law addresses ‘the dual purposes of infringement law: ensuring that owners of trademarks can benefit from the goodwill associated with their marks and that customers can distinguish among competing producers.’” (quoting Thane Int’l v. Trek Bicycle Corp., 305 F.3d 894, 900–01 (9th Cir. 2002))).
protect the private interests of trademark owners by identifying and distinguishing the source of a particular product.\(^3\) Second, trademarks protect the public's interest by protecting consumer satisfaction and preference, also known as "good will."\(^4\) Trademark law serves to answer the question: what happens when a trademark is used by someone other than its true owner?\(^5\) Unless the user can assert a defense such as fair use,\(^6\) the unauthorized use of another's trademark is trademark infringement.\(^7\)

The traditional common-law test for trademark infringement under the Lanham Act\(^8\) is the "likelihood of confusion test."\(^9\) The multi-factor likelihood

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3. See Lanham Act § 45, 15 U.S.C. § 1127 (2000); McCarthy on Trademarks, supra note 2, §§ 3:1 to :2, at 3-2 to -3 (quoting the Lanham Act § 45, 15 U.S.C. § 1127 ("Trademark")). As trademark law has developed, "there appeared the notion that the right in a trademark is an actual property right." Beverly W. Pattishall et al., Trademarks and Unfair Competition § 1.03, at 6 (6th ed. 2005) (discussing the historical Trade-Mark Cases, 100 U.S. 82, 92 (1879)). Today, "[t]he notion that trade identity rights are property rights remains strong." Id. (citing Coll. Sav. Bank v. Fla. Prepaid Postsecondary Educ. Expense Bd., 527 U.S. 666 (1999)).

4. McCarthy on Trademarks, supra note 2, § 3:2, at 3-4. Scholars have observed that "[t]he public interest against deception is necessarily a fundamental consideration in trade identity unfair competition cases, yet the treatment of that interest is often residual to what is primarily a private complaint." Pattishall et al., supra note 3, § 1.04, at 12. Many courts have considered this public interest when deciding trademark cases. See, e.g., T & T Mfg. Co. v. A.T. Cross Co., 587 F.2d 533, 537–38 (1st Cir. 1978) (stating that "the area of trademarks is vitally concerned with the protection of the public interest"); Gen. Baking Co. v. Gorman, 3 F.2d 891, 893 (1st Cir. 1925) (The court explained that "[i]t should never be overlooked that trade-mark and unfair competition cases are affected with a public interest. A dealer's good will is protected, not merely for his profit, but in order that the purchasing public may not be enticed into buying A.'s product when it wants B.'s product.").

5. See generally McCarthy on Trademarks, supra note 2, § 23:1, at 23-7 to -10 (setting forth the likelihood of confusion test as the basic test for trademark infringement).

6. See Cosmetically Sealed Indus. v. Chesebrough-Pond's USA Co., 125 F.3d 28, 30 (2d Cir. 1997) (noting that the fair-use defense "permits others to use protected marks in descriptive ways, but not as marks identifying their own products"). Under the Lanham Act, "[section 33(b)(4)] . . . defines fair use as: 'a use, other[] than as a mark, of . . . [a trademark] and used fairly and in good faith only to describe the goods or services of [a] party . . . .'" Id. (quoting 15 U.S.C. § 1115(b)(4) (1994)).

7. See Cosmetically Sealed Indus., 125 F.3d at 30 (holding that "[f]air use is a defense to liability under the Lanham Act even if a defendant's conduct would otherwise constitute infringement of another's trademark").


9. McCarthy on Trademarks, supra note 2, § 23:1, at 23-7 to -10; see also KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111, 116–17 (2004) (addressing a circuit split regarding the fair use defense to the likelihood of confusion test); Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763, 769 (1992) (holding that "liability under [the Lanham Act] requires proof of the likelihood of confusion"). There are eight basic factors used to determine whether confusion is likely: "(1) strength of the plaintiff's mark, (2) relatedness of the goods or services, (3) similarity of the marks, (4) evidence of actual confusion, (5) marketing channels used, (6) likely degree of purchaser care, (7) the defendant's intent in selecting its mark, and (8) likelihood of expansion of product lines." Gibson Guitar Corp. v. Paul Reed Smith Guitars, LP, 423 F.3d 539, 548 (6th Cir. 2005) (citing the eight-factor test set forth in Frisch's Rests., Inc. v.
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of confusion test asks whether a defendant’s use of a symbol or phrase is likely to confuse or deceive customers into thinking that there is some sponsorship between the trademark owner and the infringing mark. In the context of trademark misuse via the Internet, the three critical factors for evaluating likelihood of confusion are: "(1) the similarity of the marks, (2) the relatedness of the goods and services, and (3) the parties’ simultaneous use of the internet as a marketing channel." There are also several different types of “confusion” that can trigger liability in the context of trademark law. One type of likelihood of confusion is called “initial interest confusion.” Trademark infringement under the initial interest confusion doctrine occurs when a product generates initial customer interest by using another’s trademark, even if the customer never actually buys the infringing product. By using the trusted symbol or logo of a successful

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Elby’s Big Boy of Steubenville, Inc., 670 F.2d 642, 648 (6th Cir. 1982)) (internal quotation marks omitted); see also AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir. 1979) (listing similar factors used by the United States Court of Appeals for the Ninth Circuit for the likelihood of confusion test); Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961) (establishing one of the first multi-factor likelihood of confusion tests). One of the most exhaustive multi-factor lists, used in the U.S. Patent and Trademark Office, lists thirteen separate factors for consideration. PATTISHALL ET AL., supra note 3, § 7.03, at 282 (citing the factors from In re E.I. Du Pont de Nemours & Co., 476 F.2d 1357, 1361 (C.C.P.A. 1973), which were later adopted by the Federal Circuit, successor to the Court of Customs and Patent Appeals).

10. MCCARTHY ON TRADEMARKS, supra note 2, § 23:1, at 23-9. Conducting the likelihood of confusion balancing test is not “mathematical precision,” but merely a “guide to help determine whether confusion is likely.” Gibson Guitar, 423 F.3d at 548 (quoting Homeowners Group, Inc. v. Home Mktg. Specialists, Inc., 931 F.2d 1100, 1107 (6th Cir. 1991)) (internal quotation marks omitted).

11. See Perfumebay.com Inc. v. Ebay Inc., 506 F.3d 1165, 1173 (9th Cir. 2007) (quoting Interstellar Starship Servs. Ltd. v. Epix, Inc., 304 F.3d 936, 942 (9th Cir. 2002)). The Ninth Circuit drolly referred to these three factors as “the internet trilogy.” Id.; see also Interstellar Starship Servs. Ltd. v. Epix, Inc. (Interstellar Starship II), 304 F.3d 936, 942 (9th Cir. 2002) (referring to the same three factors as “the internet trinity”); Soilworks, L.L.C. v. Midwest Indus. Supply, Inc., 575 F. Supp. 2d 1118, 1131 (D. Ariz. 2008) (analyzing the factors that make up the “internet trinity”).

12. MCCARTHY ON TRADEMARKS, supra note 2, § 23:5, at 23-20 to -21 (listing point-of-sale confusion, post-sale confusion, initial interest confusion, and reverse confusion as actionable). The court explained:

The most common and widely recognized type of confusion that creates infringement is purchaser confusion of source which occurs at the time of purchase: point of sale confusion. However point of sale confusion does not mark the outer boundaries of trademark infringement. The vast majority of courts recognize post-sale confusion, which may occur among those who see an infringing mark in use by an owner who were [sic] not confused at the time they bought the product.

Id.

13. Id. § 23:5, at 23-12 ("[I]nitial interest confusion which is dispelled by the time of purchase can also be actionable.").

14. Id. § 23-6, at 23-28. McCarthy defines initial interest confusion as "confusion that creates initial customer interest, even though no actual sale is finally completed as a result of the confusion." Id. Additionally, "[m]ost courts now recognize the initial interest confusion theory..."
company, the usurper capitalizes on the trademark’s goodwill, granting the infringing product credibility early in the transaction.\textsuperscript{15} Initial interest confusion prevents the trademark owner’s product from being considered by the customer even once the customer’s initial confusion is gone.\textsuperscript{16}

In the context of an Internet case, initial interest confusion is evaluated primarily on two factors: (1) the relatedness of the goods and (2) the level of consumer sophistication and care.\textsuperscript{17} These factors are important because consumers are most likely to experience initial interest confusion when the goods are related and consumer sophistication is low.\textsuperscript{18} When the goods are not related, and consumer sophistication is high, initial interest confusion is less likely to occur.\textsuperscript{19} Nevertheless, a complete likelihood of confusion analysis is essential in evaluating initial interest confusion over the Internet.\textsuperscript{20}

\textsuperscript{15} See Elvis Presley Enters., Inc. v. Capece, 141 F.3d 188, 204 (5th Cir. 1998) (citing Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 259 (2d Cir. 1987)).

\textsuperscript{16} See id. J. Thomas McCarthy provides an excellent discussion of initial interest confusion:

\begin{quote}
The analogy to trademark initial interest confusion is a job-seeker who misrepresents educational background on a resume, obtains an interview and at the interview explains that the inflated resume claim is a mistake or a “typo.” The misrepresentation has enabled the job-seeker to obtain a coveted interview, a clear advantage over others with the same background who honestly stated their educational achievements on their resumes. In such a situation, it is not possible to say that the misrepresentation caused no competitive damage.
\end{quote}

MCCARTHY ON TRADEMARKS, supra note 2, \textsection 23:6, at 23-35 to -36. Initial interest confusion has also been described as “a variation on the practice of ‘bait and switch.’” Id. \textsection 23:6, at 23-36 (citing Dorr-Oliver, Inc. v. Fluid-Quip, Inc., 94 F.3d 376, 382 (7th Cir. 1996)).

\textsuperscript{17} Perfumebay.com, Inc. v. Ebay Inc., 506 F.3d 1165, 1176 (9th Cir. 2007) (citing Interstellar Starship Servs. Ltd. v. Epix, Inc., 304 F.3d 936, 945 (9th Cir. 2002)). In many initial interest confusion cases, courts have cited to “consumer surveys and/or testimony supporting those initial interest theories.” Coston & Saad, supra note 14, at 11. Other court decisions, Internet or otherwise, “demand some tie between the alleged initial confusion and a real consequence in the marketplace.” Id.

\textsuperscript{18} See Interstellar Starship Servs., Ltd. v. Epix, Inc. (Interstellar Starship II), 304 F.3d 936, 945 (9th Cir. 2002) (providing an example of how this analysis functions in reality).

\textsuperscript{19} See id. (suggesting that the inverse is true).

\textsuperscript{20} Perfumebay.com, 506 F.3d at 1176. This is also sometimes referred to as “likelihood of initial interest confusion.” E.g., Interstellar Starship II, 304 F.3d at 941.
The need for the initial interest confusion doctrine was created in the context of two cases: one involving the trademark of Steinway & Son’s pianos, and the other involving Mobil Oil’s Pegasus logo. Courts have also extended the doctrine to address a variety of Internet-related issues such as metatag use, domain-name use, and the purchase of sponsored links on Internet search engines.

21. Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons, 523 F.2d 1331, 1333–34, 1342 (2d Cir. 1975); see also infra notes 60–69 and accompanying text; cf. Coston & Saad, supra note 14, at 4 (suggesting that in addition to Steinway and Mobil “some later decisions also cite to a 1962 amendment to § 43(a) of the Lanham Act as support for the initial interest [confusion] doctrine.”). Coston and Saad point out that the amendment made an important change to the section that described the kinds of confusion that gave rise to liability under the Act. Id. at 4–5. They state, “[t]he 1962 amendment removed the term ‘purchasers’ from the Lanham Act’s original [language]: . . . likely to cause confusion or mistake or to deceive purchasers,” so that both actual and potential purchasers are covered. Id. Additionally, the legislative history shows that “Congress meant to include ‘potential’ purchasers as well as actual purchasers in the analysis.” Id. at 5; see also S. REP. No. 87-2107, at 4 (1962), reprinted in 1962 U.S.C.C.A.N. 2844, 2847 (“The purpose of the proposed change is to . . . omit the word ‘purchasers,’ since the provision actually relates to potential purchasers as well as to actual purchasers.”).

22. Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 255–56, 259 (2d Cir. 1987); see also infra notes 70–75 and accompanying text.

23. E.g., Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp., 174 F.3d 1036, 1062 (9th Cir. 1999) (discussing the potential for initial interest confusion in metatags). In defining metatags, the court stated that “metatags are HTML code not visible to Web users but used by search engines in determining which sites correspond to the keywords entered by a Web user.” Id. at 1061 n.23; see also PACCAR, Inc. v. TeleScan Techs., L.L.C., 319 F.3d 243, 248 n.2 (6th Cir. 2003) (“A ‘metag’ is a list of words hidden in a web site acting as an index or reference source identifying the context of the web site for search engines.”); J.G. Wentworth, S.S.C. Ltd. P’ship v. Settlement Funding LLC, No. 06-597, 2007 WL 30115, at *2 (E.D. Pa. Jan. 4, 2007) (“Meta tags are pieces of Hyper Text Markup Language (‘HTML’) source code which contain keywords used to describe the contents of a web page.”).

There are three different types of metatags: (1) descriptive metatags, used to describe a document; (2) keyword metatags, which are the type used by internet search engines to rank web pages in order of relevancy; and (3) robot metatags, which tell a search engine not to list certain web pages as relevant. J.G. Wentworth, 2007 WL 30115, at *2. Search engines function by first “indexing relevant websites,” and second “us[ing] algorithms to process the keywords in the meta tags to produce a search results page that displays links to relevant websites in a list typically in order of decreasing relevance.” Id.

24. E.g., Interstellar Starship II, 304 F.3d at 964 (discussing initial interest confusion in the context of domain names); see also Gregory R. Jones, What’s in a Name? Trademark Infringements in Cyberspace, 68 ALA. LAWYER 70, 71 (2007) (providing background on domain name infringement). Jones also notes that “[d]omain name disputes are often resolved using the Uniform Domain Name Resolution Policy (‘URDP’) process.” Id.

25. E.g., Picture It Sold, Inc. v. iSOLD IT, LLC, 199 F. App’x 631, 632–33 (9th Cir. 2006); Rhino Sports, Inc. v. Sport Court, Inc., CV-02-1815, 2007 WL 1302745, *1–2 (D. Ariz. May 2, 2007); see also Shea, supra note 2, at 546–55 (analyzing keyword banner advertising under the initial interest confusion doctrine and its analogy to metatagging). The Supreme Court has not extended the initial interest confusion doctrine into the area of product configurations. See, e.g., Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 212–13 (2000) (indicating that product configurations are not source identifying). But see Gibson Guitar Corp. v. Paul Reed Smith Guitars, LP, 423 F.3d 539, 552 & n.17 (6th Cir. 2005) (discussing product shapes as trademarks,
Reexamining the Audi hypothetical above, it is possible that Infinity’s website appeared in the search results for “Audi” because Infinity purchased the right to have its website appear in the “sponsored links” section of Google’s results page.\(^{26}\) Sponsored links are “paid advertisement[s] in the form of . . . hypertext link[s] that show[] up on [a] search [engine’s] results page,” usually triggered by a keyword search.\(^{27}\) The theory is that every time an Internet user searches for the term “Audi,” he will also receive a link for Infinity near the official Audi website.\(^{28}\) This advertising strategy of purchasing sponsored links\(^ {29}\) allows companies to advertise based on the

\(^{26}\) See Eric Fingerhut, \emph{Brand Name Buffet: Domainers Feast on Trademarks}, \emph{LAW360}, Nov. 19, 2007 (on file with the Catholic University Law Review) (illustrating a similar hypothetical involving an internet search using the term “Burger King”).

\(^{27}\) Techweb.com, \emph{TechEncyclopedia}, http://www.techweb.com/encyclopedia/defineterm.jhtml?term=sponsored+link (last visited Feb. 6, 2009) (defining “sponsored link”); see also Fingerhut, \emph{supra} note 26 (discussing how sponsored links are sold through Google’s Ad Words program).

\(^{28}\) See \emph{Shea, supra} note 2, at 529 (“Using trademarks as keywords gives companies the benefit of placing their ad on a web page along with the link to their competitor’s website. This strategy can be a good way to reach consumers because the advertiser knows that if a consumer enters a competitor’s trademark as a keyword, the consumer is someone interested in that type of product or service.”); see also \emph{J.G. Wentworth, 2007 WL 30115}, at *1 (summarizing the plaintiff’s argument that the defendant’s “uses of plaintiff’s name ensures that a link to defendant’s website will appear immediately proximate to a link to [plaintiff’s] website when individuals conduct internet searches for ‘J.G. Wentworth’ or ‘JG Wentworth’”); Steel, \emph{supra} note 1 (“The problem is a tactic known as ‘piggybacking,’ in which smaller advertisers use major players’ brand names, slogans, or other trademarked words in the text of search ads to lure Web surfers to their own sites.”).

\(^{29}\) \emph{CORPORATE COUNSEL’S GUIDE TO ADVERTISING LAW AND AGREEMENTS} § 9:11, at 9-18 (March 2007) [hereinafter \emph{CORPORATE COUNSEL’S GUIDE}]. Keyed advertising occurs when “[a]n advertiser submits its advertisement to the search engine, such as Google, Inc., and then bids on a particular keyword.” \emph{Id.} § 9:11, at 9-18 to -19. The issue arises because “[t]rademark owners have asserted that this practice improperly allows parties to profit from the goodwill of the trademarks.” \emph{Id.; see also J.G. Wentworth, 2007 WL 30115}, at *2 (“Google’s AdWords program is the keyword-triggered advertising program that generates the Sponsored Links section on the search-results screen. Advertisers participating in AdWords purchase or bid on certain key words, paying Google for the right to have links to their websites displayed in the Sponsored Links section whenever an internet user searches for those words.”); Fingerhut, \emph{supra} note 26 (referring to this technique as “two[-]sided advertising”).
specific interests of Internet users. For clarification, this Comment will refer to this technique as "keyed advertising." Keyed advertising has been at issue in recent trademark infringement actions. In those cases, plaintiffs argue that the use of their trademarks in keyed-advertising schemes constitutes trademark infringement under the initial interest confusion doctrine. In some cases, trademark owners sue the Internet search engine (for example, Google) for trademark infringement under an

30. Shea, supra note 2, at 533 (discussing keyword banner advertising). This technique has also been referred to as keying, keyed advertising, keyword advertising, paid search advertising, piggybacking, conquest buys, and a variety of other names. See Perfumebay.com Inc. v. Ebay Inc., 506 F.3d 1165, 1169 (9th Cir. 2007) ("EBay's dominant method of advertising is in paid search advertising, which are sponsored links . . . on Google or Yahoo." (internal quotation marks omitted)); 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, 848–50 (2000) (referring to "keyword advertising" and the technology of "keyed advertising"); Zachary J. Zweihorn, Note, Searching for Confusion: The Initial Interest Confusion Doctrine and Its Misapplication to Search Engine Sponsored Links, 91 CORNELL L. REV. 1343, 1346–47 (2006) ("Keying occurs when search engines sell keyword search terms and program their servers to present advertising links when a user searches those terms."); Steel, supra note 1, at 1364; see also Google, Inc. v. Am. Blind & Wallpaper Factory (Am. Blind), No. C-03-5340, 2007 WL 1159950, at *6 (N.D. Cal. Apr. 18, 2007).

31. CORPORATE COUNSEL'S GUIDE, supra note 29, § 9:11 ("Keying is defined as the practice by which a search engine sells and displays advertisements that are linked to specific search terms a user enters into a search engine."). One commentator observed that "[t]he latest extension of the initial interest confusion doctrine has been into search engines' use of search terms to deliver targeted advertisements, a practice known as 'keying.'" Zweihorn, supra note 30, at 1364; see also Google, Inc. v. Am. Blind & Wallpaper Factory (Am. Blind), No. C-03-5340, 2007 WL 1159950, at *6 (N.D. Cal. Apr. 18, 2007).


33. E.g., Picture It Sold, 199 F. App’x at 633–34; Rhino Sports, 2007 WL 1302745, at *1, 7 (trademark owners were actually defendants because the potential infringer filed a declaratory action). The damage done to trademark owners in these situations "may consist of lost Internet traffic, and thus revenues, due to consumers becoming confused and/or giving up on their search for the brand owners' Web sites, consumers being misdirected to competitors of the brand owner, and consumers becoming distracted by unsavory or pornographic Web sites." Fingerhut, supra note 26.

34. See Steel, supra note 1 (noting that in addition to Google, Yahoo Inc. and Microsoft Corp. are the "other main players in the search-advertising market").
initial interest confusion theory.\textsuperscript{35} In others, trademark owners sue the competitor who purchased the keyed advertising under the same trademark theory.\textsuperscript{36} The latter scenario is the focus of this Comment.

In 2006, the United States Court of Appeals for the Ninth Circuit recognized the significance of keyed advertising and posed the following question: Whether the purchase of keyed advertising by a competitor on another’s trademark is “sufficiently analogous to metatag use so as to be prohibited” under the initial interest confusion doctrine?\textsuperscript{37} It is this analogy between metatag use and keyed advertising that is the focus of this Comment.\textsuperscript{38} Although the outcome in many of these cases turns on whether a trademark owner can prove its prima facie case,\textsuperscript{39} a company’s purchase of keyed advertising on a competitor’s trademark is analogous to metatag use and should be considered trademark infringement under the initial interest confusion doctrine.\textsuperscript{40}

Part I of this Comment traces the development of the initial interest confusion doctrine by reviewing the Lanham Act and examining the evolution of the doctrine from its creation in the brick-and-mortar world through its application in the Internet era. Part II of this Comment analyzes the current law as applied to the analogy posed by the Ninth Circuit in \textit{Picture It Sold, Inc. v. iSOLD IT, L.L.C.}\textsuperscript{41} Part II also frames the current problem facing federal district and circuit courts: whether keyed advertising can be trademark infringement under an initial interest confusion theory. Finally, Part III of this Comment argues that a competitor who purchases keyed advertising on

\textsuperscript{35}See, e.g., \textit{Rescuecom}, 456 F. Supp. 2d at 395–96, 400–01; Steel, supra note 1 (“[In] August [2007], American Airlines filed a suit against Google in federal court . . .”).

\textsuperscript{36}See, e.g., \textit{Picture It Sold}, 199 F. App’x at 632–33; see also Slater, supra note 32 (“But rather than going after Google, Rosetta Stone is suing Rocket Languages . . . the company [Rosetta] claims is ‘piggybacking’ its Internet advertising on Rosetta Stone’s name.”).

\textsuperscript{37}\textit{Picture It Sold}, 199 F. App’x at 634. The Ninth Circuit presented this question based on a very limited trial record from the Northern District of California. \textit{Id.} at 632–33. Consequently, the court suggested that in order to be able to resolve this issue, Picture It Sold!, Inc. (Picture It Sold) would need further discovery “to prove that I Sold It was indeed purchasing advertising on its trademark at some point in the past.” \textit{Id.} at 633–34. In fact, the court further noted that it had “received a post-argument submission from Picture It Sold” that provided evidence that iSOLD IT did purchase advertising on Picture It Sold’s trademark. \textit{Id.} at 634 n.4. However, because the evidence was not part of the record before the court, the Ninth Circuit ruled that it must first be submitted to the district court. \textit{Id.}

\textsuperscript{38}See \textit{infra} Parts II–III. Some commentators argue that the analogy between metatag use and keyed advertising is flawed. See Shea, supra note 2, at 548 (arguing that, while metatag use and purchasing keyed advertising are analogous, neither creates a likelihood of confusion that should be protected by trademark law); Zweihorn, supra note 30, at 1381 (arguing that the application of the initial interest confusion doctrine to metatag use and keyed advertising should be reconsidered).

\textsuperscript{39}See, e.g., \textit{Picture It Sold}, 199 F. App’x at 633–34 & n.4.

\textsuperscript{40}See \textit{infra} Part III; see also \textit{Picture It Sold}, 199 F. App’x at 633–34 (posing the narrow question answered in this Comment).

\textsuperscript{41}199 F. App’x at 633–34.
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another's trademark should be liable for trademark infringement, applying the metatag analogy expressed in Picture It Sold. Part III then argues that the initial interest confusion doctrine has not outlived its utility and should be extended to remedy this type of trademark infringement.

I. INITIAL INTEREST CONFUSION: A DIFFERENT TYPE OF LIKELIHOOD OF CONFUSION UNDER TRADEMARK LAW

A. The Lanham Act: Trademark and Unfair Competition Law

The Lanham Act, passed in 1946, codified then-existing trademark and unfair-competition common law. The Act provided for the registration of trademarks with the U.S. Patent Office and created a cause of action for the infringement of both registered and unregistered trademarks. Since its passage, the Lanham Act has been amended several times to address new trademark issues. For example, Congress passed an amendment adding anticybersquatting provisions to the Lanham Act in order to address trademark issues on the Internet.

The Lanham Act contains several key provisions that are integral to the discussion of keyed advertising and are helpful in understanding trademark infringement law in general. Section 43 of the Lanham Act grants trademark

42. Id.; see also Shea, supra note 2, at 548 (discussing how metatagging and keyword banner advertising confuse consumers in the same manner).


44. See PATTISHALL ET AL., supra note 3, § 1.01, at 1–4 (tracking the development of trademark law through history up to the codification of the common law in the Lanham Act). Pattishall explains that "[a]ll trademark cases are in fact cases of unfair competition." Id. § 1.02, at 4 (citing Hanover Star Milling Co. v. Metcalf, 240 U.S. 403, 413 (1916)). Trademark law, in the context of unfair competition law, can be boiled down to one idea: "[n]o one has any right to represent his goods as the goods of another, and this is merely the duty to abstain from fraud." Id.

45. Id.


48. The Anticybersquatting Act, Pub. L. No. 106-113, § 1000(a)(9), 113 Stat. 1536 (1999) (codified at 15 U.S.C. § 1129); see also PATTISHALL ET AL., supra note 3, § 1.01, at 4 (stating that anticybersquatting provisions were needed due to the growth of the internet). The anticybersquatting provisions of the Lanham Act were added to address “bad faith registration of domain names that correspond to trademarks owned by others.” Id. The most recent amendment to the Lanham Act in 2003 added the multi-national trademark registration system under the Madrid Protocol. Id.
owners the right to bring a civil suit against anyone who "uses" another's trademark "in commerce" when that use is likely to confuse or deceive consumers in advertising or promotion.\textsuperscript{49} This is the Act's initial reference to the traditional likelihood of confusion test.\textsuperscript{50} Section 45 of the Lanham Act defines terms of art, such as "trademark" and "use in commerce."\textsuperscript{51} The term "trademark" includes any word, name, or symbol used to identify and distinguish goods, even if the source of the goods is unknown.\textsuperscript{52} The phrase

\begin{itemize}
  \item \textsuperscript{49} 15 U.S.C. § 1125(a). This section states in full:
  \begin{enumerate}
    \item Civil action
      \begin{enumerate}
        \item Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—
          \begin{enumerate}
            \item is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
            \item in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,
          \end{enumerate}
      \end{enumerate}
    \end{enumerate}
  \end{enumerate}

\textit{Id.}

\item \textsuperscript{50} See \textit{id.}

\item \textsuperscript{51} Id. § 1127. Section 45 defines "trademark" as:
  \begin{enumerate}
    \item The term "trademark" includes any word, name, symbol, or device, or any combination thereof—
      \begin{enumerate}
        \item used by a person, or
        \item which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.
      \end{enumerate}
  \end{enumerate}

\textit{Id.}

\textit{Lanham Act} § 45 also defines "use in commerce":
  \begin{enumerate}
    \item The term "use in commerce" means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this chapter, a mark shall be deemed to be in use in commerce—
      \begin{enumerate}
        \item on goods when—
          \begin{enumerate}
            \item 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
            \item the goods are sold or transported in commerce, and
          \end{enumerate}
        \item on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.
      \end{enumerate}
  \end{enumerate}

\textit{Id.}

\item \textsuperscript{52} Id.
"use in commerce" refers to the "bona fide use of a mark in the ordinary course of trade."\textsuperscript{53} Finally, § 32 establishes remedies for violations of the act,\textsuperscript{54} § 34 empowers courts to grant injunctive relief,\textsuperscript{55} and § 35 provides for the recovery of profits, costs of the action, and, in exceptional circumstances, attorneys fees.\textsuperscript{56}

Unlike the likelihood of confusion test, which appears in § 43,\textsuperscript{57} the Lanham Act does not contain a provision creating a cause of action for initial interest confusion.\textsuperscript{58} Instead, the courts created the initial interest confusion doctrine in the early 1970s in response to cases in which the traditional likelihood of confusion test was insufficient to hold culpable defendants liable.\textsuperscript{59}

\textbf{B. Initial Interest Confusion in the Pre-Internet World}

Even though the cases that created the initial interest confusion doctrine date to a time before the widespread use of personal computers and the Internet, these cases provide an important backdrop for applying the doctrine in the Internet era. One of the first courts to recognize trademark infringement under the initial interest confusion theory was the United States District Court for the Southern District of New York in \textit{Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons (Grotrian I)}.\textsuperscript{60} In \textit{Grotrian I}, a German corporation, competing with the well-known piano manufacturer Steinway & Sons, made and sold pianos under the trade name "Grotrian-Steinweg."\textsuperscript{61} Grotrian-Steinweg brought a declaratory judgment action seeking an opinion that its trademark did not infringe Steinway's trademarks.\textsuperscript{62} The issue before the court was whether "the mark Grotrian-Steinweg on the piano is similar enough to Steinway or to Steinway & Sons that its use is likely to cause confusion, mistake or deception of any kind."\textsuperscript{63}

Before adopting the initial interest confusion theory, the court examined the factors under the traditional likelihood of confusion test, asking whether

\begin{itemize}
\item \textsuperscript{53} \textit{Id.}
\item \textsuperscript{54} \textit{Id.} § 1114.
\item \textsuperscript{55} \textit{Id.} § 1116.
\item \textsuperscript{56} \textit{Id.} § 1117.
\item \textsuperscript{57} \textit{Id.} § 1125(a).
\item \textsuperscript{58} See \textit{id.} §§ 1051–1129 (providing other causes of action, not mentioning initial interest confusion).
\item \textsuperscript{59} See \textit{Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons (Grotrian I)}, 365 F. Supp. 707, 717 (S.D.N.Y. 1973), aff'd, 523 F.2d 1331 (2d Cir. 1975) (modifying the judgment on the issue of laches).
\item \textsuperscript{60} See \textit{id.}; see also \textsc{McCarthy on Trademarks, supra} note 2, § 23:6, at 23-28 to -29 (describing \textit{Grotrian I} as "one of the first cases [to] develop[] the initial interest confusion theory").
\item \textsuperscript{61} \textit{Grotrian I}, 365 F. Supp. at 709.
\item \textsuperscript{62} \textit{Id.}
\item \textsuperscript{63} \textit{Id.} at 712 (emphasis omitted).
\end{itemize}
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The defendant's use of the trademark was likely to confuse or deceive consumers. The court noted that there were many relevant factors under this test, but ultimately focused on the "degree of likely consumer care." Applying the test to the facts of the case, the court found that although purchasers of expensive pianos are very sophisticated, their sophistication does not eliminate the possibility that the purchaser will be confused by the similarity of the marks. Consequently, the district court articulated the initial interest confusion theory: "Misled into initial interest, a potential Steinway buyer may satisfy himself that the less expensive Grotrian-Steinweg is at least as good, if not better, than a Steinway." On appeal (Grotrian II), the United States Court of Appeals for the Second Circuit adopted the trial court's theory of liability, adding that "[s]uch initial [interest] confusion works an injury to Steinway.

Twelve years later, the Second Circuit revisited the theory of initial interest confusion in Mobil Oil Corp. v. Pegasus Petroleum Corp. In that case, Mobil Oil sued Pegasus Petroleum for trademark infringement of its flying-horse logo that represented Pegasus, a creature from Greek mythology. The Second Circuit analyzed Mobil Oil's claim for trademark infringement under the likelihood of confusion test. The court discussed the potential for initial

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64. See id.

65. Id. The court listed seven factors that must be considered in determining likelihood of confusion:

- [1] the strength of the Steinway mark;
- [2] the alleged infringer's purpose in adopting its marks;
- [3] the degree of similarity between the marks;
- [4] the degree of similarity between the products;
- [5] the competitive proximity of the products;
- [6] actual confusion; and
- [7] the degree of care likely to be exercised by consumers.

The court incorporated in its analysis six of these factors, including "competitive proximity of the products," but overlooked two additional commonly used factors. Compare id. at 712–17 (applying six factors for the likelihood of confusion test), with Gibson Guitar Corp. v. Paul Reed Smith Guitars, 423 F.3d 539, 548 (6th Cir. 2005) (referencing eight traditional likelihood of confusion factors, including "marketing channels used" and "likelihood of expansion of product lines").


67. Id. at 717. The court rationalized that the sophistication of potential consumers "does not always assure the absence of confusion." Id.

68. Id. The court went on to say that "[d]eception and confusion thus work to appropriate defendant's good will." Id.

69. Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons (Grotrian II), 523 F.2d 1331, 1341–42 & n.21 (2d Cir. 1975) (adopting the language of the district court's initial interest confusion analysis).

70. Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 260 (2d Cir. 1987).

71. Id. at 255. Mobil Oil's use of the Pegasus logo in connection with the petroleum industry pre-dated Pegasus Petroleum's adoption of the Pegasus as its name by fifty years. Id. at 255–56.

72. Id. at 256–57. The court found that the district court did not err in equating Mobil's logo with the word "Pegasus," stating that, while words and pictures "should not be equated as a matter of law, a district court may make such a determination as a factual matter." Id. at 257.
interest confusion alongside the degree of likely customer care, and concluded that initial interest confusion is “a sufficient trademark injury.”

Together, *Grotrian I*, *Grotrian II*, and *Mobil Oil* helped establish initial interest confusion as a viable trademark theory in an era well before the existence of the Internet. In both *Grotrian II* and *Mobil Oil*, the Second Circuit recognized the limitations of the traditional likelihood of confusion test in cases where the trademark damage was primarily “based upon confusion that create[d] initial customer interest.” The Second Circuit developed the initial interest confusion doctrine to remedy this type of damage to trademark owners. Support for the doctrine has grown since its creation, and today has been extended to cases involving the Internet.

73. *Id.* at 260. Sometimes the degree of likely customer care is analyzed as its own separate factor, and sometimes it is analyzed as part of other factors. Compare *Gibson Guitar Corp. v. Paul Reed Smith Guitars*, 423 F.3d 539, 548 (6th Cir. 2005) (listing likely purchaser care as its own distinct factor), with *In re Martin’s Famous Pastry Shoppe, Inc.*, 748 F.2d 1565, 1566–67 (Fed. Cir. 1984) (considering likely purchaser care under a broader factor that compares the named goods to the trademark used).

74. *Mobil Oil*, 818 F.2d at 260 (citing *Grotrian II*, 523 F.2d at 1342) (affirming the district court’s judgment as to both claims of trademark infringement and unfair competition).

75. See *McCarthy on Trademarks*, supra note 2, § 23:6, at 23-28 to -30 & 23-28 n.2 (citing cases from the United States Courts of Appeals for the Second, Third, Fifth, Sixth, Seventh, Ninth, Tenth, and Federal Circuits); see also, e.g., *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1396, 1405 (9th Cir. 1997) (adopting the initial interest confusion doctrine in a case that did not involve the Internet). But see *Gibson Guitar*, 423 F.3d at 551–52 (declining to extend the initial interest confusion doctrine to a non-internet case that involved a trademark on the shape of a guitar). In that case, the plaintiff advanced the argument that the shape of the defendant’s guitar, when seen from afar, led to initial interest confusion because the shape of defendant’s guitar was very similar to the plaintiff’s trademark. *Id.* at 552. However, the United States Court of Appeals for the Sixth Circuit rejected this argument and held:

[M]any legitimately competing product shapes are likely to create some initial interest in the competing product due to the competing product’s resemblance to the better-known product when viewed from afar. In other words, application of the initial interest confusion doctrine to product shapes would allow trademark holders to protect not only the actual product shapes they have trademarked, but also a “penumbra” of more or less similar shapes that would not otherwise qualify for trademark protection.

*Id.* at 550 n.15.

76. See *McCarthy on Trademarks*, supra note 2, § 23:6, at 23-28; see also *Mobil Oil*, 818 F.2d at 260 (turning to the initial interest confusion theory after completing its analysis under the traditional likelihood of confusion test); *Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons (Grotrian II)*, 523 F.2d 1331, 1342 (2d Cir. 1975) (declining to hold that actual or potential point-of-sale confusion must be proven to establish trademark infringement).

77. See, e.g., *Mobil Oil*, 818 F.2d at 260 (applying the initial interest confusion doctrine after a full analysis under the traditional likelihood of confusion test).

78. See, e.g., *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1062 (9th Cir. 1999) (“West Coast’s use of ‘moviebuff.com’ in metatags will still result in what is known as initial interest confusion.”). But see *Playboy Enters., Inc. v. Netscape Commc’ns Corp.*, 354 F.3d 1020, 1025 n.16 (9th Cir. 2004) (identifying an exception to the initial interest
C. Evolution of the Initial Interest Confusion Doctrine in the Internet Era

1. The Brookfield General Rule

In Brookfield Communications, Inc. v. West Coast Entertainment Corp., the Ninth Circuit extended the initial interest confusion doctrine to cases concerning trademarks and the Internet. Brookfield Communications was a company that collected and categorized information about the entertainment industry and sold it to professionals in that market. Brookfield sued West Coast Entertainment, a large video rental store chain, for trademark infringement regarding West Coast's use of Brookfield's trademark "MovieBuff" in its Internet domain name "moviebuff.com." Brookfield also moved for a preliminary injunction of West Coast's use of "MovieBuff" in its "metatags and buried code," referring to the HTML code used on an Internet webpage.

On appeal, the Ninth Circuit began its analysis with the likelihood of confusion test, examining West Coast's intentional use of the domain name "moviebuff.com." The court initially found that there was a likelihood of confusion regarding West Coast's use of "moviebuff" as a domain name. The court then suggested that, although the same likelihood of confusion test could apply to West Coast's metatag use, doing so would ignore the

confusion doctrine when a banner advertisement or link "clearly identifies its source" or overtly compares its product to that of the trademark owner).

79. Brookfield, 174 F.3d at 1062.
80. Id. at 1041 ("Brookfield [sold] computer software featuring a searchable database containing entertainment-industry related information marketed under the 'MovieBuff' mark . . . .").
81. Id. at 1042-43.
82. Id. at 1043. Brookfield also "applied ex parte for a temporary restraining order," subsequently construed by the district court as a motion for a preliminary injunction, requesting that West Coast be enjoined from:
[U]sing . . . in any manner . . . the mark MOVIEBUFF, or any other term or terms likely to cause confusion therewith, including moviebuff.com, as West Coast's domain name, . . . as the name of West Coast's website service, in buried code or metatags on their home page or web pages, or in connection with the retrieval of data or information on other goods or services.

Id. at 1043 (emphasis omitted) (internal quotation marks omitted).
83. Id. at 1061.
84. Id. at 1061 & n.23; see also supra note 23 (providing background information on metatags, buried code, and HTML code). Hyper Text Markup Language, commonly known as HTML, is the hidden source code that "contain[s] keywords used to describe the contents of a web page." J.G. Wentworth, S.S.C. Ltd. P'ship v. Settlement Funding LLC, No. 06-0597, 2007 WL 30115, at *2 (E.D. Pa. Jan. 4, 2007).
85. Brookfield, 174 F.3d at 1053. The court first established that Brookfield's trademark "MovieBuff" was the senior mark and that West Coast's registered domain name "moviebuff.com" was the junior mark before turning its attention to the likelihood of confusion analysis. Id.
86. Id. at 1062.
differences between the confusion generated by visible domain names and invisible metatags. Therefore, the court performed a separate likelihood of confusion analysis for West Coast’s metatag use.

Addressing the application of initial interest confusion to metatag use, the court stated that many customers who were looking for Brookfield’s MovieBuff products, but were instead taken to West Coast’s website, “will simply decide to utilize West Coast’s offerings instead.” The court further found that “[a]lthough there is no [actual] source confusion . . . there is nevertheless initial interest confusion . . . [and] West Coast improperly benefits from the goodwill that Brookfield developed in its mark.” Therefore, the court held that using another’s trademark in one’s own metatags was likely to cause initial interest confusion and was trademark infringement under the Lanham Act.

In the same year as Brookfield, the Ninth Circuit revisited the initial interest confusion doctrine in Interstellar Starship Services Ltd. v. Epix, Inc. (Interstellar Starship I). In that case, the district court granted summary judgment for Interstellar Starship Services, a computer graphics company, holding that its maintenance of the domain name “epix.com” did not infringe Epix’s trademark. On appeal, however, the Ninth Circuit discussed the value of the initial interest confusion doctrine, stating that it “permits a finding of a likelihood of confusion although the consumer quickly becomes aware of the source’s actual identity and no purchase is made as a result of confusion.” Although this case was later remanded based on a summary judgment issue, the court recognized that initial interest confusion was a viable trademark theory in an Internet case.

As the Internet became an integral part of the business world, a growing number of trademark cases recognized this phenomenon, and began to apply

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87. See id.
88. See id.
89. Id.
90. Id. The court astutely analogized using a well-known trademark in one’s metatags to, “posting a sign with another’s trademark in front of one’s store.” Id. at 1064.
91. Id. at 1066 (stating that initial interest confusion is one type of confusion that “trademark laws are designed to prevent”).
92. 184 F.3d 1107, 1110 (9th Cir. 1999), aff’d, 304 F.3d 936 (9th Cir. 2002).
93. Id. at 1108–09.
94. Id. at 1110 (citing Brookfield, 174 F.3d at 1061–64; Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 257–58 (2d Cir. 1987)).
95. See id. at 1108, 1110. The court held that summary judgment was improper because there were still genuine issues of material fact that needed to be weighed by the district court. Id. at 1111–12. On remand, a bench trial was conducted and the district court held that the defendant’s “past use of epix.com” infringed on plaintiff’s trademark. Interstellar Starship Servs., Ltd. v. Epix, Inc. (Interstellar Starship II), 304 F.3d 936, 940 (9th Cir. 2002) (emphasis in original) (summarizing the district court’s holding). Ultimately, the Ninth Circuit found no likelihood of initial interest confusion in this case. Id. at 946.
the initial interest confusion doctrine. In *PACCAR Inc. v. TeleScan Technologies, L.L.C.*, Telescan brought an action for declaratory judgment on the question of whether its activities infringed PACCAR’s trademarks; PACCAR counterclaimed for, among other things, trademark infringement under the Lanham Act, and also moved for a preliminary injunction. PACCAR’s claims centered on TeleScan’s use of PACCAR trademarks in its domain names, such as “www.peterbilttrucks.com,” and in its use of “Peterbilt” and “Kenworth” in its metatags. The district court granted PACCAR’s preliminary injunction and TeleScan appealed. On appeal, the United States Court of Appeals for the Sixth Circuit analyzed the domain name trademark infringement claim separately from the metatag use claim under an initial interest confusion theory. Regarding TeleScan’s use of PACCAR’s trademarks in its domain names, the court stated that a “disclaimer disavowing affiliation” on a webpage comes too late to prevent initial interest confusion. Considering TeleScan’s metatag use, however, the Sixth Circuit remanded the case because the trial court failed to perform a separate likelihood of confusion analysis. Nevertheless, initial interest confusion played a significant role in the outcome of this case.

In 2003, the Ninth Circuit strengthened the initial interest confusion doctrine in *Horphag Research Ltd. v. Pellegrini*. Horphag Research brought an action for trademark infringement against the defendant, Garcia, after Garcia used Horphag’s word, “pycnogenol,” on Garcia’s website; Horphag claimed unauthorized use of its trademark. Garcia admitted to using Horphag’s trademark on his website and in metatags, but claimed that these uses were for comparison purposes only, asserting a classic fair-use defense.

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96. See, e.g., Brookfield, 174 F.3d at 1062.
97. PACCAR Inc. v. TeleScan Techs., L.L.C., 319 F.3d 243, 247–48 (6th Cir. 2003) (noting that PACCAR is a popular manufacturer of large trucks, and is more commonly known under its main trademarks: “Peterbilt” and “Kenworth”). PACCAR also brought federal claims for “unfair competition, false designation of origin, and trademark dilution.” Id.
98. Id. at 247–48.
99. Id. at 248–49.
100. Id. at 254, 258.
101. Id. at 253 (citing cases from the Seventh Circuit, Ninth Circuit, and the Northern District of Iowa).
102. Id. at 258 (holding that the scope of the injunction was “too broad”).
103. See id. at 253–55 (discussing confusion regarding similarity of domain names and TeleScan’s ineffective disclaimer).
104. See 337 F.3d 1036, 1041 (9th Cir. 2003).
105. Id. at 1039.
106. Id. at 1039–40. The court wrote that the defendant, Garcia, was “an entrepreneur who has used the Internet site ‘healthierlife.com,’ among others, to advertise and sell various pharmaceutical products, including ‘Pycnogenol’ and ‘Masquelier’s: the original French Pycnogenol’” (a generic French version of Pycnogenol). Id. at 1039.
107. Id. at 1039–41. The defense of fair use will stand even if there is actual confusion or likelihood of confusion. See Cosmetically Sealed Indus. v. Chesebrough-Pond’s USA Co., 125
Nevertheless, because any reference to Horphag's trademark "spawn[s] confusion as to sponsorship and attempt[s] to appropriate the cachet of the trademark . . . to his product," the court held that the defendant infringed Horphag's trademark under an initial interest confusion theory.108

In addition to the Ninth Circuit, the Sixth Circuit has continued to develop the initial interest confusion doctrine. In 2006, the Sixth Circuit once again applied the initial interest confusion doctrine in the domain name case, Audi AG v. D'Amato.109 In that case, D'Amato used the website "www.audisport.com" to sell products such as shirts and hats that displayed Audi's trademarks.110 The court held that D'Amato's use of Audi's domain name infringed Audi's trademarks under the likelihood of confusion test, finding that the applicable factors were satisfied.111 The court also addressed D'Amato's main defense, that any customer confusion would be dispelled by the site's posted disclaimer.112 Relying on its decision in PACCAR, the court held that a disclaimer on a website appears too late to prevent initial interest confusion and, is therefore not a valid defense.113

2. Playboy's Exception to the Brookfield Rule

The Ninth Circuit acknowledged a possible exception to the initial interest confusion doctrine when it decided Playboy Enterprises, Inc. v. Netscape

F.3d 28, 30 (2d Cir. 1997) ("Fair use is a defense to liability under the Lanham Act even if a defendant's conduct would otherwise constitute infringement of another's trademark.").

108. Horphag, 337 F.3d at 1041. The court also found that defendant's infringement was "willful and deliberate" justifying an award of attorneys' fees under the Lanham Act. Id. at 1042 (citing the Lanham Act, 15 U.S.C. § 1117(a) (2000), which provides that "a court may award the prevailing party reasonable attorneys' fees in exceptional circumstances . . . [which include cases of] malicious, fraudulent, deliberate, or willful [infringement]").

109. 469 F.3d 534, 546 (6th Cir. 2006).

110. Id. at 539, 544. After receiving several cease and desist letters from Audi, D'Amato claims that he "removed references to all approved page designs, all logos developed, and content posted having Audi Trademarks (AUDI, AUDI FOUR RINGS, and QUATTRO) such that, as a result, audisport.com appeared in a noncommercial way." Id. at 540 (internal quotation marks omitted). In addition, "the website informed visitors 'this page is not associated with Audi AG or Audi USA in any way.'" Id. at 541. Nevertheless, the court found that "www.audisport.com continued to have some commercial purpose" because it was "still offering to sell advertising space on the website." Id.

111. Id. at 542-45.

112. Id. at 546. The disclaimer stated, "[t]his page is not associated with Audi GmbH or Audi USA in any way." Id. (internal quotation marks omitted) (alteration in original).

113. Id. The court further found that "any effect this disclaimer had in reducing confusion would likely be negated by the statement on the website contending that there was a 'signed agreement' with Audi." Id. Likewise, "[e]ven 'minimal' advertisements constitute use of the owner's trademark in connection with the advertising of the goods, which the Lanham Act proscribes." Id.
Communications Corp. in 2004.\textsuperscript{114} Playboy involved Netscape's use of the trademarks "playboy" and "playmate" to create keyword banner advertisements on its search engine.\textsuperscript{115} Playboy appealed a summary judgment decision for Netscape on claims of trademark infringement and dilution.\textsuperscript{116} The Ninth Circuit noted that Playboy's "strongest argument for a likelihood of confusion is . . . initial interest confusion" under the theory set forth in Brookfield.\textsuperscript{117} However, the court articulated an exception to the initial interest confusion doctrine: "[I]f a banner advertisement clearly identified its source or, even better, overtly compared [plaintiff's] products to the sponsor's own, no confusion would occur under [the initial interest confusion] theory."\textsuperscript{118} Thus, even if a defendant uses a competitor's trademark to advertise on the Internet, there is no initial interest confusion if the source of the advertisement is clearly identified or the ad overtly compares both companies.\textsuperscript{119}

Today, the holdings in Brookfield and Playboy remain in tension, and courts must determine whether the trademark "use" at issue falls under the general rule, or the Playboy exception.\textsuperscript{120} In recent cases, district courts have devoted a great deal of their analyses to determining which rule applies.\textsuperscript{121}

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\begin{footnotesize}
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\item[114.] Playboy Enters., Inc. v. Netscape Commc'ns Corp., 354 F.3d 1020, 1025 n.16, 1030 & n.43 (9th Cir. 2004); see also id. at 1034–36 (Berzon, J., concurring) (stating that the holding in Brookfield is overbroad).
\item[115.] \textit{Id.} at 1022–23 (majority opinion). Netscape used more than 400 keyword terms that related to adult-oriented entertainment in its practice of keying, which included the plaintiff's trademarks. \textit{Id.} at 1023. The court explained that "[k]eying allows advertisers to target individuals with certain interests by linking advertisements to pre-identified terms." \textit{Id.} at 1022. Furthermore, keyed "[a]dvertisements appearing on search results pages are called 'banner ads' because they run along the top or side of a page much like a banner." \textit{Id.} at 1023.
\item[116.] \textit{Id.} at 1022.
\item[117.] \textit{Id.} at 1024–25 (citing Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1057, 1062–63 (9th Cir. 1999)).
\item[118.] \textit{Id.} at 1025 n.16, 1030 & n.43. Judge Berzon also questioned the holding in Brookfield in her concurring opinion. \textit{Id.} at 1034–36 (Berzon, J., concurring) ("I do not think it is reasonable to find initial interest confusion when a consumer is never confused as to source or affiliation, but instead knows, or should know, from the outset that a product or web link is not related to that of the trademark holder because the list produced by the search engine so informs him."). Ultimately, the case was reversed and remanded because of the existence of a genuine issue of material fact. \textit{Id.} at 1034.
\item[119.] See \textit{id.} at 1025 n.16, 1030 & n.43 (majority opinion).
\item[120.] See, e.g., Picture It Sold, Inc. v. iSOLD IT, L.L.C., 199 F. App'x 631, 634 (9th Cir. 2006).
\item[121.] E.g., Google, Inc. v. Am. Blind & Wallpaper, No. 03-5340, 2007 WL 1159950, at *4–6, 10 (N.D. Cal. Apr. 18, 2007) (discussing the existing Ninth Circuit precedent and the unsettled question regarding "the future application of the initial interest confusion doctrine to identified, sponsored links"); see also Rhino Sports, Inc. v. Sport Court, Inc., No. CV-02-1815, 2007 WL 1302745, at *7 (D. Ariz. May 2, 2007) (examining the current state of the law in various federal courts on the issue, "trademark keyword purchase and initial interest confusion," and holding that the "most relevant Ninth Circuit decisions" are \textit{Brookfield} and \textit{Playboy}).
\end{enumerate}
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D. Applying Initial Interest Confusion to Keyed Advertising

As noted previously, the initial interest confusion doctrine has been applied to Internet cases involving domain names, metatags, and banner advertisements. The most recent cases examine whether purchasing keyed advertising is sufficiently analogous to the metatag and domain name cases, and thus forbidden, or whether it is exempted because the ad clearly identifies its source as in *Playboy*.

In *Picture It Sold, Inc. v. iSOLD IT, L.L.C.*, the Ninth Circuit articulated this difficult issue as: "whether [purchasing keyed advertising on another’s trademark] is sufficiently analogous to metatag use so as to be prohibited by *Brookfield* . . . or whether the activity might fall within the possible exception to *Brookfield* . . . suggested in [*Playboy]*." Picture It Sold!, Inc. (Picture It Sold) appealed the district court’s denial of a preliminary injunction against iSOLD IT, L.L.C. The injunction sought to enjoin iSOLD IT from “buying keyword advertising on Picture It Sold’s own name and colorable limitations thereof.” Due to the limited nature of the record, the court held that there was “insufficient evidence that I Sold It ha[d] used or purchased keyword advertising on that phrase.” In a footnote, the court noted that it had “received a post-argument submission” from Picture It Sold that purported to show iSOLD IT “indeed purchas[ed] advertising on its trademark at some point in the past.” On remand, however, the parties settled.

*Picture It Sold* is not the only case that has addressed the *Brookfield–Playboy* tension; another keyed-advertising case that recognized the initial interest confusion theory was *Government Employees Insurance Co. v. Google, Inc. (GEICO I)*. *Government Employees Insurance Co. (GEICO)* brought an action in the United States District Court for the Eastern District of Virginia for trademark infringement against Google for using GEICO’s

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122. See, e.g., PACCAR Inc. v. TeleScan Techs., L.L.C., 319 F.3d 243, 247–48 (6th Cir. 2003) (involving both unlawful domain name and metatag use).

123. See supra notes 32–40 and accompanying text.

124. *Playboy*, 354 F.3d at 1025 n.16, 1030 & n.43 (noting that when a banner advertisement or search engine clearly identifies its source, “[d]oing so might eliminate the likelihood of initial interest confusion that exists”).

125. *Picture It Sold*, 199 F. App’x at 634.

126. *Id.* at 632 n.3.

127. *Id.* at 633.

128. *Id.* at 633 (emphasis omitted). The Ninth Circuit also rejected Picture It Sold’s argument that, based on iSOLD IT’s declarations and search engine result lists, the court may infer that iSOLD IT purchased keyword advertising on Picture It Sold’s name. *Id.*

129. *Id.* at 633–34 & n.4. The court went on to state that “the evidence is not part of the current record, and this evidence . . . must be laid before the district court for its determination.” *Id.* at 634 n.4.


trademarks as keywords on Google’s advertising program. In addressing the threshold question, the court first analyzed whether GEICO had sufficiently alleged “use in commerce” under the Lanham Act. Upon finding that GEICO had done so, the court denied that portion of Google’s motion to dismiss. The court stated that “[w]here keyword placement of . . . advertising is being sold, the portals and search engines are taking advantage of the drawing power and goodwill of these famous marks.”

In addition to proving use in commerce, GEICO was also required to prove likelihood of confusion. GEICO argued, and the court agreed, that the traditional likelihood of confusion test did not apply. Rather, GEICO argued that the court should use the initial interest confusion doctrine established in Brookfield. Despite the court applying the initial interest confusion doctrine, GEICO failed to provide sufficient evidence that Google used GEICO’s trademark as a keyword for “[s]ponsored [[l]inks that do not reference GEICO’s marks in their headings or text.” While trademark infringement was not found because of a lack of evidence, initial interest confusion was recognized by the court as a viable trademark theory for keyed advertising cases.

Despite the holdings of the Ninth Circuit and the Eastern District of Virginia, many courts have held that keyed advertising does not clear the “use in commerce” threshold under the Lanham Act. In 1-800 Contacts, Inc. v. Google, Inc.
WhenU.com, Inc., the Second Circuit considered whether an Internet marketing company infringed 1-800 Contacts’s trademark by using the mark to trigger pop-up advertising.\textsuperscript{143} WhenU.com’s program called “SaveNow” generated pop-up ads of 1-800 Contacts’s competitors when Internet users accessed 1-800’s website.\textsuperscript{144} However, WhenU.com’s clients were not granted access to its directory of keywords that triggered the clients’ pop-up ads, “nor [did WhenU.com] permit these clients to request or purchase specified keywords to [be] add[ed] to the directory.”\textsuperscript{145} The court held that “[a] company’s internal utilization of a trademark in a way that does not communicate it to the public . . . simply does not violate the Lanham Act.”\textsuperscript{146}

In *Merck & Co. v. Mediplan Health Consulting, Inc.*, the United States District Court for the Southern District of New York held that the trademark use at issue was “internal utilization,” and thus not “use in commerce” under the Lanham Act.\textsuperscript{147} In *Merck*, the defendants, six Canadian online pharmacies, identified and sold their products as “generic ZOCOR.”\textsuperscript{148} Several defendants also purchased sponsored links from Google and Yahoo on Merck’s “ZOCOR” trademark.\textsuperscript{149} Noting the decision in *1-800 Contacts*, the Southern District of New York held that defendants’ use of Merck’s trademark in keyed advertising was merely “internal use” and thus not trademark infringement under the Lanham Act.\textsuperscript{150}

In *Rescuecom Corp. v. Google, Inc.*, the United States District Court for the Northern District of New York reached a similar result on the “use in commerce” threshold issue.\textsuperscript{151} Rescuecom alleged trademark infringement based on Google’s sale of its mark “Rescuecom” as a keyword that triggered sponsored links.\textsuperscript{152} Google argued that its actions did not constitute trademark “use” under the Lanham Act.\textsuperscript{153} Citing *1-800 Contacts* and *Merck*, the court

\textsuperscript{143} *1-800 Contacts*, 414 F.3d at 402.
\textsuperscript{144} *Id.*
\textsuperscript{145} *Id.* at 409.
\textsuperscript{146} *Id.* (concluding that “WhenU’s inclusion of the 1-800 website address in its SaveNow directory does not infringe on 1-800’s trademark”).
\textsuperscript{148} *Id.* at 406. Zocor is a popular cholesterol medication. *Id.*
\textsuperscript{149} *Id.*
\textsuperscript{150} *Id.* at 415–16. The court also noted that it was “significant that defendants actually [sold] Zocor . . . on their websites.” *Id.*
\textsuperscript{151} *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393, 403 (N.D.N.Y. 2006).
\textsuperscript{152} *Id.* at 395–96.
\textsuperscript{153} *Id.*
held that ‘[Google’s] internal use of plaintiff’s trademark to trigger sponsored links is not [use in commerce] within the meaning of the Lanham Act.’

The United States District Court for the Northern District of California, in Google, Inc. v. American Blind & Wallpaper, recently examined all of the existing precedent on ‘use in commerce.’ The case involved Google’s alleged sale of trademarked terms that triggered keyed advertisements on its search engine. Google brought an action for declaratory judgment, arguing that it did not infringe American Blind’s trademarks when it used them to trigger sponsored links on Google’s AdWords program. After holding that ‘the sale of trademarked terms in [Google’s] AdWords program is . . . use in commerce for the purposes of the Lanham Act,’ the court focused on the likelihood of confusion test and the initial interest confusion doctrine. As a result of the court’s denial of a motion for summary judgment on the ‘use in commerce’ issue, American Blind’s trademark infringement claim was allowed to go to trial on an initial interest confusion theory.

The United States District Court for the Eastern District of Pennsylvania also addressed the ‘use in commerce’ issue in J.G. Wentworth, S.S.C. Ltd. Partnership v. Settlement Funding LLC. Plaintiff, J.G. Wentworth, brought an action for trademark infringement against defendant, Peachtree Settlement

154. Id. at 403. The court was able to reach this conclusion, because ‘there [wa]s no allegation that defendant placed plaintiff’s trademark on any goods, containers, displays, or advertisements, or that its internal use was visible to the public.’ Id.


156. Id. at *1.

157. Id. Google’s AdWords program offers “keyword-triggered advertising” that “enables advertisers to purchase or bid on certain keywords.” Rhino Sports, Inc. v. Sport Court, Inc., No. CV-02-1815, 2007 WL 1302745, at *2 (D. Ariz. May 2, 2007). Then, when a consumer “enters those keywords in Google’s search engine, the program will yield both ‘Sponsored’ and organic results,” the sponsored results being links to the paying advertisers’ webpages. Id. at *2. Google’s AdWords program also offers several “matching options” allowing purchasers to control how and when their sponsored links will appear in response to an internet user’s Google search. Id.

158. Am. Blind, 2007 WL 1159950, at *6. The court began its analysis by considering the recent developments in Merck and Rescuecom. Id. at *2–3. The court then turned to the existing Ninth Circuit precedent in Playboy, and concluded that the Ninth Circuit made “an implicit finding of trademark use in commerce in the manner at issue here.” Id. at *4–5. The court stated that, “[w]hile the Second Circuit’s decision in 1-800 Contacts and the subsequent district court decisions may cause the Ninth Circuit to consider this issue explicitly, the lengthy discussions of likelihood of confusion in Brookfield and Playboy would have been unnecessary in the absence of actionable trademark use.” Id. at *6.

159. Id. at *7–10 & n.21.

160. Id. at *6.

161. See id. at *10–11 (holding that while two of plaintiff’s claims must be dismissed on summary judgment, all other claims, including trademark infringement, are to proceed).

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Funding, based on its use of plaintiff’s trademark in two ways. First, J.G. Wentworth alleged that Peachtree used its trademarks as keywords in Google’s AdWords program to trigger sponsored links appearing near J.G. Wentworth’s link. Second, J.G. Wentworth alleged that Peachtree used its trademarks as “keyword [metatags] for its website.”

In its determination of whether Peachtree committed trademark infringement, the court considered whether the purchase and use of J.G. Wentworth’s trademarks as keywords “constitute[d] the type of ‘use in commerce’ contemplated by the Lanham Act.” Peachtree argued that its use was non-trademark in nature because it was “analogous to drug manufacturers’ practices of purchasing rights to display [their] generic products next to name brand competitors’ products on a drug store shelf.” The court disagreed and held that Peachtree’s “participation in Google’s AdWords program and [its use] of plaintiff’s marks in its keyword meta tags constitute[d] trademark use under the Lanham Act.” Despite finding use in commerce, the court ultimately granted defendant’s motion to dismiss, holding that J.G. Wentworth did not allege “any actionable likelihood of confusion under the Lanham Act.”

The court expressly disagreed with the Brookfield decision and criticized the reasoning as a “material mischaracterization of the operation of Internet search engines.” Further, the court did not find initial interest confusion, stating that, “[d]ue to the separate and distinct nature of the links . . . potential customers have no opportunity to confuse defendant’s services, goods, advertisements, links or websites for those of plaintiff.”

Despite the rejection of the initial interest confusion doctrine by some courts, the Ninth Circuit has continued to adhere to the approach in the context of keyword advertising. District courts in the Ninth Circuit have most recently

163. Id. at *1. J.G. Wentworth also brought claims for “false representation, trademark dilution, . . . injury to business representation, . . . [and] Pennsylvania state law claims of trademark infringement and unfair competition.” Id.
164. Id. at *2. However, “plaintiff does not allege that defendant’s advertisements and links incorporate plaintiff’s marks in any way.” Id.
165. Id.
166. Id. at *4.
167. Id.
168. Id. at *4–6 (“While recognizing that participation in Google’s AdWords program is certainly not traditional ‘use in commerce’ under prior applications of the Lanham Act, in the context of this new technology the [New Jersey] Court held that such acts satisfied the Lanham Act’s ‘use’ requirement.” (quoting Buying for the Home, LLC v. Humble Abode, LLC, 459 F. Supp. 2d 310, 322 (D.N.J. Oct. 20, 2006)) (internal quotation marks omitted)).
169. Id. at *6.
170. Id. at *7 (“At no point are potential customers ‘taken by a search engine’ to defendant’s website due to defendant’s use of plaintiff’s marks in meta tags.”). The court based its decision on the fact that each link was listed separately and distinctly, and did not “incorporate plaintiff’s marks in any way discernable to internet users and potential customers.” Id.
171. Id. at *6.
addressed the “use in commerce” issue. In *Rhino Sports, Inc. v. Sport Court, Inc.*, both the plaintiff and defendant were involved in the recreational flooring business. Rhino Sports filed a motion to modify its permanent injunction, arguing that “the law and/or facts” had changed sufficiently to justify modification. The court held that there had been no significant change in the initial interest confusion doctrine in the Ninth Circuit to justify modification of the permanent injunction, disregarding Rhino Sports’ argument that many courts have held that there is no “actionable likelihood of confusion” for Google’s AdWords program. Instead, the court concluded that the decisions in *Brookfield* and *Playboy* did not indicate that the law in the Ninth Circuit had changed “significantly” to justify modification of the permanent injunction. Thus, although various circuits have addressed whether keyed advertising constitutes trademark infringement under the initial interest confusion doctrine, their holdings have not been consistent on the issue.

II. PURCHASING KEYED ADVERTISING IS ANALOGOUS TO METATAG USE

A. Threshold Issue: “Use in Commerce”

Before answering the question posed in *Picture It Sold*, one must address whether using a trademark as a search term in keyed advertising is “use in commerce.”

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173. *Id.* A complex procedural history culminated in a settlement agreement and permanent injunction against Rhino Sports. *Id.* The permanent injunction, in pertinent part, enjoined Rhino Sports from:

- directly or indirectly using in commerce the mark SPORT COURT, or any other words, marks, or phrases confusingly similar thereto . . . in connection with the Internet, such as in an Internet domain name, as a sponsored link, in connection with an Internet webpage, or as HTML code for an Internet website in any manner, such as the title or keyword portions of a metatag, or otherwise.

*Id.* Sport Court then filed a petition to reopen the case and a new complaint alleging that Rhino Sports had violated the permanent injunction. *Id.*
174. *Id.* at *2.
175. *Id.* at *6–8. With regard to the Rhino Sports’ alleged violation of the permanent injunction, the court held that Sport Court failed to produce any evidence that Rhino Sports, did in fact, purchase any keyed advertising on the trademark “Sport Court.” *Id.* at *4–5.
177. *Id.* at *7–8. While the court characterized the state of the law in the Ninth Circuit as “uncertain,” it held that “a finding of a significant change by this Court would be premature and ill-advised.” *Id.* at *7. The court further noted that “while other courts have ruled that keyword use of a trademark does not constitute ‘use’ in commerce under the Lanham Act, the Ninth Circuit has not squarely addressed this issue.” *Id.* at *8.
178. *Picture It Sold, Inc. v. iSOLD IT, LLC.*, 199 F. App’x 631, 633–34 & n.4 (9th Cir. 2006) (“Whether [the purchase of keyed advertising by a competitor] is sufficiently analogous to
commerce” under the Lanham Act.179 Although not a formal circuit split, several courts in the Second, Third, Fourth, and Ninth Circuits disagree on what “use in commerce” is.180

Under Second Circuit precedent, the “internal utilization” of a trademark is not “use in commerce” under the Lanham Act.181 The definition of “use in commerce” in the Lanham Act supports this position because of its exclusive reference to: (1) use of the mark in the form of tags, displays, and containers, when sold or transported in commerce; and (2) use on services when displayed with the sale or advertising of services rendered in commerce.182 For example, the defendant in J.G. Wentworth unsuccessfully argued that purchasing keyed advertising is “analogous to drug manufacturers’ practices of purchasing rights to place its generic products next to name brand competitors’ products on a drug store shelf,” and thus not “use in commerce.”183

Conversely, in Playboy, the Ninth Circuit rested its lengthy likelihood of confusion analysis on an “implicit finding of trademark use in commerce.”184 The Eastern District of Pennsylvania in J.G. Wentworth also held that purchasing keyed advertising through Google’s AdWords program, and using trademarks as keyword metatags, was use in commerce under the Lanham

metatag use so as to be prohibited [under the initial interest confusion doctrine].”); see also supra note 37 and accompanying text.


180. Compare 1-800 Contacts, 414 F.3d at 407–09 (holding that the internal utilization of a trademark is not use in commerce under the Lanham Act), with Am. Blind, 2007 WL 1159950, at *6 (holding that the sale of trademarks in Google’s AdWords program constitutes use in commerce under the Lanham Act), J.G. Wentworth, S.S.C. Ltd. P’ship v. Settlement Funding LLC, No. 06-0597, 2007 WL 30115, at *6 (E.D. Pa. Jan. 4, 2007) (finding that Settlement Funding’s actions had “crossed the line from internal use to use in commerce”), and Gov’t Employees Ins. Co. v. Google, Inc. (GEICO I), No. 1:04 CV 507, 2005 WL 1903128, at *3 (E.D. Va. Aug. 8, 2005) (finding that GEICO had “sufficiently alleged that [Google’s] use was in commerce” (internal quotation marks omitted)).

181. 1-800 Contacts, 414 F.3d at 409; see also supra Part I.D (discussing how the “internal utilization” of trademarks does not constitute “use in commerce” in the 1-800 Contacts, Merck, and Rescuecom cases).

182. See supra note 51 for the definition of “use in commerce” under the Lanham Act.

183. See J.G. Wentworth, 2007 WL 30115, at *4 (summarizing the argument in defendant’s motion to dismiss).

Moreover, both the Northern District of California in *American Blind* and the Eastern District of Virginia in *GEICO II* held that Google's sale of trademarked terms in its AdWords program was "use in commerce" under the Lanham Act. Thus, the outcome of any future case concerning this issue rests on whether the particular court applies Second, Third, Fourth, or Ninth Circuit precedent.

Although the courts are split over whether the unauthorized use and purchase of a trademark in keyed advertising is "use in commerce" under the Lanham Act, courts in the Third, Fourth, and Ninth Circuits have all answered in the affirmative. This interpretation of "use in commerce" is consistent with the Supreme Court's view that the "use in commerce" requirement should be "construed liberally" to encompass a range of behavior. Nevertheless, a complete analysis of the scope of "use of commerce" is outside the scope of this Comment; therefore, the remainder of this Comment adopts the Third, Fourth, and Ninth Circuit view that the unauthorized use and purchase of a trademark in keyed advertising satisfies the Lanham Act's "use in commerce" threshold.

### B. The Question Presented in Picture It Sold

Even once it is assumed that keyed advertising is "use in commerce," the *Picture It Sold* issue still remains: whether purchasing keyed advertising on another's trademark is sufficiently analogous to metatag use to be trademark infringement under an initial interest confusion theory. If so, it should be prohibited by the *Brookfield* decision under the theory of initial interest confusion, unless the facts allow the defendant to invoke the *Playboy*

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187. See supra text accompanying notes 180–86.
189. See Finance Express L.L.C. v. Nowcom Corp., 564 F. Supp. 2d 1160, 1172 (C.D. Cal. 2008) ("The Supreme Court has held that the 'in commerce' requirement should be construed liberally because the Lanham Act 'confers broad jurisdictional powers upon the courts of the United States.'" (quoting Steele v. Bulova Watch Co., 344 U.S. 280, 283 (1952))).
190. This assumption is necessary because solving the circuit split is beyond the scope of this Comment and could be the exclusive focus of another article. See, e.g., Norris, supra note 179, at 907–08 (arguing that keyed advertising is "use in commerce," and that the Lanham Act should be extended to redress the infringement in these cases). However, many commentators fall short of describing why the initial interest confusion doctrine is the proper doctrine to redress this issue and how it should be applied. See id.
191. Picture It Sold, Inc. v. iSOLD IT, L.L.C., 199 F. App'x 631, 634 (9th Cir. 2006).
192. See Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1062 (9th Cir. 1999) (extending the initial interest confusion doctrine to metatag use).
exception. This issue was never decided in *Picture It Sold*. In order to answer the question, one must take a closer look at: (1) how the courts treat the initial interest confusion doctrine in light of the greater likelihood of confusion test; and (2) the current state of the law in cases where keyed advertising is at issue.

Some courts analyze initial interest confusion within one of the traditional likelihood of confusion factors, yet other courts analyze it without using the likelihood of confusion test at all. Regardless of which analysis is used, for a court to find trademark infringement under the initial interest confusion doctrine it must conduct a full likelihood of confusion analysis. While initial interest confusion is not a stand-alone trademark theory, it can be used as evidence of actual confusion or as an additional factor for consideration by the court.

Second, the posture of *Picture It Sold* was different than other recent keyed advertising and search engine cases. The parties in many of those cases were search engine companies themselves, rather than the true infringers—the private parties who actually purchased the trademark keywords. Very few cases address the factual situation in *Picture it Sold*, which involved a business competitor’s purchase of sponsored links on another’s trademark. Moreover, those cases that do address the question presented either do not reach the likelihood of confusion test in their analyses because they never pass the threshold “use in commerce” inquiry, or simply dispose of the issue without any formal analysis at all. No case formally answers the question.

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193. See Playboy Enters., Inc. v. Netscape Commc’ns Corp., 354 F.3d 1020, 1025 n.16 (9th Cir. 2004) (carving out an exception to the initial interest confusion doctrine where banner advertisements or website links “clearly identif[y] its source” or overtly compare products).

194. See *Picture It Sold*, 199 F. App’x at 634 (holding, on the limited record, that a ruling on this issue “would be premature”).

195. See, e.g., Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 260 (2d Cir. 1987) (analyzing initial interest confusion under the likely degree of customer sophistication prong).

196. See, e.g., *Playboy*, 354 F.3d at 1024–25 (discussing initial interest confusion separately from its likelihood of confusion analysis).

197. See Perfumebay.com Inc. v. Ebay Inc., 506 F.3d 1165, 1173 (9th Cir. 2007). In Perfumebay.com the court stated that a full likelihood of confusion analysis is necessary even when the trademark infringement theory being advanced is the initial interest confusion theory. Id. at 1176.

198. See AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348–49, 352–53 (9th Cir. 1979) (listing evidence of actual confusion as one factor of the likelihood of confusion test).


200. See *Picture It Sold*, 199 F. App’x at 633 & n.3.


posed in *Picture it Sold*.

Thus, the problem remains: Does trademark infringement occur when someone purchases keyed advertising on another's protected mark?

Like metatag use, keyed advertising accomplishes the goal of getting one's sponsored link as close as possible to a competitor's link. This suggests that companies use keyed advertising for the same purpose as metatags: to deceive. Unlike comparative advertising by the pharmaceutical industry, the major reason why companies purchase keyed advertising on a competitor's trademark is to lure unaware Internet users to their websites. This confusion attracts Internet users—who are looking for one specific website—to a competitor's website, much like in the initial Audi–Infinity hypothetical.

Not only are these techniques "use in commerce" under the Lanham Act, but they are also deceptive advertising methods.

Companies can still purchase keyed advertising by using keywords that encompass generic and descriptive terms which do not include a competitor's trademark, such as "car," and "luxury sports car." However, when someone other than the trademark owner purchases keyed advertising on the owner's trademark, that action, just like metatag use, should be considered trademark infringement when likelihood of confusion is also found. This does not mean that this analysis should apply in the following factual situations: (1)
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when a company such as Google uses a trademark in the way that the defendant in 1-800 Contacts did; or (2) where a company clearly identifies a triggered banner advertisement like the exception articulated in Playboy. In both situations, although there is some intent to generate initial interest, there is no confusion (actual or otherwise) to sustain a claim of trademark infringement under the likelihood of confusion test.

Therefore, because metatags were once used to get a website listed on a search engine, and now companies have circumvented that system by purchasing keyed advertising, the intent of alleged trademark infringers is "sufficiently analogous" for courts to apply the initial interest confusion doctrine from Brookfield.

III. PURCHASING KEYED ADVERTISING ON ANOTHER'S TRADEMARK SHOULD BE TRADEMARK INFRINGEMENT UNDER THE INITIAL INTEREST CONFUSION DOCTRINE

Trademark law should provide greater protection to trademark owners over the Internet than in the brick-and-mortar world. One way to do this is by using the initial interest confusion doctrine. In today's information age, e-commerce and online advertising are constantly changing and American jurisprudence must keep up. Metatags, which were once the primary tools search engines used to produce relevant results lists, are in decline. Today, companies like Google use keyed advertising to drive their search engines and generate business revenue. Other companies use methods such as Google’s

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213. See 1-800 Contacts, Inc. v. WhenU.com, Inc., 414 F.3d 400, 402, 409 (2d Cir. 2005) (finding that WhenU.com used plaintiff's trademark internally in its list of keywords and did not allow other companies to view or add to that list of keywords).

214. See Playboy Enters., Inc. v. Netscape Commc'ns Corp., 354 F.3d 1020, 1025 n.16, 1030 & n.43 (9th Cir. 2004).

215. See 1-800 Contacts, 414 F.3d at 402, 409; Playboy, 354 F.3d at 1025 n.16, 1030 & n.43.

216. See Zweihorn, supra note 30, at 1362.

217. See id. at 1364–65.

218. See Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1062 (9th Cir. 1999).

219. See id.; see also Shea, supra note 2, at 538.

220. See Shea, supra note 2, at 529 (commenting that "[c]onsumers can quickly get information about new products, compare prices, and make purchases faster than ever"). Shea also states that "[a]s companies vigorously compete for consumer attention and money, they have discovered new techniques to exploit their competitors' goodwill to attract new consumers to their websites and products." Id.

221. Zweihorn, supra note 30, at 1362–64; see also MCCARTHY ON TRADEMARKS, supra note 2, § 25:69, at 25-198 ("Search engines in the early days of the Internet relied heavily on metatags to find Web sites. However, modern search engines make little if any use of metatags.").

222. MCCARTHY ON TRADEMARKS, supra note 2, § 25:69, at 25-198 ("By 2003, three-quarters of all on-line searches used GOOGLE or sites that used GOOGLE's search results."); Zweihorn, supra note 30, at 1364–65.
AdWords program to compete for a greater share of the ever-growing Internet market. Thus, as Internet business models have replaced metatag use with keyed advertising, courts need to evolve and recognize that the purchase of keyed advertising on another's mark is trademark infringement. Some commentators believe that the extension of the initial interest confusion doctrine to Internet cases has been "reflexive." They suggest that trademark infringement cases involving metatags and search engines that trigger sponsored links should "apply traditional trademark analysis" instead of the initial interest confusion doctrine because trademarks now "receive greater protection online than offline." However, providing heightened trademark protection over the Internet would be a positive development.

Courts should not stray from the traditional likelihood of confusion test. Whether implicitly or explicitly, courts analyze initial interest confusion within the context of the traditional likelihood of confusion test. Moreover, many courts have correctly used initial interest confusion as an additional factor in the likelihood of confusion test.

Another way to analyze initial interest confusion is to view it as an extension of the "evidence of actual confusion" factor under the traditional likelihood of confusion test. Evidence of actual confusion is a factor that should be read broadly and extended to cover all types of confusion such as post-sale, reverse, and initial interest confusion. In reality, initial interest confusion is actual

223. See Zweihorn, supra note 30, at 1368–69.
224. See, e.g., Shea, supra note 2, at 530 ("Courts have struggled to comprehend [Internet] technology and strike parallels with traditional means of infringement. Legal arguments are stretched and strained as the law attempts to reach a just result.").
225. See, e.g., Zweihorn, supra note 30, at 1381.
226. Id.; see also Niki R. Woods, Note, Initial Interest Confusion in Metatag Cases: The Move from Confusion to Diversion, 22 BERKELEY TECH. L.J. 393, 417–18 (2007) (urging courts to apply the traditional likelihood of confusion test).
227. See, e.g., Interstellar Starship Servs., Ltd. v. Epix, Inc. (Interstellar Starship I), 184 F.3d 1107, 1110 (9th Cir. 1999) (discussing initial interest confusion along side the traditional likelihood of confusion factors).
228. See, e.g., id.
230. See AMF Inc. v. Sleekcraft Boats, 599 F.2d 341, 348–49 (9th Cir. 1979) (listing evidence of actual confusion as one factor of the likelihood of confusion test).
231. See MCCARTHY ON TRADEMARKS, supra note 2, § 23:5, at 23-20 to -27 (discussing various types of confusion).
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confusion that is dispelled more quickly. Nevertheless, the potential for harm is still the same.

In a recent case, the United States District Court for the Eastern District of New York cited Merck in holding that there is nothing improper with purchasing keyed advertising on another's trademark. This holding is misguided and simply not true. Intent is a weighty factor in any traditional likelihood of confusion analysis. The intentional purchase of keyed advertising on another's trademark, whether under the theory of initial interest confusion or not, will be extremely probative of likelihood of confusion, and should be a per se violation of the Lanham Act.

IV. CONCLUSION

While courts must be careful not to overextend its use, the initial interest confusion doctrine continues to play a vital role in protecting trademarks in the modern, Internet-driven business world. Courts can avoid overextending the doctrine by applying initial interest confusion within the framework of the well-established likelihood of confusion test. The best way to incorporate the doctrine into the likelihood of confusion test is to add initial interest confusion as an additional factor for the courts to consider. Initial interest confusion should not be abandoned simply out of fear of misapplication, but should be applied in those cases where the evidence is ample and dispositive.

Policing the unauthorized use of trademarks as keyed advertisements is one area where initial interest confusion can, and should continue to, be applied. Without the availability of the initial interest confusion doctrine, keyed advertising poses a serious threat to both the private and public interests that

232. Interstellar Starship I, 184 F.3d at 1110 ("We recognize a brand of confusion called 'initial interest' confusion, which permits a finding of a likelihood of confusion although the consumer quickly becomes aware of the source's actual identity and no purchase is made as a result of the confusion."); see also McCarthy on Trademarks, supra note 2, § 23:6, at 23-28 to -31.


235. See supra note 9 (listing "defendant's intent" as one of the traditional likelihood of confusion factors); see also Brookfield Comms'n, Inc. v. W. Coast Entm't Corp., 174 F.3d 1036, 1059 (9th Cir. 1999) ("The law has long been established that if an infringer adopts his designation with the intent of deriving benefit from the reputation of the trade-mark or trade name, its intent may be sufficient to justify the inference that there are confusing similarities.") (citations omitted) (internal quotation marks omitted)).

236. See id. Thus, "[a]n inference of confusion has similarly been deemed appropriate where a mark is adopted with the intent to deceive the public." Id.

237. See generally Shea, supra note 2, at 538–42 (explaining various applications of the initial interest confusion theory).

238. See, e.g., Savin Corp. v. Savin Group, 391 F.3d 439, 462 & n.13 (2d Cir. 2004).

239. See Zweihorn, supra note 30, at 1347, 1381.
trademark law seeks to protect.\textsuperscript{240} Private interests of trademark owners are vulnerable to a competitor's unauthorized use of the owner's trademark over the Internet.\textsuperscript{241} Public interests are also threatened because of the deception and confusion caused when a competitor purchases keyed advertising, and infringes on the existing "good will" associated with that mark.\textsuperscript{242} Therefore, a competitor who purchases keyed advertising on another's trademark should be liable for trademark infringement under the initial interest confusion doctrine.

\textsuperscript{240} See supra notes 2–4.
\textsuperscript{241} See supra note 2.
\textsuperscript{242} See supra note 2.