

KEYWORD TRADEMARK TRAPS

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Difficulty Applying Trademark Principles

- Sponsored Links
- Pop-up Ads
- Purchased Key Words
- Meta Tags
- Searching Software



SEARCH TERM

- "1-800 CONTACTS"
- "WE DELIVER. YOU SAVE."

“Save Now” Proprietary Software
Provided by WhenU; Delivers
“Contextually Relevant Advertising” to
Users Employing an Internal Directory
With Thousands of Website Addresses,
Address Fragments and Key Word
Algorithms.

**POP-UP ADS FOR COMPETITORS
LIKE VISION DIRECT, INC.**

- 1-800 Contacts Inc v. WhenU.com, Inc., 414 F.3d
400 (2nd Cir. 2005)

SEARCH TERMS: “PLAYBOY” AND
“PLAYMATE”

NETSCAPE REQUIRED ADULT-ORIENTED COMPANIES TO LINK THEIR ADS TO A SET OF WORDS CONTAINING THOSE TERMS

Playboy Enterprises, Inc. v. Netscape Communications Corporation, et al., 354 F.3d 1020 (9th Cir. 2004)

Conceptual Difficulty/Consumer Doesn't See Actual Use Of Trademarked Term That Is Driving The Search

Analytical Framework



- Plaintiff must establish:
 1. Defendant used the mark.
 2. The use was in commerce.
 3. In connection with the sale or advertising of goods and services.
 4. Without plaintiff's consent.
 5. Defendant's use is likely to cause confusion.

Key Points

1. Use in commerce, and if so,
2. Likely to cause confusion.



TRADEMARK LAWS PROTECT THE PUBLIC FROM CONFUSION

- Use of a trademark is not actionable unless that use is likely to cause confusion among the consuming public.

ISSUE

Issue: Whether use of a competitor's trademark is part of a sponsored search constitutes trademark "use" under the Lanham Act, and thus trademark infringement. Surprisingly, the result depends in large part on the location of the court where the issue is being decided.

Split in the Circuits

- 2nd Circuit: not infringement – focus on use (courts have held there is not a use in commerce)
- 9th Circuit: is infringement – focus on confusion.

1-800 Contacts Inc v. WhenU.com, Inc., 414 F.3d 400 (2nd Cir. 2005)

- Holding. 2nd Circuit reversed a preliminary injunction entered against WhenU's delivery of pop-up advertisements. WhenU's activities do not constitute use in commerce because they do not "alter or affect 1-800's website" nor "divert or misdirect computer users" away from 1-800's website.

2nd Circuit (Cont'd)

- **Rescue.com v. Google** (April 3, 2009): 2nd Circuit vacated the district court's Rule 12(b)(6) Order dismissing Rescue.com's Complaint for trademark violations.
- Facts: Rescue.com's competitors were running ads for their own services on Google, with the ads keyed to the word "rescuecom."
- Key distinctions from 1-800: Google was alleged to have recommended and sold Rescue.com's trademark to its advertisers (in 1-800, Plaintiff's website address, not trademark, triggered pop-ups).
- In 1-800, advertisers could not request or purchase key words to trigger pop-ups.
- Google used the mark in the sale of services rendered in commerce.

Key Cases – 2nd Circuit

- **1-800-Contacts, Inc. vs. WhenU.com, Inc.**, 414 F.3d 400 (2nd Cir. 2005)
- **Boston Duck Tours, LP vs. Super Ducks Tours, LLC**, 527 F.Supp. 2d 205 (D. Mass. 2007)
- **Site Pro-1, Inc. vs. Better Metal, LLC**, 506 F. Supp. 2d 123 (E.D.N.Y. 2007)

Factors Examined (Use Analysis) In Reviewing Evidence

1. Are trademarks reproduced or displayed (lay evidence).
2. Is web address similar to trademark (lay evidence).
3. Does use interfere with the plaintiff's website. (expert)
4. Was it purely a software searching function (expert).
5. If directory, was actual trademark included (or just key words).



Strategies in 2nd Circuit Cases

- Use experts to establish technical distinctions in the various uses and the effects of uses.



9th Circuit

- Focus on confusion, finding that use of another's trademark and key words for metadata might be actionable as trademark infringement even if the trademark is never seen by the end user.
- Initial interest confusion: occurs when one party uses the trademark of another party in a manner calculated to capture initial consumer attention, even if consumers are not ultimately confused by the use.

Strategies in 9th Circuit Cases

- The defendants (a) attacked plaintiff's expert's methods and conclusions, and moved to exclude the experts.
- Defenses: secondary meaning



- If your company/client is contemplating using trademarks of others as metatags or search key words:
 - consider using descriptive or generic terms to describe products and services rather than someone else's trademarks (e.g. "sweet tea", "beverage", "fresh brewed," etc. instead of "Lipton")
 - clearly identify and label your advertisements with your company name and product name
 - if you compare products, do so overtly.
 - do not interfere with internet users efforts to visit another website.

For companies/clients faced with another entity using their trademarks as metadata or keywords

- Document the offending use of the trademark; and
- Keep records of how the conduct is diverting internet traffic from your site or causing actual confusion (for example, customer inquiries about the other business or website)

On either side of this issue

- Know the technology
- Take proactive steps at a business level regarding sponsored links and other search drivers
- Forum selection

PRACTICE AREAS

[Alternate Dispute Resolution Litigation](#)

[Class Actions & Multi-District Litigation](#)

[Eminent Domain Litigation](#)

[Employment & Labor](#)

[Employment Litigation](#)

[Environmental Litigation & Toxic Torts](#)

[Intellectual Property Litigation](#)

[Land Use & Zoning Litigation](#)

[Litigation](#)

EDUCATION

B.A., University of North Carolina at Chapel Hill, 1983

J.D., University of North Carolina at Chapel Hill, 1988

BAR & COURT ADMISSIONS

North Carolina, 1988

All North Carolina state and federal courts

U.S. Supreme Court

U.S. Court of Appeals, Fourth Circuit



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Tony Lathrop brings experience and a high level of analytical ability, professional credibility and creativity to handling litigation matters. He rigorously represents his clients' interests in a diverse range of claims and actions. A certified mediator, Mr. Lathrop has extensive experience representing business clients in mediation. His service to the legal profession in North Carolina has allowed him to develop relationships across the state that benefit the firm's clients. Mr. Lathrop has handled cases in North Carolina's courts, before arbitrators and before the North Carolina Industrial Commission. Recent matters include:

- A breach of a contract claim (sale of a \$40 million manufacturing facility), representing a plaintiff Fortune 500 corporation.
- Approximately 20 municipal eminent domain actions, representing the condemnor.
- A trademark infringement and breach of contract action involving competing cable television networks.

Of Note

- Named, as one of "[North Carolina's Super Lawyers](#)" by *Law & Politics* (2006-2008)
- Featured in a [North Carolina Super Lawyers](#) article entitled, "Setting the Bar" (February, 2007)
- Featured in [The Charlotte Observer](#) in an article entitled, "Mecklenburg County Bar: Next President Likes Low Profile" (June 2006)

