I. Introduction

The modern Internet enables “millions of people to communicate with one another and to access vast amounts of information from around the world.”1 Due to the enormous repository of information the Internet makes available online, some have compared the Internet to an immense “library with no card catalog.”2 While web users can generally access web sites directly with a domain name, the sheer size of the Internet makes it difficult for the average web surfer to locate the majority of web sites unless they know the web site address beforehand.3

Specific web sites and information can be difficult to locate, making Internet search engines crucial to web user accessibility and manageability. The size of the Internet and the web-surfing community, coupled with its increasing importance as a tool of modern commerce and a staple of modern life, creates fierce competitive...
competition for Internet traffic among web sites. This motivates web site creators to engage in “search engine baiting” to maximize their positioning with major search engines and drive Internet traffic to their web address. This also creates a financial incentive for search engines to abandon the traditionally “objective” ranking of search results in favor of one that is increasingly dominated by commercial interests.

This Article examines the trademark implications of commonly used approaches to manipulating search engine placement (and accompanying web traffic) on the Internet. Part II of this Article reviews the traditional laws that protect trademark owners and consumers from trademark infringement. Part III discusses the relevant technology of the Internet and the workings of search engines in indexing Internet-based data. Finally, Part IV discusses the implications of commonly utilized techniques to improve web site placement and drive web traffic.

II. Trademark Protection Under the Lanham Act

The Lanham Act defines and delineates a trademark owner’s federal rights and provides the law governing trademark disputes. Under the Lanham Act, a trademark is defined as a “word, name, symbol, or device, or any combination thereof” used by a maker or seller of goods to identify and distinguish their goods from those made or sold by others. The Lanham Act offers a trademark owner three major causes of action 4


6 Brookfield Commc’ns., Inc. v. W. Coast Entm’t. Corp., 174 F.3d 1036, 1044 (9th Cir. 1999) (citations omitted) (“With the Web becoming an important mechanism for commerce, companies are racing to stake out their place in cyberspace.”).

7 For a discussion of the laws of trademark protection under the Lanham Act, see infra notes 10-32 and accompanying text.

8 For a discussion of the trademark implications of various search engine manipulation techniques, see infra notes 33-62 and accompanying text.

9 For a discussion of Internet and search engine technology, see infra notes 63-110 and accompanying text.


11 15 U.S.C. § 1127 (2000) (defining trademark). Trademarks are different from service marks. While trademarks are used to identify and distinguish goods, a service mark is used to identify and distinguish one person’s services from the services of others. Id. Since the legal requirement for trademarks and service marks are generally the same, for the purpose of this article, both service marks and trademarks will be collectively referred to as “trademarks.”
to protect their trademark rights: (1) trademark infringement, (2) unfair competition, and (3) dilution.\textsuperscript{12} This article focuses on the protections against trademark infringement arising from use of trademarks to manipulate search engine results.

A. Trademark Infringement

Section 32 of the Lanham Act prohibits the use in commerce of “any reproduction, counterfeit, copy, or colorable imitation” of a registered trademark where “such use is likely to cause confusion, or to cause mistake, or to deceive.”\textsuperscript{13} The public policy rationale that underpins trademark protection, however, has little to do with the rights of the owner of that trademark.\textsuperscript{14} Trademark infringement claims are designed to protect the consumer, not the owner, from possible confusion arising from trademark misuse.\textsuperscript{15}

Where the underlying products are different, determining the likelihood of consumer confusion is a complex, fact-intensive exercise for the court in a trademark infringement case.\textsuperscript{16} In \textit{Polaroid Corp. v. Polarad Elecs. Corp.}, \textsuperscript{17} the Second Circuit outlined an indicative listing of the types of factors examined in trademark infringement cases:

\begin{quote}
[T]he strength of [the plaintiff’s] mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, actual confusion, and the reciprocal of defendant’s good faith in adopting its own mark, the quality of defendant’s product, and the sophistication of buyers. Even this extensive catalogue does not exhaust the possibilities--the court may have to take still other variables into account.\textsuperscript{18}
\end{quote}

Historically, trademark infringement claims have been designed to protect purchasers of goods from confusion about the source of those goods.\textsuperscript{19} Today, the catalog of rights protected by trademark infringement is much broader. Currently, trademark infringement is used to provide protection against “confusion as to


\textsuperscript{14} See Shea, supra note 3, at 535 (“The key policy behind protecting trademarks is the protection of consumers.”).

\textsuperscript{15} See Matthew A Kaminer, \textit{The Limitations of Trademark Law in Addressing Trademark Keyword Banners}, 16 SANTA CLARA COMPUTER & HIGH TECH L.J. 35, 47 (1999) (noting the required “likelihood of confusion” element in trademark infringement); The right at issue in trademark law is not the ownership rights of the trademark owner, but protecting the consuming public from “confusion, concomitantly protecting the trademark owner’s right to a non-confused public.” Shea, supra note 12, at 535-36.

\textsuperscript{16} Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961) (noting that trademark infringement “is a function of many variables.”).

\textsuperscript{17} 287 F.2d 492 (2d Cir. 1961).

\textsuperscript{18} Id. at 495.

\textsuperscript{19} See Official Airline Guides, Inc. v. Goss, 6 F.3d 1385, 1391 (9th Cir. 1993) (“The core element of trademark infringement is the likelihood of confusion, i.e., the similarity of the marks is likely to confuse customers about the source of the products.”) (quoting E.&J. Gallo Winery v. Gallo Cattle Co., 967 F.2d 1280, 1290 (9th Cir. 1992)).
source, but also as to affiliation, connection or sponsorship.”

The basic elements of an infringement claim require a plaintiff to prove that “(1) their mark is valid; (2) the mark is owned by the plaintiff; and (3) the defendant’s use of the mark is likely to cause confusion among the target customer base.”

B. Initial Interest Confusion

The most common type of confusion protected by trademark infringement is confusion at the point of sale. Some courts, however, have extended infringement protection even further to offer pre-sale protections. The theory of initial interest confusion, which has been used in some jurisdictions, offers trademark protection to defend against initial confusion caused by an infringing mark when that confusion leads a buyer to become interested in a product. This theory applies even if the initial confusion has dissipated by the time of the actual purchase.

The practice of Initial Interest Confusion is akin to a “bait and switch” tactic, where consumers are initially drawn to a product by a deceptive mark, only to discover another product offered in lieu of what they initially expected. In a landmark case for initial interest confusion, Mobil Oil Corp. v. Pegasus Petroleum Corp., the Second Circuit applied this expansive theory to find actionable trademark injury in cases where no sale was completed as a result of the trademark confusion. In Mobil Oil, Mobil sued an oil trading company named Pegasus Petroleum for infringing on Mobil’s trademarked “flying horse” symbol that represented the Greek mythological horse Pegasus. The Mobil Oil court based their finding of infringement on the grounds

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20 Shea, supra note 12 at 537; See also Lindy Pen Co. v. Bic Pen Corp., 725 F.2d 1240, 1246 (9th Cir. 1984) (noting trademark infringement protection “embrac[es] confusion as to the association of the goods or sponsorship of the allegedly infringing goods.”).


23 Since 1975, some courts have begun to recognize a theory of initial interest confusion, which extends trademark protection beyond the point-of-sale to provide a form of pre-sale confusion as a cause of action under trademark law. See Note, Confusion in Cyberspace: Defending and Recalibrating the Initial Interest Confusion Doctrine, 117 HARV. L. REV. 2387, 2392-93 (2004) (tracing origin of initial interest confusion to Grotrian v. Steinway & Sons, 523 F.2d 1331 (2d Cir. 1975)). For a discussion of initial interest confusion theory, see infra notes 24-32 and accompanying text.

24 Id. (citations omitted).


26 818 F.2d 254, 260 (2d Cir. 1987).

27 Id. at 259 (noting the “numerous evils” protected against by trademark protection).

28 Id. at 256 (describing facts of case). Pegasus Petroleum never used a flying horse symbol in their oil trading business, only using the name “Pegasus.” Id. Mobil made extensive use of flying horse image in connection with their consumer petroleum business, but did not use it in their commercial oil trading business. Id. The court found
that confusion between Mobil’s trademark and Pegasus Petroleum’s name could allow Pegasus to “gain crucial credibility during the initial phases of a deal.”29 Though some petroleum purchasers could have discovered that Pegasus and Mobil Oil were not related prior to engaging in any sale, it was possible that initial confusion between the two marks may have misled an oil trader to believe that Pegasus and Mobil were related. This confusion gave Pegasus unjust credibility and created sufficient damages under the Lanham Act.30

Legal commentators remain divided on whether this doctrine goes too far in protecting a trademark owner’s rights under the Lanham Act.31 Although not universally accepted, this doctrine is generally used to enforce a trademark owner’s rights—including disputes arising from trademark use by Internet search engines.32 Given the Internet’s navigability, as well as the legitimate expectations of web users, this doctrine is particularly well adapted to protecting the rights of trademark owners in cyberspace.

sufficient similarity in commercial oil traders’ minds between the strong image of the flying horse used by Mobil in their consumer business and the name Pegasus to create confusion about the identities of the two companies (noting lower court finding that there is sufficient likelihood of confusion to grant Mobil relief under the Lanham Act). Id. at 259. The court found that the potential for initial confusion that Pegasus Petroleum was affiliated with Mobil gave Pegasus a crucial advantage. Id. “For example, an oil trader might listen to a cold phone call from Pegasus Petroleum—an admittedly oft used procedure in the oil trading business—when otherwise he might not, because of the possibility that Pegasus Petroleum is related to Mobil.” Id.

30 Id. (noting the probability that purchasers might be misled into initial confusion works sufficient trademark injury). The fact that Pegasus, like all unknown companies in the oil trading business, would be required to post a letter of credit as security during any oil trading deal, but Mobil would not, proved to the Court that no actual confusion between the firms existed. Id.


32 The theory of initial interest confusion has been found actionable by the Second, Third, Fifth, Seventh and Ninth Circuits. See, e.g., Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 260 (2d Cir. 1987) (holding initial interest confusion “works a sufficient trademark injury” even when no sale is completed as a result of the confusion); Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 292 (3d Cir. 2001) (holding “initial interest confusion is actionable under the Lanham Act.”); Elvis Presley Enters. v. Capece, 141 F.3d 188, 204 (5th Cir. 1998) (finding initial interest confusion sufficient to sustain trademark infringement claim); Forum Corp. v. Forum, Ltd., 903 F.2d 434, 442 n.2 (7th Cir. 1990) (“the fact that confusion as to the source of a product or service is eventually dispelled does not eliminate the trademark infringement which has already occurred.”); Dr. Seuss Enters, L.P. v. Penguin Books USA, Inc., 109 F.3d 1394, 1405 (9th Cir. 1997) (finding infringement where
III. Internet Technology and Search Engines

The Internet has been aptly called “the world’s largest repository of content.” The search engine is what makes the billions of pages of web-based information accessible to the average web user.

confusion captured initial consumer attention, even though no actual sale is finally completed as a result of the confusion. The Federal and First Circuit has expressly rejected initial interest confusion, finding it insufficient to create actionable likelihood of confusion. See, e.g., Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc., 718 F.2d 1201, 1207-08 (1st Cir. 1983) (finding temporary confusion insufficient to support a likelihood of confusion under Lanham Act), Weiss Assoc., Inc. v. HRL Assoc., Inc., 902 F.2d 1546, 1549 (Fed. Cir. 1990) (declining to use initial interest confusion doctrine). The Seventh and Ninth Circuit have expressly applied this doctrine to Internet cases. See Eli Lilly v. Natural Answers, Inc., 233 F.3d 456, 465 (7th Cir. 2000) (finding likelihood of confusion based on initial interest confusion due to defendant’s use of plaintiff’s mark in metatags); Interstellar Starship Servs. v. Epix, Inc., 184 F.3d 1107, 1111 (9th Cir. 1999) (finding initial interest confusion based on domain name).


According to a recent study, the Internet is rapidly becoming the primary means by which many people get key information:

- When asked where they will go for information the next time they need information about government or a service it provides, 58% of Internet users say they will go online next time they need government information; this compares will [sic] 28% who say they will use the telephone. When all Americans are asked this, 39% of all American say they will go online. This is about the same share (37%) that says they will call.

- When asked where they will go for information the next time they need health or medical information, Internet users are about as likely to say they will turn to the Internet for information as they are to contact a medical professional; 46% say they will find health care information online next time they need it and 47% say they will contact a medical professional. Overall, 31% of all Americans say they will find it online, while 59% say they will contact a medical professional.

For business, it is clear that an online presence is important, regardless of whether a business actually sells its wares over the Internet. If a store provides product information online, even if it doesn’t sell products at its Web site, nearly half of all Americans (46%) said this would make them more likely to go to the physical store to buy the product. About the same number (45%) said it would make no difference, and these numbers were the same for Internet users and non-users alike.

Search engines now represent a significant portion of overall web activity, with an average of over 600 million web searches conducted each day. As the importance of the Internet and the search engines that help users in finding critical information buried within the Internet’s seemingly endless volumes of data continues to grow, the manipulation of web users’ searches by web site owners and search engines has become an emerging battleground for protecting trademarked assets.

A. HTML and Metatag Information

Web pages are written in a programming language called hypertext markup language (“HTML”). This HTML code is read and interpreted by a computer’s web browser to create the image, or web page, as viewed by the web site visitor. Identifiers known as metatags, which communicate information about the site, can be embedded into this HTML source code. Because they are a part of the source code, the metatags

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A search engine will find all web pages on the Internet with a particular word or phrase. Given the current state of search engine technology, that search will often produce a list of hundreds of web sites through which the user must sort in order to find what he or she is looking for.


36 Movado Group, Inc. v. Matagorda Ventures, Inc., 2000 U.S. Dist. LEXIS 18196, *14 (S.D.N.Y. 2000) (With the growing importance of the Internet in commerce, “there is a growing body of case law regarding liability for diverting potential customers to one’s website and for using another’s trademark in one’s metatags.” (citations omitted).


As its name suggests, HTML is a collection of formatting commands that create hypertext documents--Web pages, to be exact. When you point your Web browser to a URL, the browser interprets the HTML commands embedded in the page and uses them to format the page's text and graphic elements. HTML commands cover many types of text formatting (bold and italic text, lists, headline fonts in various sizes, and so on), and also have the ability to include graphics and other nontext elements.

Id.


Perhaps due to the pressure of establishing profitable sites, some commercial website owners have endeavored to exploit the functioning of search engines to make their websites more popular or visible through use of a technique known as “metatagging.” In particular, the website owner...
themselves are invisible to the average web site visitor.40 These metatags are, however, often used by Internet search engines to index and rank web sites.41 While these metatags can contain various types of information, the two most important types that are relevant for trademark analysis are the “keyword” and “description” tags.42

A keyword metatag identifies lists of terms which search engines then associate with a particular page or site.43 Typically, developers will include both generic and specific terms in these keyword metatags so as to capture the attention of both search engines and web site visitors.44 A description metatag usually contains a summary of the page or site’s contents.45 Search engines will often display this summary when the web site is returned as a search result, while some Internet web browsers display it at the top of the “browser window.”46

B. Internet Search Engines

The continued growth of the Internet, as well as the ever-growing online user base, makes major search engines vital directors of World Wide Web traffic.47 Most users, however, only look at a small places frequently searched terms, which may be generic or even popular trademarked names, into the underlying programming code, or metatags, of its web pages.

Id.
40 Id. at 94 (“[M]etatags have no noticeable effect on the appearance or text of the web pages visible to the Internet user”).
41 Id. at 94-95 (“T]he repetition and content of metatags can ‘weight’ a website’s value within search engine databases, thereby increasing the probability that a search engine will produce the site on its list . . . ”). See also Movado Group, Inc. v. Matagorda Ventures, Inc., No. 98 Civ. 6223 (LMM) (S.D.N.Y. December 11, 2000) (“When individuals search for information on the [I]nternet, searching programs look in a website’s metatags to determine if that website contains content responsive to the search. The more words in the metatags that overlap words in the search request, the more likely the website will appear as a ‘match.’”) (citing Brookfield Commc’ns v. W. Coast Entm’t Corp. 174 F.3d 1036 (9th Cir. 1999)).
46 See generally id. (defining different types of metatags).
number of prioritized search results returned by a search engine. This makes getting priority placement on that search engine’s results page critical to generating traffic for a web site, thereby making this positioning highly competitive.

With the importance placed on finding and presenting relevant web sites in response to a user’s query, most search engines use automated “spiders” or “robots” that search the web and collect key information from the sites they visit. This information is compiled and matched to a user’s queries by a search engine’s specific and proprietary algorithms. The algorithms weigh a variety of factors to deliver and “rank” search engine results in response to a user’s query.

For electronic commerce sites, search engines are even more important, with between 8-10% of all e-commerce referrals coming from search engines. Id. The search engine marketplace, while highly competitive, remains concentrated in a few key search companies. As of May, 2004, Google, Yahoo! and MSN Search, the top three search websites, accounted for 86.7% of global search engine usage. See Robyn Greenspan, Google Gains Overall, Competition Builds Niches, CLICKZ NETWORK, Jun. 2, 2004, http://www.clickz.com/stats/big_picture/applications/article.php/3362591. This market concentration, coupled with the importance of the search engine for Internet navigation, makes these sites incredibly important “funnels” for web traffic. For example, for the week ending May 15, 2004, visits to the top three websites, Google, Yahoo! and MSN, accounted for 5.5 percent of U.S. Internet visits. Id. Search engines, however, do not catalog the entire Internet. One 1999 study estimated that the top 11 search engines combined, using rough estimates of Internet sizing, covered only 42% of the Internet. See Danny Sullivan, Search Engine Coverage Study Published, THE SEARCH ENGINE REPORT, Aug. 2, 1999, http://searchenginewatch.com/sereport/article/article.php/2207421. While the top search engines do not cover all, or even most, of the pages available on the Internet, their importance is largely determined by how well they cover the most popular sites and prioritize these sites in response to a user’s query. Id.

48 See Surfers Impatient With Search Engines, BBC NEWS/TECHNOLOGY, June, 27, 2003, at http://news.bc.co.uk/2/low/technology/3023514.stm. A 2003 Penn State study found that web surfers typically review only one page of search engine results, with 19% going on to the second page and fewer than 10% looking at a third page of results. Id.

49 See id. (noting that web surfers typically visit only the first three results from a search engine query). Other studies show that approximately 70% of users, if they click on a search engine result at all, will click on one of the first three listings returned from the search engine query. See Ryan P. Allis, The Importance of Search Engine Marketing, ZERO-MILLION.COM, http://www.zerosmillion.com/webmarketing/search-engine-marketing.html (last visited Oct. 6, 2005).


51 For example, search engine giant Google uses over 100 factors to determine the order of results it will return in response to a user’s inquiry. See Google Information for Webmasters, GOOGLE.COM, http://www.google.com/webmasters/4.html (last visited Oct. 4, 2005). Due to the competitive nature of the search engine industry and the company’s interest in protecting the integrity of their search results, this is the only information Google makes publicly available regarding their PageRank algorithm. Id.
The ranking of a web page in a search engine’s results can be, to a limited extent, impacted by the metatag information a web site developer embeds in the site’s code.52 In an effort to avoid the potential manipulation of search engine results by site owners, search engines have begun to limit the ability of web site owners to unilaterally control how their site will rank in search results.53 Most major search engines limit potential manipulation by a web site owner by minimizing or even eliminating the weight given to a web site’s keyword metatags when ranking search results.54 Search engines have also made broader use of external factors outside a site creator’s direct control, such as measuring the number of links to a particular site, or even looking at rankings across multiple search engine platforms to determine a web site’s relative ranking in search results.55

52 Metatags may offer web site owners some degree of how their web pages are ranked and described by search engines and can prevent a page from being indexed at all. See Danny Sullivan, How to Use HTML Meta Tags, SEARCH ENGINE WATCH, Dec. 5, 2002, http://searchenginewatch.com/webmasters/article.php/2167931. The degree of control offered to web site owners, however, varies depending on the search engine. See id. Title metatags are most important, and one of the most important factors in how search engines rank pages. Id. Other types of metatags have different uses to search engines. Id. For example, some search engines will use a web site’s meta description tag as part of the description it returns in listing search results, while others (like Google) will ignore the meta description tags and generate their own description to display in listings of search results. Id.

53 Sullivan, supra note 52. Very few search engines still support use of meta keywords tags. Id. The decline in the use of these tags by search engines is largely an effort by search engines to improve the integrity of search results. Jill Walen, Can Meta Tags Such as the Keyword Tag Bring High Rankings to my Site?, HIGHRANKINGS.COM at http://www.highrankings.com/metakeyword.htm (Last modified Nov. 2001). These tags were often abused by web site owners in an effort to usurp search rankings and drive traffic to their sites. Id. For example, many pages would put a popular search term like “sex” repeatedly in their meta tags—even though the site had nothing to do with sex. Id. This technique, while deemed poor “netiquette” is also called “keyword stuffing.” Internet.com, W_BOP_DIA, http://www.webopedia.com/TERM/K/keyword_stuffing.html, (last visited Oct. 6, 2005).

There are several methods of keyword stuffing. One way is to insert repeating keywords within the input type=“hidden” field meta tag or the keyword tag so that the keywords are not seen by the user but are scanned by the search engine. Another way is to make text in the body of the Web page invisible text, or hidden text, by making the text the same color as the page’s background, rendering the text invisible to the user unless the user highlights the text. This method is called invisible keyword stuffing.

Id.

54 Walen, supra note 53. Today, much less weight is placed on the meta tags and more weight is placed on actual page content, links to particular page, etc. in determining a website’s placement on a search engine result listing. Id. “To be sure, some engines still do index the words within these meta tags, but it appears that they use them as a minor supplement to the body copy and the title tags of [a] Web page[ ].” Id. See also F. Gregory Lastowka, Search Engines Under Siege: Do Paid Placement Listings Infringe Trademarks, 14 INTELL. PROP. L. & TECH L.J. 1, 2 (2002) (“Today, however, the majority of search engines claim that they do not recognize keyword metatags.”).

55 Search engines typically index based on variables such as a site’s popularity, the number of links to that site from other sites, etc., as well as metadata that is included in a web site’s code by the site’s developer. Some search engines even conduct broader “metasearches” which compile results based, in part, from the combined databases of
Further consolidating the power of search engine companies is the evolving trend of popular search engines offering “pay for placement” programs. A paid placement program allows advertisers to guarantee a high ranking in search results, usually in response to specific search terms. In an effort to maintain the “integrity” of the search engine, these paid placements are generally segregated on the search page and clearly labeled to distinguish them from the ordinary search results. Placement priority within these sponsored listings is often determined by auction, with advertisers bidding for placement on specific terms—giving the first placement to the highest bidder, second to the next highest, and so on. Another, slightly less controversial, variation of this practice is selling keyword-linked banner advertisements on websites. These banners allow a site owner to pay for a graphical banner ad, or pop-up ad, delivered to a web user after the user searches for selected keywords. As one advertiser commented on modern


Google earned nearly $1 billion in 2003 from selling advertising for companies on their popular search engine. See David Vise, Firms Sue Google for Ad Links to Competitors, WASHINGTON POST, at E01, (May 26, 2004), available at http://www.washingtonpost.com/.

See Danny Sullivan, Buying Your Way In: Search Engine Advertising Chart, SearchEngineWatch.com, November 22, 2004, http://www.searchenginewatch.com/webmasters/article.php/2167941 (these are also called “pay for placement,” “pay for performance,” “CPC listings” (cost-per-click), or “PPC listings” (for pay per click)).

In 2002, the Federal Trade Commission (FTC) issued a recommendation to search engine companies to include “clear and conspicuous disclosures” of sponsored search engine results in response to a deceptive advertising complaint filed by watchdog group Commercial Alert. Danny Sullivan, FTC Recommends Disclosure to Search Engines, SearchEngineWatch.com, July 2, 2002, http://searchenginewatch.com/sereport/article.php/2164891. The FTC reasoned that:

Because search engines historically displayed search results based on relevancy to the search query, as determined by algorithms or other objective criteria, . . . consumers may reasonably expect that the search results displayed by individual search engines are ranked in accordance with this standard industry practice--that is, based on a set of impartial factors. Thus, a departure from the standard practice, such as a search engine’s insertion of paid-for placements in the search list, may need to be disclosed clearly and conspicuously to avoid the potential for deception.

Id. (quoting from FTC’s letter to search engine companies). To respond to this problem, the FTC recommended:

[If your search engine uses paid placement, you make any changes to the presentation of your paid-ranking search results that would be necessary to clearly delineate them as such, whether they are segregated from, or inserted into, non-paid listings. Factors to be considered in making such a disclosure clear and conspicuous are prominence, placement, presentation (i.e., it uses terms and a format that are easy for consumers to understand, and that do not contradict other statements made), and proximity to a claim that it explains or qualifies.

Id. (quoting FTC letter to search engine companies).


Id. (noting that these ads are readily identifiable from other search engine results).

Id. (describing various paid placement options for Internet search engines).
search engines, “[e]verything is for sale . . . [a]s a consumer, I’m appalled; as an advertiser, I’m delighted.”

IV. Search Engines and Trademark Infringement

Anyone who has ever taken an Aspirin® for a headache or needed a Band-Aid® to bind up a cut knows the importance of trademarks as descriptive terms. Trademarks are extremely useful as a proxy for web users searching for particular content or sites. For example, a person searching the web for “TiVo” may also be interested in competing, but lesser known brands of digital video recorders. Given the heavy reliance on descriptive terms that search engines need in order to properly function, it is inevitable that websites will attempt to employ trademarks, even other companies’ trademarks, as part of the descriptive shorthand of Internet navigation. Whether the use of these trademarks constitutes infringement in cyberspace, just like in the real world, is highly dependent on the context.

A. “Bait & Switch” – Using Hidden Trademarks in Metadata to Manipulate Search Engine Results

The most obvious use of another’s trademarks occurs when the website’s metatags (generally keywords, title, or description tags) draw search engine users looking for a similar trademarked name to their site. While most major search engines have refined their search algorithms to minimize the ability of website owners to manipulate search engine placements in this manner, this practice remains commonplace in web site

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63 Aspirin® is a registered trademark of Bayer Health Care, Inc. and Band-Aid® is a registered trademark of Johnson and Johnson Company.

64 TiVo® is a registered trademark of TiVo, Inc.
While the use of these trademarks is not obvious, or even visible to the average web site visitor, the validity of trademark usage depends on whether it creates initial interest confusion to a website user.

Whether or not trademark usage constitutes initial interest confusion is largely dependent on the context of a site’s use of a protected trademark. The most obvious case is when another’s trademark is employed in a site’s metadata to act as the Internet equivalent of a “bait and switch,” [which] is deceptive and confusing as a matter of law. This type of use was faced by the court in Movado Group, Inc. v. Matagorda Ventures, Inc., where the plaintiff accused the defendant of including Movado’s “Concord” trademark in their site’s metadata in order to misdirect consumers seeking Concord watches to their website, even though the defendant’s site did not sell Concord watches. Some courts have held this usage to be akin to “posting a sign with another’s trademark in front of one’s store” with the intent of luring customers inside

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As some experts on web design have noted:

> Previously, in the stone age of search engines (1998 or so), the keywords tag was a very important part of a successful search engine optimization effort. Nowadays, its effect has been reduced by the appearance [of] more sophisticated search engine algorithms. I'd still use this tag on my pages, but I wouldn't fuss too much about it - a good META keywords tag can give you a small boost in many engines, but its weight is minimal compared to other page elements.

A Promotion Guide, Meta Tags, at http://www.apromotionguide.com/metatag.html (last visited Oct. 5, 2005). While not as critical to search engine placement, use of metadata keywords remains a common practice. For example, the web page www.personal-injury.com, a website for personal injury law, contains the registered trademark “Vioxx®” both in the web page’s title (“Vioxx, Personal Injury, Car Accident Death & Brain Injury Lawyers”) as well as the keywords “VIOXX,” “vioxx,” “vioxx heart,” and “vioxx recall” within the page’s metadata. See www.personal-injury.com (last visited Oct. 5, 2005). For a discussion of how search engines have changed to minimize a web site owner’s ability to manipulate search results by including desired keywords in their metadata or titles, see supra notes 52-55 and accompanying text.

For a discussion of initial interest confusion and trademark law, see supra Section II.B text and accompanying footnotes.


> In the cyberspace context, the concern is that potential customers of one website will be diverted and distracted to a competing website. The harm is that the potential customer believes that the competing website is associated with the website the customer was originally searching for and will not resume searching for the original website.


See id. at *15-16. While the defendants tried to defend their use of the Concord trademark on the grounds that “they assumed they would soon start selling Concord watches,” the Movado court felt that it “seems patent that the only reason the Defendants would include on their website the brand name of a watch they did not sell [was] to lure potential consumers searching the [I]nternet to their website.” Id. at *16.
under false pretenses resulting in trademark infringement.\textsuperscript{70} Even though it may be clear to a consumer after visiting the defendant’s web site that the site does not offer Concord brand watches for sale, the consumer was still directed to visit the web site because of the defendant’s misappropriation of the plaintiff’s Concord trademark and goodwill.\textsuperscript{71}

In jurisdictions that apply initial interest confusion, the use of another’s trademark in order to manipulate search engines constitutes trademark infringement.\textsuperscript{72} A claim of initial interest confusion requires a trademark owner to demonstrate a “likelihood that an appreciable number of ordinarily prudent purchasers are likely to be misled, or indeed simply confused, as to the source of the goods in question.”\textsuperscript{73} Actionable confusion, under the initial interest confusion doctrine, is found “where potential consumers are

\textsuperscript{70} Brookfield Communications v. West Coast Entm’t Corp., 174 F.3d 1036, 1064 (9th Cir. 1999). The Ninth Circuit, in \textit{Brookfield}, created the following analogy for such metatag usage:

Suppose West Coast’s competitor (let’s call it “Blockbuster”) puts up a billboard on a highway reading – “West Coast Video: 2 miles ahead at Exit 7” – where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast’s store will pull off at Exit 7 and drive around looking for it. Unable to locate West Coast, but seeing the Blockbuster store right by the highway entrance, they may simply rent there. Even consumers who prefer West Coast may find it not worth the trouble to continue searching for West Coast since there is a Blockbuster right there. Customers are not confused in the narrow sense: they are fully aware that they are purchasing from Blockbuster and they have no reason to believe that Blockbuster is related to, or in any way sponsored by, West Coast. Nevertheless, the fact that there is only initial consumer confusion does not alter the fact that Blockbuster would be misappropriating West Coast’s acquired goodwill.

\textit{Id.} at 1064. A similar situation, in the real world, was deemed to be trademark confusion in \textit{Blockbuster Entm’t Group v. Laylco, Inc.}, 869 F.Supp. 505 (E.D. Mich. 1994), where the Court found that similarities between the plaintiff video store’s “Blockbuster” trade name and the defendant’s video store “Video Busters” were sufficient to constitute trademark infringement on the grounds that “Video Busters might attract some potential customers based on the similarity to the Blockbuster name. . . . Because the names are so similar and the products sold so identical, some unwitting customers might enter a Video Busters store thinking it is somehow connected to Blockbuster.” \textit{Id.} at 513. Furthermore, the \textit{Blockbuster} court noted, “because it would be inconvenient to leave one video store to find another, those customers lured into a Video Busters store may rent video cassettes from that store despite having realized that it bears no connection to Blockbuster.” \textit{Id.} at 513 n.2. Not all courts, however, have applied the initial interest confusion doctrine to Internet cases. \textit{See, e.g.}, BigStar Entm’t, Inc. v. Next Big Star, Inc., 105 F. Supp. 2d 185, 207-10 (S.D.N.Y. 2000) (declining to apply initial interest confusion in context of Internet case).

\textsuperscript{71} \textit{Movado}, 2000 U.S. Dist. LEXIS 18196 at *16 (noting that defendant’s actions are “deceptive and confusing as a matter of law”).

\textsuperscript{72} For a discussion of initial interest confusion, see supra Section II.B text and accompanying footnotes. Not all jurisdictions have recognized actionable trademark infringement where the initial interest confusion is dissipated prior to actual sale. \textit{See, e.g.}, Astra Pharm. Products, Inc. v. Beckman Instruments, Inc., 718 F.2d 1201, 1206-08 (1st Cir. 1983) (limiting actionable infringement to cases where decision to buy particular product is affected); Teletech Customer Care Mgmt. (Cal.), Inc. v. Tele-Tech Co., 977 F. Supp. 1407, 1410, 1414 (C.D. Cal. 1997) (finding “brief confusion is not cognizable under trademark law”).

\textsuperscript{73} \textit{Mobil Oil Corp. v. Pegasus Petroleum}, 818 F.2d 254, 256 (2d Cir. 1987).
initially led to the non-owners’ allegedly infringing mark by virtue of similarity between the two marks—even if such confusion does not exist at the time of the purchase.

Given the context of the Internet and the legitimate expectations of consumers who use internet search engines, it is easy to understand how this kind of use can constitute trademark infringement. Web users have come to expect that search engine results are reflective of a cataloged web site’s actual content. Efforts to manipulate search engine results by use of another’s trademark, like in Movado, are clearly designed to lure web searchers into a technological “bait and switch” at the expense of Movado’s potential customers. Even though web users can easily retreat from an infringing web site with a simple click of their web browser’s back button, actionable trademark infringement under the initial interest confusion doctrine has still occurred.

B. “Complaint.com”—Using Another’s Trademarks to Draw Search Engine Results and Web Surfer’s Attention

Not all uses of another’s trademark intended to appear in search engine results are directed at confusing web surfers. Some uses are designed to inform people about trademarked items, even if this is information that the trademark owner would rather not make available to the general public. Popular uses of this technique include using the trademarked name of a product in a web site’s metadata, titles, etc. in order to draw users of that product into a class action suit against the manufacturer. Another use is to allow searches to pick up “protest sites” that are designed to alert fellow consumers to problems with a product, service, or an entire company that is identified by a trademarked name. While in both of

74 Movado, 2000 U.S. Dist. LEXIS 18196 at *13 (citing Polymer Tech. Corp. v. Mimran, 37 F.3d 74, 78 (2d Cir. 1994)). The Movado court noted three different varieties of “actionable confusion:”

(1) where prospective purchasers are led to believe that the trademark’s owner sponsors or otherwise approves the second user’s use of the trademark; (2) where potential consumers are initially led to the non-owners’ allegedly infringing mark by virtue of similarity between the two marks—even if such confusion does not exist at the time of the purchase; and (3) where customers are confused as to the source of the second users’ product even when observed post-sale.

Id. The Movado court noted that the defendant’s actions violated the second variety of “actionable confusion.” Id. at 16. Other courts have similarly found that this type of intentional misdirection constitutes a trademark violation. See, e.g., Promatek Indus., Ltd. v. Equitrac Corp., 300 F.3d 808, 813-14 (7th Cir. 2002) (finding initial interest confusion where defendant used plaintiff’s competing company’s name in website metatags); Niton Corporation v. Radiation Monitoring Devices, Inc., 27 F. Supp. 2d 102, 104-05 (D.Mass. 1998) (issuing injunction against corporation using metatags to divert competitor’s customers).

75 For an example of a “protest site,” see www.paypalsucks.com—a website protesting Internet payment service PayPal. Paypalsucks.com, http://www.paypalsucks.com (last visited Oct. 6, 2005). The site offers web forums, links and FAQs designed to “expose the nightmare of doing business ‘the paypal way.”’ Id. In addition to using the PayPal name in the website’s uniform resource locator (URL), or name, the site also used the PayPal name in the site’s metadata in the title, descriptions and keywords metadata which are picked up and factored into search results of many major search engines. Id. The paypalsucks.com website ranked second in the search results from a recent Google search for the term “paypal” and third in a Yahoo search for the same term. Google.com, Search Results for “Paypal,” http://www.google.com/search?q=paypal (last visited Oct. 6, 2005); Yahoo.com, Search Results for “Paypal,” http://search.yahoo.com/search?p=paypal&fr=FP-tab-web-t&toggle=1&ei=UTF-8 (last visited Oct. 6,
these cases the trademark owner would prefer to not have their trademark used by the web site, this type of usage typically does not give rise to a cognizable trademark claim.

In *Bihari v. Gross*, the Southern District of New York evaluated a trademark claim against the websites “designscam.com” and “manhattaninteriordesign.com” that contained the name “Bihari Interiors” (the name of the plaintiff’s company) in both websites’ metatags. Both websites, were dedicated to “the problems experienced when hiring a new [sic.] York City (Manhattan) designer” and to discussing Marianne Bihari’s “fraud and deceit” in her interior decorating practices. The websites also contained a disclaimer that the “site reflects only the view points and experiences of one Manhattan couple that allegedly fell prey to Marianne Bihari & Bihari Interiors.”

The plaintiff claimed that the use of the “Bihari Interiors” name in the metatags of the defendant’s websites violated the Lanham Act because the use was likely to cause confusion to web users who may express an initial interest in the defendant’s websites under the mistaken belief that they are sponsored by Bihari Interiors. The *Bihari* court, however, declined to apply the initial interest confusion doctrine to

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2005). For an example of a class action website, see www.yourlawyer.com--a website operated by the law firm of Parker & Waichman that is designed to solicit clients who have suffered heart attacks or strokes while using the prescription drug Vioxx® as well as users of other prescription drugs like Bextra® and Zyprexa® who have suffered injuries. Parker & Waichman, http://www.yourlawyer.com (last visited Oct. 6, 2005). This site includes the trademarked name Vioxx® in both the title and description metatags of the website. *Id.* The yourlawyer.com website ranked seventh in the search engine results from a recent Google search for the term “Vioxx” and forty-fourth in the results listed from Yahoo for the same term. Google.com, Search Results for “Vioxx,” http://www.google.com/search?q=vioxx (last visited December 27, 2004); Yahoo.com, Search Results for “Vioxx,” http://search.yahoo.com/search?p=vioxx&ei=UTF-8&fr=FP-tab-web-t&fl=0&x=wrt (last visited December 27, 2004).


77 *Id.* at 312 (describing nature of complaint). The defendant originally operated two websites (with identical content critical of Ms. Bihari’s interior design business) at “bihari.com” and “bihariinteriors.com” which were relinquished under a preliminary injunction order. *Id.* “Bihari Interiors” was not a registered trademark with the US Patent & Trademark Office. *Id.* at 317. The plaintiff sought protection of the name as a common-law service mark, which is similarly protected under § 43(a) of the Lanham Act. *Id.*

78 *Id.* at 313. The plaintiff learned of the existence of these websites by using an Internet search engine to search for the keywords “Bihari Interiors.” *Id.*

79 *Id.* at 314. The website also contained hyperlinks to other websites including “Tips on Picking a Designer,” “Who’s Who in Interior Design,” and “New York City Information” as well as a “guestbook” where visitors could leave messages for other visitors to the site. *Id.* (noting negative guestbook comments disparaging plaintiff and her company).

80 *Id.* at 318. (“Plaintiffs argue that inclusion of ‘Bihari’ and ‘Bihari Interiors’ in the metatags of the Gross websites is likely to cause confusion.”). Although the Lanham Act, and its protections, applies only to commercial uses of another party’s trademark, the *Bihari* court found the defendant’s usage to constitute commercial use. *Id.* Using another’s trademark on the Internet is not per se commercial use and the websites in question did not propose any commercial transaction to visitors. *Id.* (citing Bally Total Fitness Holding Corp. v. Farber, 29 F. Supp. 2d 1161, 1166 (C.D.Cal. 1998)). The defendant’s websites did, however, contain links to sites that promote the services of
trademarked names used in such “protest sites” because the defendant’s use of the Bihari Interiors name in the websites’ metadata was not to “trick” Internet users into visiting their website, but rather a legitimate means of cataloging the sites.\textsuperscript{81} Without the ability to use the Bihari Interiors name in the metatags for their website, the court aptly noted that the defendant would have no efficient means of getting their message out to the public.\textsuperscript{82} The defendant was not using the Bihari Interiors name to confuse Internet users into believing that their sites were associated with Bihari’s company, but rather legitimately using the plaintiff’s name and trademark in a descriptive sense.\textsuperscript{83}

Given the nature of the Internet and the primacy of search engines in enabling web users to locate data on the Internet, rulings like \textit{Bihari} are consistent with the laws of trademark protection. The use of another’s trademark in metadata for a site designed to disseminate information, even unflattering information, related to that trademark is not a use that is designed to mislead, but to inform web users about a site’s content. Courts must “balance the property interests of trademark owners with the legitimate interests of Internet users and others who seek to make lawful uses of others’ marks, including for purposes such as comparative advertising, comment, criticism, parody, news reporting, fair use, etc.”\textsuperscript{84} This type of use is not a bad faith attempt to misdirect web users to a website, but a critical and necessary element in the way Internet search engines properly catalog web sites—constituting permissible “fair use” under current trademark law.\textsuperscript{85}

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\textit{other} interior designers and are designed to direct potential customers away from Bihari Interiors and to Bihari’s competitors—justifying the \textit{Bihari} court’s finding that the speech on these sites was commercial use and covered under the Lanham Act. \textit{Id.} (citing Jews for Jesus v. Brodsky, 993 F. Supp. 282, 308 (D.N.J. 1998)). The \textit{Bihari} court noted that, while the Second Circuit has not expressly applied the initial interest confusion doctrine to an Internet case, the Ninth Circuit has, as well as two other district courts within the Second Circuit. \textit{Id.} at 319 n.14. (citing Brookfield Commc’ns v. W. Coast, 174 F.3d 1036, 1062-63 (9th Cir. 1999), N.Y. State Soc’y of Certified Pub. Accountants v. Eric Louis Assocs., 79 F. Supp. 2d 331, 341 (S.D.N.Y. 1999), OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp. 2d 176, 190 (W.D.N.Y. 2000)).
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81 \textit{Id.} at 321.
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82 \textit{Bihari}, 119 F. Supp. 2d at 323 (citing \textit{Bally}, 29 F. Supp. 2d at 1165) (noting “[a] broad rule prohibiting use of ‘Bihari Interiors’ in the metatags of websites not sponsored by Bihari would effectively foreclose all discourse and comment about Bihari Interiors, including fair comment.”).
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83 \textit{Id.} at 322-24 (noting “the central considerations are whether the defendant has used the mark (1) in its descriptive sense, and (2) in good faith”). See, e.g., Planned Parenthood Fed’n of Am. Inc. v. Bucci, No. 97 Civ. 0629, 1997 WL 133313 (S.D.N.Y. March 24, 1997). In \textit{Bucci}, the defendant made use of the plaintiff’s “Planned Parenthood” trademark to direct visitors to their anti-abortion website, which claimed to be the Planned Parenthood homepage. \textit{See id.} at *1. The defendant admitted that use of the plaintiff’s name to attract pro-abortion website visitors to his anti-abortion website due to “misapprehension as to the site’s origin” in order to promote an anti-abortion book. \textit{Id.} at *2, *4. The court, in granting a preliminary injunction, found that the defendant’s use of the Planned Parenthood name gave rise to a significant likelihood of confusion. \textit{Id.} at *10 (applying the \textit{Polaroid} factors).
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85 See \textit{Bihari}, 119 F.Supp. 2d at 321 (noting the defendant’s “use of the ‘Bihari Interiors’ mark in the metatags is not a bad-faith attempt to trick users into visiting his websites, but rather a means of cataloging those sites.”). The Lanham Act permits, as a defense, uses that are “descriptive of and used fairly and in good faith only to describe the
C. “Keying” Advertisements or Search Listings to Trademarked Names and Phrases

“Keying” online advertising to selected keywords, a relatively recent innovation employed by search engines, is designed to help drive revenues while allowing parties to better target their message to critical audiences.86 The Ninth Circuit described the practice as:

[Allow[ing] advertisers to target individuals with certain interests by linking advertisements to pre-identified terms. To take an innocuous example, a person who searches for a term related to gardening may be a likely customer for a company selling seeds. Thus, a seed company might pay to have its advertisement displayed when searchers enter terms related to gardening. After paying a fee to defendants, that company could have its advertisements appear on the page listing the search results for gardening-related terms: the ad would be “keyed” to gardening-related terms. Advertisements appearing on search result pages are called “banner ads” because they run along the top or side of a page much like a banner.87

Advertisers can select any combination of terms to key their ads, including someone else’s trademarked terms. This practice may upset the legitimate trademark owner, but it may not constitute an infringement. Such uses clearly fall under the Lanham Act’s protections as commercial use of another’s trademark.88 Because “[t]he ‘core element of trademark infringement,’ [i]s the likelihood of confusion. . . . 

90 goods or services” or where the use of the mark “is functional.” 15 U.S.C.A. § 1115(b)(4), (8) (West 2002 & Supp. 2005). In this type of application, the trademark use is both.

86 During the “early days” of search engine technology (1994-2000), the use of paid listings buried in search results was “minimal to non-existent.” Sullivan, supra note 58. In 2000, the practice of using paid listings within search engine listings achieved wider prevalence among Internet search engines. Id. (noting that “[b]y the end of 2001—in the space of just a year—every major search engine had paid listings of some type prominently in its search results.”) See, e.g., Playboy Enters., Inc. v. Netscape Commc’ns Corp., 354 F.3d 1020 (9th Cir. 2004).

87 Playboy, 354 F.3d at 1022-23. Not all banner ads are keyed to specific terms—some advertisers pay to have their ads randomly displayed. Id. at 1023 n.1. While these non-targeted ads cost less, they are also considered less effective. Id.

88 Id. at 1032 (finding “keying” based on a commercial trademark covered under the Lanham Act). “Congress intended to limit only commercial speech, as opposed to political or other more closely protected speech, when it passed the dilution statute; thus, it included the requirement that the use be a commercial one . . . [I]t would be difficult . . . in light of the clear evidence of the commercial nature of their enterprise [to find the use not covered under the Lanham Act].” Id.

89 Id. at 1024 (quoting Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp., 174 F.3d 1036, 1053 (9th Cir. 1999)).

90 In 2002, the Federal Trade Commission sent a letter to major search engine sites urging them to provide conspicuous labels for commercial search listings or face possible regulatory action. See Olsen, supra note 62. Most search engines comply with this directive by choosing an explicit term for their commercial results that appear
In *Playboy v. Netscape Enterprises, Inc.*, a classic case of keyword-driven advertising, the defendants sold banner advertising on their Internet search pages keyed to certain keywords. For adult-oriented advertisements, Netscape required the ads to be linked to a list of over 400 terms, including “playboy” and “playmate,” which were trademarks owned by the plaintiff. As a result, whenever a person typed in either “playboy” or “playmate” as a search term, these other companies’ adult banner ads would appear on the search results page. The banner ads were “confusingly labeled or not labeled at all” and would redirect a web searcher to the advertiser’s website when selected.

Playboy brought suit claiming Netscape infringed upon and diluted Playboy trademarks. Playboy offered expert testimony which showed that a significant percentage of web surfers searching for “playboy” or “playmate” would think Playboy sponsored the targeted adult-oriented banner ads appearing on the search page. This confusion directly benefited the defendant, who would collect money from the advertisers for each “click-thru,” even if they were driven by a confused web surfer. The *Playboy* court reversed the lower court’s grant of summary judgment and remanded the case for further proceedings throughout their pages. See id. For example, Google sets paid listings out along the right hand side of their search page under the title “Sponsored Links.” See [Google.com](http://www.google.com) (last visited Oct. 14, 2005). Yahoo also sets out the paid listings at the top of the listing in a shaded box and along the right hand side under the title “Sponsor Results.” See [Yahoo.com](http://www.yahoo.com) (last visited Oct. 14, 2005).

91 354 F.3d 1020.

92 *Id.* at 1023. A similar suit was brought by Estée Lauder against the operators of the Excite search engine for selling terms corresponding to Estée Lauder’s trademarks so a competitor’s banner ads would appear at the top of the search engine’s results when Estée Lauder’s trademarked terms were entered. See Estée Lauder, Inc. v. Fragrance Counter, Inc., 189 F.R.D 289. (S.D.N.Y. 1999). Because the competitor was not associated with or authorized to sell Estée Lauder products, Estée Lauder alleged trademark infringement. Benjamin F. Sidbury, *Comparative Advertising on the Internet: Defining the Boundaries of Trademark Fair Use for Internet Metatags and Trigger Ads*, 3 N.C.J.L. & TECH. 35, 51-52 (2001). This case, however, was settled when Excite agreed to stop selling Estée Lauder’s trademark as keywords. *Id.*

93 *Playboy*, 354 F.3d at 1023. “The other terms are generally un-trademarked words associated with adult entertainment, ranging from the expected (sex, parts of the human anatomy, etc.) to the disturbing (gangbangers).” *Id.* at 1023 n.2.

94 *Id.*

95 *Id.* (“When a searcher [clicks on the ads], the search results page disappears, and the searcher finds him or herself at the advertiser’s website.”).

96 *Id.* Summary judgment in favor of defendants was granted by district court, but reversed on appeal. *Id.*

97 *Id.* at 1026 (noting results of expert study concluding that user confusion stemmed from banner ad’s targeting). The *Playboy* court noted that “[s]urveys are commonly introduced as probative evidence of actual confusion.” *Id.* at 1026 n.28 (citing Schering Corp. v. Pfizer Inc., 189 F.3d 218, 225 (2d Cir. 1999)).

98 *Id.* at 1029 (noting defendants benefit from click-through whether driven by web surfer’s confusion or not). Because the plaintiffs showed a significant chance of web surfer confusion, the *Playboy* court denied the defendant’s summary judgment claim that their use was fair use. See *id.* (“A fair use may not be a confusing use.”).
because Netscape’s use of Playboy’s trademarks left genuine issues of material fact regarding infringement of Playboy’s trademarks. 99

The crux of the problem with Netscape’s keyword targeting of Playboy’s trademarks in banner ads was that Netscape appropriated the goodwill of Playboy’s trademarks by benefiting from the initial interest confusion created when web searchers clicked on these banner ads thinking the ads were sponsored by Playboy. 100 The Playboy court, however, expressly noted that the critical issue was the potential confusion created by the targeting of these adult-oriented advertisements. 101 Therefore, had the banner ads been “clearly identified its source or, even better, overtly compared [Playboy’s] products to the sponsor’s own, no confusion would occur.” 102

Today, major websites like Google, Yahoo and others clearly identify their “sponsored” links; 103 however, even a clearly “sponsored” link can be misleading under certain circumstances. For example, a recent search on Google’s search engine for the terms “Cartier watch” turned up a number of sponsored links. 104 Most of these links were to Cartier watch retailers, or price comparison sites offering web price comparisons on Cartier watches. 105 Not all the sponsored links, however, offered the sought-after Cartier watches. One of the sponsored links directs web searchers to a website for Timepieces International, a web-based jewelry retailer that offers watches for sale, but does not sell Cartier watches. 106 Although the link is clearly set off from the search engine results under the listing of “sponsored links” along the right-

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99 Playboy, 354 F.3d at 1034 (finding “[g]enuine issues of material fact exist as to PEI’s trademark infringement and dilution claims.”).

100 Id. at 1025 (finding initial interest confusion from targeting of banner advertisements).

101 Id. (“[I]nitial interest confusion impermissibly capitalizes on the goodwill associated with a mark and is therefore actionable trademark infringement.”).

102 Id. at 1025 n.16.

103 For example, on Yahoo.com, the sponsored links are placed in a separately shaded area at the top of the search results or along the right hand side of the results page marked “sponsored links.” See generally Yahoo.com, http://www.yahoo.com (last visited Oct. 6, 2005). Sponsored sites are similarly set off on MSN’s search site under the name “sponsored sites.” See generally MSN.com, http://www.msn.com (last visited Oct. 6, 2005). This is largely the result of a 2002 letter from the Federal Trade Commission (FTC) requesting search engine companies provide conspicuous disclosure of sponsored links to avoid consumer confusion. See Sullivan, supra note 58. For a discussion of the FTC letter to search engine companies, see supra note 57.


105 See id. The “sponsored sites” included retail websites like Overstock.Com, Bacario.Com, and JewlersWarehouse.Com, that offer Cartier watches for sale. Id. Other sponsored sites included web-based price comparison sites like Shopping.Com, BizRate.com and Shopzilla.Com that offer price comparison services for Cartier watches across Internet retailers. Id.

hand side of the webpage\textsuperscript{107} in accordance with the Playboy court’s requirements of “clearly identif[ying] the source” of the link.\textsuperscript{108} initial interest confusion may exist.

Given the nature of these sponsored links, such use of the Cartier trademark is likely to create a case of initial interest confusion. While the link is clearly marked as a “sponsored link,” a typical web searcher would likely assume that retailers sponsoring the “Cartier” trademark do in fact sell Cartier watches (or at least offer price comparisons or other information related to these watches). This is a misunderstanding that could only be resolved after a person visits the sponsored link and may lead to exactly the type of actionable initial interest confusion specifically prohibited in the Movado case.

The Lanham Act requires a “likelihood of confusion,” among actual or potential purchasers.\textsuperscript{109} Even though these advertisements are marked as “sponsored” within the search engine results the likelihood of confusion in the context of the search engine’s use of the trademarked term is not necessarily removed. If a web user sees a list of retailers linked to a trademarked term, as in the Cartier example, their natural assumption would be that those retailers sell Cartier watches. Creating a parallel for this in the “real world,” it would be akin to a jewelry store placing a Cartier logo on their front window to attract customers, without actually selling Cartier watches. Like the “sponsored links,” the consumer is probably fully aware that the association with the Cartier name is generated by the retailer, but there are natural assumptions that flow from such a self-association. This is sufficient, given the circumstances, to create the requisite likelihood of confusion to create an actionable violation of the Lanham Act.

One of the Lanham Act’s original purposes was “to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not.”\textsuperscript{110} Such “bait and switch tactics,” even if conducted through a search engine, are undeniable efforts to leverage someone else’s trademark. Diversion of a trademark’s good will, even through the use of an intermediary such as a search engine, should be considered as actionable trademark infringement.

\textsuperscript{107} See Google.com, supra note 104.

\textsuperscript{108} See Playboy, 354 F.3d at 1025 n.16.


\textsuperscript{110} See S. Rep. No. 79-1333 (1946), reprinted in 1946 U.S.C.C.A.N. 1274, 1275 (noting one purpose of Lanham Act is “to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not.”).
V. Conclusion

A complex and confusing mixture of common law, statutes, customs, and voluntary standards currently governs cyberspace.111 The Internet, however, is not a modern day “wild west” with no governing law.112 While the hyper-technical nature of the Internet often adds unnecessary complexity to cyber-law questions, “in the end, the laws which protect an individual's rights in the real world often work with equal satisfaction in cyberspace.”113

Just as in the “real” world, trademark protection in cyberspace relies heavily on context. What may be perfectly acceptable in some circumstances might constitute trademark infringement in others. Courts, practitioners, search engines, and website designers need to focus on the unique context and business models the Internet can create when determining what is, and is not, actionable infringement.


113 See Fritch, supra note 33, at 63.