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Comparative Advertising on the Internet: Defining the Boundaries of Trademark Fair Use for Internet Metags and Trigger Ads

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**Comparative Advertising on the Internet: Defining the
Boundaries of Trademark Fair Use for Internet Metatags and
Trigger Ads**

*Benjamin F. Sidbury*¹

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I. Introduction

With well over a billion websites in existence, finding the desired material on the Internet can be a challenge.² Many individuals, businesses, and organizations are faced with the similar challenge of ensuring that their websites can be found by interested parties. Because websites are often the primary economic livelihood for individuals and businesses, the ease with which a website can be found is critical.³ Website designers,

² 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 n.2 (2000).

³ See William Romanos, *Internet Accuracy Wars: How Trademarks Used in Deceptive Metatagging Should be Dealt with to Increase Economic Efficiency*, 7 U. BALT. INTELL. PROP. L. J. 79, 80-81 (1998).

businesses, and advertisers have, therefore, gone to great lengths to ensure that their websites can be easily found by Internet search engines.⁴ Some website designers and businesses, however, have run afoul of intellectual property laws in their efforts to ensure that consumers can find their websites.

This article will examine the implications of the use of a competitor's trademark as a website metatag or trigger advertisement. Part II will discuss the technological background of metatags and will examine the various contexts in which metatags and trigger ads have been used. Part III will discuss the relationship between trademark law and metatags and will examine the ways in which courts have treated metatag and trigger ad cases, particularly in the application of the fair use defense. Part IV will seek to draw an articulable legal distinction between which uses of a competitor's trademark as a metatag or trigger ad should be infringement and which uses of a competitor's trademark as a metatag or trigger ad should be fair use. This article will attempt to reconcile the inconsistency among various courts⁵ and will argue that the use of a competitor's trademark as a metatag or trigger ad should not be fair use where the defendant's intent is to

⁴ See generally J. DIANNE BRINSON & MARK F. RADCLIFFE, INTERNET LAW AND BUSINESS HANDBOOK, 383-91 (2000) (hereinafter BRINSON & RADCLIFFE). Internet advertising expenditures exceed two billion dollars per year; this figure is expected to exceed 15 billion dollars per year by 2003. Galbraith, *supra* note 2, at 849.

⁵ See generally *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036 (9th Cir. 1999); *Playboy Enters., Inc. v. Netscape Communications Corp.*, 55 F. Supp. 2d 1070 (C.D. Cal. 1999), *affirmed by* 202 F.3d 278 (9th Cir. 1999); *Estee Lauder, Inc. v. The Fragrance Counter, Inc.*, No. 99-0382, 1999 U.S. Dist. LEXIS 14825 (S.D.N.Y. Sept. 24, 1999); *Niton Corp. v. Radiation Monitoring Devices, Inc.*, 27 F. Supp. 2d 102 (D. Mass. 1998); *Playboy Enters., Inc. v. Welles*, 78 F. Supp. 2d 1066 (S.D. Cal. 1999).

usurp the plaintiff's goodwill or to deceive consumers as to source or sponsorship.

II. Technology Overview

A. Metatag Primer

Before examining the legal implications of metatags, it is first necessary to understand the technological background of metatags. Websites are created and designed by using hypertext markup language ("HTML") code, which instructs a web browser – such as Microsoft Internet Explorer or Netscape Navigator – how to display the particular website.⁶ In the most general sense, metatags comprise part of a website's HTML code.⁷ Although metatags are not visible to a web surfer while viewing the actual website, metatags are inserted in the HTML source code for the sole purpose of being detected by Internet search engines.⁸ When a web surfer uses an Internet search engine to search for particular content on the Internet, the search engine uses a website's metatags to classify and index it among other websites.⁹

Although there are numerous types of metatags, the type of metatag most relevant to trademark law and to the focus of this

⁶ See Brian Kennan, *Diverting Traffic on the Web*, 1999 INTERNET LAW & REGULATION SPECIAL REPORT 1, 2-3 (1999); see also Dan McCuaig, *Halve the Baby: An Obvious Solution to the Troubling Use of Trademarks as Metatags*, 18 J. MARSHALL J. COMPUTER & INFO. L. 643, 646 n.5 (2000).

⁷ BRINSON & RADCLIFFE, *supra* note 4, at 387.

⁸ McCuaig, *supra* note 6, at 646. A particular website's metatags can be viewed, however, by looking at the particular website's source code, which is the code that instructs the web browser how to display the website. See *id.*

⁹ Romanos, *supra* note 3, at 80.

article is a keyword metatag.¹⁰ A keyword metatag, which is embedded in the HTML source code, serves as a means by which a search engine can determine the contents of the website.¹¹ Web designers typically insert keywords in the HTML code that relate to the content of the website with the hopes that web surfers will use these particular keywords when searching for websites containing particular content.¹² For example, a website devoted to the appreciation of French Impressionist art would presumably contain some of the following metatags arranged in HTML code:

```
<META NAME = "KEYWORDS"  
CONTENT = "IMPRESSIONISM,  
IMPRESSIONIST, FRENCH, FRANCE,  
MONET, WATER LILIES, MANET,  
RENOIR, DEGAS, CEZANNE, GIVERNY,  
FLANEUR">
```

Thus, if a web surfer is searching for websites devoted to French Impressionist art appreciation and enters several of the above-mentioned keyword metatags in a search engine, the search engine would return the link to the above website. The more keyword metatags that correspond to the web surfer's search terms, the greater the likelihood that a particular website will appear at or

¹⁰ Brian J. Gaffney, *Metatags and Keying: Is Their Use Trademark Infringement?*, 2000 COMPUTER L. J., available at <http://raven.cc.ukans.edu/~cybermom/CLJ/gaffney/gaffney.html> (last visited Oct. 21, 2001). A descriptive metatag, for example, which is not written in HTML code, provides the web surfer with a summary of the particular website. *Id.*

¹¹ McCuaig, *supra* note 6, at 646.

¹² *See id.*

near the top of the results list.¹³ Additionally, some website developers insert the same word multiple times in its metatag list, so that a link to a website will appear higher on the search engine's results list.¹⁴

B. Keyword Metatags and Keyword Trigger Ads

A problem arises, however, when a web designer uses a competitor's trademark as a keyword metatag. Website designers and businesses have used their competitors' trademarks as keyword metatags and trigger ads in several contexts.¹⁵

In some cases, businesses have used their competitors' trademarks as keyword metatags for purposes of luring web browsers to their own website rather than to their competitor's website.¹⁶ For example, suppose that ABC Corporation manufactures and sells athletic shoes, including its famous "Spyder" shoes. Suppose further than XYZ Corporation, a direct

¹³ *See id.*

¹⁴ Ian C. Ballon, *Using Trademarks to Drive Traffic to Websites and Other E-Commerce Law Issues*, 590 PRAC. L. INST./PAT 111, 189 (2000). Because over one billion websites exist today, a web surfer could potentially receive hundreds of website links after entering common keywords in an Internet search engine. *See Galbraith, supra* note 2, at 848 n.2. A web designer, therefore, has an incentive to attempt to make his particular website appear at or near the top of a search engine's results lists. Because search engines often classify and organize search results by relevance, a web designer might insert a keyword multiple times to increase the relevance of the web site in the results page and, therefore, make it seem more relevant to the web surfer. *See McCuaig, supra* note 6, at 646.

¹⁵ *See infra* notes 16-23 and accompanying text.

¹⁶ *See generally* Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036 (9th Cir. 1999); Niton Corp. v. Radiation Monitoring Devices, Inc., 27 F. Supp. 2d 102 (D. Mass. 1998).

competitor of ABC Corporation, also manufactures and sells athletic shoes. In order to lure potential web surfers and customers to XYZ Corporation's website, XYZ Corporation uses the terms "ABC" and "Spyder" in its keyword metatags. This is known colloquially as deceptive keyword metatagging.¹⁷

A slightly different, but related use of keyword metatags occurs when a third party website designer uses a competitor's trademarks as keyword metatags, but the business or entity contracting with the third party website designer does not authorize or have knowledge of the use of the competitor's metatags on its website.¹⁸ Because no court has been confronted with this issue, it is unclear whether and to what extent this type of unintentional metatagging will result in liability.

A third and related issue involves an advertising practice commonly referred to as "triggering" or "keying."¹⁹ Although trigger ads differ from metatags with respect to the underlying technology, trigger ads and metatags are analogous in purpose and effect, as a particular keyword interacts with the search engine's source code in both contexts.²⁰

¹⁷ See generally Shelby Clark, Note, *What a Tangled Web We Weave, When First We Practice to Deceive: Frames, Hyperlinks, Metatags, and Unfair Competition on the World Wide Web*, 50 HASTINGS L. J. 1333 (1999).

¹⁸ See Philip D. Porter, *The Nuts and Bolts of Web Site Contracts*, 16 COMPUTER LAW. 31 (1999) (discussing the legal issues raised by contracts and licensing agreements for the creation and design of web sites).

¹⁹ See Robert C. Sheinfeld & Parker H. Bagley, *Using Others' Trademarks to Trigger Internet Advertisements*, 55 N.Y. L.J. 221 (1999).

²⁰ Parker H. Bagley & Paul D. Ackerman, *Trigger Happy: The Latest Internet Assault on Trademark Rights*, 16 COMPUTER LAW. 1, 2 (1999). The only technological distinction between metatags and triggering is that keyword metatags are embedded in a particular website's source code in order to be found by search engines. Trigger ads contain keywords embedded in the search

Triggering occurs when a search engine sells keywords to an advertiser, so that after a web surfer enters those particular keywords in a search engine, advertising banners or pop-up advertisements appear along with the list of search results.²¹ For example, a photography company might buy the word "film" from a search engine. Each time a web surfer enters the word "film" into the search engine, the photography company's advertising banner or pop-up advertisement would appear. Moreover, if the web surfer clicks on the banner or pop-up ad, she would be transported to the photography company's website.

The problem arises, however, when a search engine sells a competitor's trademark as a banner or pop-up ad.²² For example, suppose that instead of the above-mentioned photography company buying the word "film," it bought the words "Kodak" and "Fuji." After a web surfer enters the keywords "Kodak" and "Fuji," the search engine would presumably list the official websites of Kodak and Fuji at or near the top of the results page.

engine's source code, which correspond with the actual search terms entered into the search engine. *See id.*

²¹ See Erik Anderson, *Protection of Trademarks from Use in Internet Advertising Banner Triggers: Playboy v. Netscape*, 40 JURIMETRICS J. 469 (2000); Galbraith, *supra* note 2; Scott Shipman, Comment, *Trademark and Unfair Competition in Cyber-space: Can These Laws Deter "Baiting" Practices on Web Sites?*, 39 SANTA CLARA L. REV. 245, 265 (1998). Internet search engines and businesses commonly sell banner advertisements, which appear on their websites in conspicuous areas. "Pop-up" advertisements are mini-websites that open and display advertising content while a web surfer is viewing the larger and primary website.

²² See *Playboy Enters., Inc. v. Netscape Communications Corp.*, 55 F. Supp. 2d 1070 (C.D. Cal. 1999), *affirmed by* 202 F.3d 278 (9th Cir. 1999); *Estee Lauder, Inc. v. The Fragrance Counter, Inc.*, No. 99-0382, 1999 U.S. Dist. LEXIS 14825 (S.D.N.Y. Sept. 24, 1999).

What if, however, the competing photography company designed a banner ad to appear above the Kodak and Fuji links and to display a "click here for free film" banner? As previously noted, clicking on the banner would transport the web surfer to the competing photography company's website.

When a business or advertiser uses a generic keyword in its keyword metatags or trigger ads, common sense dictates that this practice does not implicate trademark or unfair competition laws.²³ The problem arises, however, when a business or advertiser uses a competitor's trademark as a keyword metatag in its website or buys a competitor's trademark to use as a keyword to trigger an advertising banner or pop-up advertisement after a web surfer enters the competitor's trademark into a search engine. This raises the question of whether and to what extent trademark and unfair competition laws affect these practices.

III. Trademark and Unfair Competition Law

A trademark "is a symbol that allows a consumer to identify the source or sponsor of a particular good or service."²⁴ The underlying policy of trademark law is to avoid consumer confusion as to the source or sponsorship of goods or services.²⁵ The law of unfair competition has a similar underlying policy, as it

²³ For example, if a pet supply company used the term "dog food" as a keyword metatag in its website or as a keyword to trigger an advertising banner or pop-up advertisement, it is clear that this does not offend trademark or unfair competition laws.

²⁴ McCuaig, *supra* note 6, at 647. See also J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2.03 (4th ed.). A trademark "is a designation used 'to identify and distinguish' the goods of a person." *Id.* § 3.01 (quoting Lanham Act § 45, 15 U.S.C. § 1127 (1996)).

²⁵ *Id.* § 2.01.

seeks to protect consumers from deceit and confusion of source.²⁶ There are several causes of action available to a trademark owner against one who deceptively uses the mark as a metatag or trigger ad.

A. Trademark Infringement

Section 43 of the Lanham Act prohibits trademark infringement.²⁷ To prevail on a trademark infringement claim, a plaintiff must show that the defendant's use of the plaintiff's mark is "likely to cause confusion, or to cause mistake, or to deceive"²⁸ the relevant consumer base.²⁹

²⁶ See BEVERLY W. PATTISHALL ET. AL., TRADEMARKS AND UNFAIR COMPETITION, 1-6 (2000).

²⁷ Section 43 of The Lanham Act provides that:

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

(A) 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

(B) 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, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a)(1) (2000).

²⁸ Lanham Act § 32(1), 15 U.S.C. § 1114(1) (2000) (providing the test for infringement of a federally registered trademark). If the mark is not federally registered, the test is whether the defendant's use of the plaintiff's mark "is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association" of the defendant with the holder of the unregistered

B. Dilution

Even in the absence of a likelihood of confusion, the Lanham Act protects well-recognized and famous marks from dilution, which is “the lessening of the capacity of a famous mark” by a subsequent user of the mark.³⁰ Moreover, courts have recognized that dilution can occur through “blurring,”³¹ “tarnishment,”³² or “elimination.”³³

trademark. *See* Lanham Act § 43(a), 15 U.S.C. § 1125(a) (2000); *see also* McCuaig, *supra* note 6, at 649.

²⁹ In order to determine whether the defendant’s use of the plaintiff’s mark is likely to cause confusion among the relevant consumer base, courts weigh the eight Polaroid factors: (1) the strength of the mark; (2) the degree of similarity between the two marks; (3) the proximity and marketing channels of products; (4) the likelihood that the prior owner will bridge the gap; (5) actual confusion; (6) the defendant’s good faith in adopting the mark; (7) the quality of the defendant’s product; and (8) the sophistication of the buyers. *See* Polaroid Corp. v. Polarad Electronics Corp., 287 F.2d 492, 495 (2d Cir. 1961), *cert. denied*, 368 U.S. 820 (1961); *see also* Veronica Tucci, *The Case of the Invisible Infringer: Metatags, Trademark Infringement and False Designation of Origin*, 5 J. TECH. L. & POL’Y 2, 28 n.54 (2000).

³⁰ *See* Lanham Act § 45, 15 U.S.C. § 1127 (2000). Professor McCarthy notes that “the dilution doctrine ... [prevents the] gradual attenuation or whittling away of the value of a trademark, resulting from use by another, [which] constitutes an invasion of the senior user’s property right in its mark and gives rise to an independent commercial tort.” MCCARTHY, *supra* note 24, § 24.70.

³¹ Blurring is based on the notion that if consumers observe a famous mark being used to identify unrelated goods or services, the “unique and distinctive significance of the mark to identify and distinguish one source may be diluted and weakened.” MCCARTHY, *supra* note 24, § 24.68. *See also* McCuaig, *supra* note 6, at 651.

³² Tarnishment occurs when an unauthorized person or entity uses a famous mark in a manner that degrades or demeans the acquired distinctiveness of the famous mark. *See generally* Ameritech, Inc. v. American Info. Techs. Corp., 811 F.2d 960, 965 (6th Cir. 1987) (holding that tarnishment occurs when an

C. False Designation of Origin

Additionally, the Lanham Act prohibits the use of “any word, term, [or] name ... [that] is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection or association.” In order to prevail on a false designation of origin claim, a plaintiff must show the defendant’s use of the plaintiff’s mark is likely to cause consumers to believe that the defendant’s goods or services are sponsored by or affiliated with the plaintiff’s goods or services.³⁴

D. Initial Interest Confusion

The Lanham Act’s underlying policy of preventing consumer confusion is not limited merely to confusion at the “point of sale.”³⁵ On the contrary, trademark liability “can be based upon confusion that creates initial customer interest.”³⁶ Even if a customer would eventually realize that the defendant’s mark is not affiliated or associated with the plaintiff in any manner,

unauthorized user “corrodes the senior user’s interest in the trademark ... by damaging positive associations that have attached to it”).

³³ Elimination occurs when an unauthorized user eliminates a channel in which the trademark owner can use the mark. *See, e.g.,* Panavision Int’l, L.P. v. Toeppen, 945 F. Supp. 1296 (C.D. Cal. 1996), *aff’d*, 141 F.3d 1316 (9th Cir. 1998). This case arose in the context of cybersquatting, as the defendant registered the plaintiff’s trademark as a domain name, which eliminated the trademark owner’s ability to use its trademark as an internet domain name. *Id.*; *see also* McCuaig, *supra* note 6, at 652. It is significant to note, however, that dilution by elimination only appears to apply in the context of cybersquatting. *Panavision*, 945 F. Supp. at 1304.

³⁴ MCCARTHY, *supra* note 24, § 23.8; *see also* Tucci, *supra* note 29, at 29-30.

³⁵ *See, e.g.,* Blockbuster Entertainment Group v. Laylco., Inc., 869 F. Supp. 505 (E.D. Mich. 1994); *see also* Tucci, *supra* note 29, at 31-32.

³⁶ MCCARTHY, *supra* note 24, § 23.6.

the initial interest confusion is sufficient to establish infringement.³⁷

E. Defenses

In addition to the above-mentioned causes of action, the Lanham Act provides an exhaustive list of affirmative defenses that a defendant may raise.³⁸ For purposes of this article, the most relevant defense is fair use.³⁹ The fair use defense ordinarily comes into play under two circumstances: (1) when a trademark is being used for a non-trademark function,⁴⁰ or (2) when the defendant's use of the trademark is necessary to accurately describe the trademark owner's goods or services.⁴¹

IV. Metatags, Trigger Ads, and Trademark Law

Because the above-mentioned doctrines have traditionally been applied to visible marks, courts have struggled to apply these

³⁷ See *Blockbuster*, 869 F. Supp. at 513.

³⁸ See Lanham Act § 33(b), 15 U.S.C. § 1115(b) (2000).

³⁹ See 15 U.S.C. § 1115(b)(4) (2000).

⁴⁰ See 17 U.S.C. § 107 (2000). For example, a defendant might assert that the trademark owner is using the mark for a non-trademark function, such as a purely functional use. See *Sega Enters. Ltd. V. Accolade, Inc.*, 977 F.2d 1510 (9th Cir. 1992) (holding that a purely functional feature is not entitled to trademark protection). Note that the fair use defense in this context is related to the doctrine of functionality, which prohibits trademark protection if "the trademark serves some [purely] utilitarian, non-source-identifying purpose." *McCuaig*, *supra* note 6, at 654.

⁴¹ See *New Kids on the Block v. News Am. Publ'g*, 971 F.2d 302 (9th Cir. 1992) (applying the doctrine of non-trademark use to conclude that it is permissible to use a trademark owner's mark, even in commerce or advertising, to accurately refer to the trademark owner's product); see also MARK A. LEMLEY ET AL., SOFTWARE AND INTERNET LAW 462 (2000).

doctrines to marks hidden in HTML source code.⁴² The question becomes: how can confusion exist if the consumers cannot see the defendant's use of the plaintiff's mark? This article seeks to answer the question of whether and to what extent the fair use doctrine should be adapted to comport with this dilemma.

A. Case Law

Although the cases involving metatags and trigger ads are relatively few in number, a consistent pattern of holdings has emerged.⁴³ Because the use of a trademark owner's mark as a metatag differs to some extent from the use of a trademark owner's mark as a keyword trigger ad, the cases will be discussed separately.

1. *Metatag Cases*

Courts have consistently held that trademark law prohibits a website owner from using a competitor's trademark as a keyword metatag.⁴⁴ These cases stand for the proposition that a website

⁴² See *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036 (9th Cir. 1999).

⁴³ See McCuaig, *supra* note 6, at 654.

⁴⁴ *BRINSON & RADCLIFFE*, *supra* note 4, at 387; see also *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1043 (9th Cir. 1999) (holding that the defendant's use of the plaintiff's trademark as a metatag would produce initial interest confusion); *SNA, Inc. v. Array*, 51 F. Supp. 2d 554, 555 (E.D. Pa. 1999) (permanent injunction ordered against defendant's use of plaintiff's trademark as a metatag); *Playboy Enters., Inc. v. Asia Focus Int'l. Inc.*, 1998 WL 724000 (E.D. Va. Apr. 10, 1998) (holding that the defendant's use of the plaintiff's trademark as a metatag is prohibited by trademark law); *Oppedahl & Larson v. Advanced Concepts*, No. 97-Z-1592, 1998 U.S. Dist LEXIS 18359 (D. Col. Feb. 6, 1998) (permanent injunction ordered against defendant's use of plaintiff's law firm name in defendant's website metatags); *Niton Corp. v. Radiation Monitoring Devices, Inc.*, 27 F.

owner who intentionally or purposely uses a competitor's trademark as a keyword metatag for purposes of deceiving web surfers into believing that the defendant's website is sponsored by or affiliated with the plaintiff will be enjoined from using the plaintiff's trademark as a keyword metatag.⁴⁵ Moreover, it appears that either intent to deceive or bad faith⁴⁶ is required in order for an injunction to be imposed.⁴⁷ It is significant to note, however, that although plaintiffs in the various metatag cases have asserted numerous trademark and unfair competition causes of action,

Supp. 2d. 102, 104 (D. Mass. 1998) (injunction granted to prevent defendant from using plaintiff's trademark as a metatag); *Playboy Enters., Inc. v. Calvin Designer Label*, 985 F. Supp. 1218 (N.D. Cal. 1997) (temporary restraining order issued to bar defendant from using plaintiff's trademark as a keyword metatag), 985 F. Supp. 1220 (N.D. Cal. 1997) (preliminary injunction granted to bar defendant from using plaintiff's trademark as a keyword metatag), 1999 WL 329058 (N.D. Cal. 1999) (plaintiff prevailed on motion for summary judgment). *But see* *Playboy Enters., Inc. v. Welles*, 78 F. Supp. 2d 1066 (S.D. Cal. 1999) (holding that the defendant's use of the plaintiff's trademark as a metatag to describe herself was fair use).

⁴⁵ See, e.g., *SNA, Inc. v. Array*, 51 F. Supp. 2d 554, 563 (E.D. Pa. 1999) (finding bad faith and intent to deceive); *Playboy Enters., Inc. v. Asia Focus Int'l. Inc.*, 1998 WL 724000 (E.D. Va. Apr. 10, 1998) (holding that the "defendants ... purposefully employed deceptive tactics to attract consumers to their web site under the guise that their sites are sponsored by or somehow affiliated with" the plaintiff); see also McCuaig, *supra* note 6, at 657.

⁴⁶ See *supra* note 29 and accompanying text (listing the Polaroid factors, which include bad faith).

⁴⁷ See *supra* note 45 and accompanying text. It is significant to note, however, that intent to deceive or bad faith could be inferred by the plaintiff's trademark appearing in the defendant's metatags. See *id.* This raises the question of whether a website owner could escape liability by negating the bad faith or intent element. For example, suppose that a website designer inserted a competitor's trademark as a metatag, but the website owner was unaware of the existence of the competitor's trademark in its metatags.

courts have declined to “specifically and comprehensively address” the precise trademark implications of keyword metatags.⁴⁸

In *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, the Ninth Circuit went further than any previous court considering a metatag case by extensively discussing the trademark implications raised by the use of a competitor’s trademark as a keyword metatag.⁴⁹ In *Brookfield*, the defendant, West Coast Video, was using Brookfield’s “moviebuff” trademark as a keyword metatag in its website.⁵⁰ The court conceded that because West Coast’s website prominently displays its own name, it is unlikely that a consumer would be confused as to whether West Coast is affiliated with Brookfield.⁵¹ Nevertheless, the court held that the act of purposefully creating “initial interest confusion” or pre-sale confusion – even if no actual sale occurs as a result of the confusion – is sufficient to establish trademark infringement.⁵² It is significant to note, however, that the *Brookfield* court left unresolved the question of whether and to

⁴⁸ Stanley U. Paylago, *Trademark Infringement, Metatags, and the Initial Interest Confusion Remedy*, 9 MEDIA L. & POL’Y 49, 62 (2000). The plaintiffs in the above mentioned metatag cases asserted causes of action for trademark infringement, dilution, false designation of origin, as well as various state law unfair competition claims. See *supra* note 44.

⁴⁹ 174 F.3d 1036, 1043 (9th Cir. 1999).

⁵⁰ *Id.* at 1041-42.

⁵¹ *Id.* at 1062.

⁵² *Id.*; see also Paylago, *supra* note 48 (noting that “even if the initial confusion is dispelled and the misdirected consumers do not make a purchase, the act itself of purposefully generating pre-sale confusion by attracting or diverting potential customers by using another’s trademark, is sufficient to constitute trademark infringement”).

what extent the fair use doctrine applies in the context of keyword metatags.⁵³ The court noted that the defendant was free to use the plaintiff's trademark for comparative advertising purposes, but the court did not address the question of whether the defendant could concurrently use the plaintiff's trademark as a metatag in its website for purposes of comparative advertising.⁵⁴

2. *Trigger Ad Cases*

In *Playboy Enterprises, Inc. v. Netscape Communications*, Playboy brought suit against Netscape and Excite for selling the words "playboy" and "playmate" to third parties as trigger ad banners.⁵⁵ When a web surfer entered the words "playboy" or "playmate" in the Netscape or Excite search engines, a banner ad to a competitor's adult entertainment site would appear at the top of the results list.⁵⁶ The court held that "[e]ven if use of the generic 'playboy' and 'playmate' [words] were construed to be used [by the defendant as] the trademark terms," this is insufficient to establish a likelihood of confusion.⁵⁷

In *Estee Lauder, Inc. v. The Fragrance Counter, Inc.*, Estee Lauder alleged that Excite sold the terms "Estee Lauder" and other federally registered marks to a competitor so that the competitor's ad banner would appear at the top of the search engine's results page each time a web surfer entered one of Estee Lauder's

⁵³ 174 F.3d at 1065-66.

⁵⁴ *Id.*; see also Mark Sableman, *Business Liabilities on the Internet*, 2-12 JOURNAL OF INTERNET LAW 1, 7 (1999).

⁵⁵ 55 F. Supp. 2d 1070, 1072 (C.D. Cal. 1999).

⁵⁶ *Id.* Netscape (which also provides browser software) and Excite provide free Internet search engines.

⁵⁷ *Id.* at 1073-74; see also Galbraith, *supra* note 2, at 876. Additionally, Playboy alleged a dilution claim, but the court held that Playboy failed to show any actual blurring of the marks. 55 F. Supp. 2d at 1075.

trademarks into Excite's search engine.⁵⁸ Because The Fragrance Counter is in no way associated with or authorized to sell Estee Lauder products, Estee Lauder alleged trademark infringement and other trademark and unfair competition causes of action.⁵⁹ The case settled, however, on August 1, 2000, with Excite agreeing to remove all of the plaintiff's trademarks from its list of keywords for sale.⁶⁰

As previously noted, trigger ads and metatags are technologically distinguishable, but are analogous for trademark purposes.⁶¹ Although the trigger ad cases provide very little precedential value, they seem to suggest that some uncertainty remains as to the extent to which one may use a competitor's trademark in its Internet HTML code for comparative advertising purposes.

B. Trademark Fair Use

To date, only one case has dealt with the extent to which the fair use defense applies to the use of a competitor's trademark in another's website HTML code.⁶² In *Playboy Enterprises, Inc. v. Welles*, the defendant, Terri Welles, who was Playboy's "Playmate of the Year for 1981," used Playboy's "playboy" and "playmate" trademarks in her website metatags.⁶³ The court noted that where a trademark is used by another to describe "a person, place, or an attribute of a product ... the 'policies of free competition and free

⁵⁸ No. 99-0382, 1999 U.S. Dist. LEXIS 14825 (S.D.N.Y. Sept. 24, 1999).

⁵⁹ See *id.*

⁶⁰ See John F. Delaney & M. Lorrane Ford, *The Law of the Internet: A Summary of U.S. Internet Caselaw and Legal Developments*, 631 PRAC. L. INST./PAT 31, 151 (2001).

⁶¹ See *supra* note 20 and accompanying text.

⁶² *Playboy Enters., Inc. v. Welles*, 78 F. Supp. 2d 1066 (S.D. Cal. 1999).

⁶³ *Id.* at 1071-72.

use of language dictate that trademark law cannot forbid the commercial use of the terms in their descriptive sense.”⁶⁴

Section 33(b)(4) of the Lanham Act provides that a defendant must establish three elements to succeed on a fair use defense: (1) the defendant is not using the term as a trademark or service mark; (2) the defendant is using the term “fairly and in good faith;” and (3) the defendant is using the mark “[o]nly to describe” its own goods or services.⁶⁵ Under factor one, the court found that there was “no other way” for the defendant to identify or describe herself “without venturing into absurd descriptive phrases.”⁶⁶ Under factor two, the court found that the defendant used the terms “fairly and in good faith” because she undertook several measures to eliminate any potential confusion as to source or sponsorship.⁶⁷ Under factor three, the court applied the *Sleekcraft* factors,⁶⁸ and determined that the totality of the circumstances did not compel a finding of a likelihood of confusion.⁶⁹ The court, therefore, granted summary judgment in

⁶⁴ *Id.* at 1073 (quoting MCCARTHY, *supra* note 24, § 11.45).

⁶⁵ *Id.* at 1074 (quoting 15 U.S.C. 1115(b)(4) (1999)).

⁶⁶ *Id.* at 1079.

⁶⁷ *Id.* at 1079-80. Specifically, Welles made a good faith effort to avoid litigation by (1) adding disclaimers to the bottom of her web site, (2) including a hyperlink to Playboy’s website, (3) substituting the visual title of her web site from “Playboy Playmate of the Year 1981” to “Terri Welles, Playmate of the Year, 1981,” (4) removing the digital images of three Playboy magazine covers, and (5) removing all of Playboy’s copyrighted images. Additionally, she did not use any other Playboy trademarks or trade dress, such as the Playboy font or the Playboy bunny. *Id.*

⁶⁸ The eight *Sleekcraft* factors are synonymous with the eight Polaroid factors used by courts to determine whether the defendant’s use of the plaintiff’s mark will result in a likelihood of confusion. See *supra* note 29 and accompanying text.

⁶⁹ *Id.* at 1081-90.

favor of Welles, holding that her use of Playboy's trademarks in her website metatags was "nominative" fair use.⁷⁰

Welles seems to stand for the proposition that a website owner may use another's trademark as a keyword metatag if there is no other way to describe its own goods or services. But this particular application of the fair use doctrine necessarily leaves many unanswered questions regarding the extent to which the fair use defense is available in other descriptive and nominative contexts involving metatags and trigger ads.

Some commentators have recognized two categories of fair use: descriptive fair use and nominative fair use.⁷¹ Descriptive fair use allows one to use another's trademark to describe the non-trademark owner's product or service.⁷² Descriptive fair use would arise, for example, where a journalist uses a trademark owner's mark to describe the particular product.⁷³

Nominative fair use, which was applied in *Welles*,⁷⁴ allows one to use another's trademark to show the relationship between

⁷⁰ *Id.* at 1075 (noting that nominative fair use is only available when the plaintiff's trademark is "the only word reasonably available to describe a particular thing").

⁷¹ *See, e.g.,* Tucci, *supra* note 29, at 47-49.

⁷² *Id.* at 47; *see also* Sunmark, Inc. v. Ocean Spray Cranberries, Inc., 64 F.3d 1055, 1060 (7th Cir. 1995).

⁷³ *See supra* note 41 and accompanying text. Some commentators argue, as a matter of semantics, that this is not fair use, but merely non-trademark use. *See id.*

⁷⁴ *See Welles*, 78 F. Supp. 2d at 1075. It is interesting to note that the *Welles* court may have applied the incorrect form of fair use. Because Terri Welles was using the "playboy" and "playmate" terms to describe herself rather than to compare or contrast her goods or services to that of Playboy Magazine, the *Welles* court could have reached its fair use conclusion by applying the descriptive fair use doctrine. *See id.*

the two products or services.⁷⁵ The nominative fair use defense is ordinarily applied to situations involving comparative advertising.⁷⁶

To succeed on a nominative fair use defense, a defendant must generally prove three elements. First, the defendant may only use the plaintiff's mark to the extent necessary to identify the plaintiff's product or service.⁷⁷ Put differently, the defendant must show that he is not using the plaintiff's trademark in the trademark sense.⁷⁸ Second, the defendant's use of the plaintiff's mark must be the only way for the defendant to describe the plaintiff's goods or services.⁷⁹ In other words, the defendant must show that he is using the plaintiff's mark in good faith and not for purposes of usurping the plaintiff's goodwill in the mark.⁸⁰ Finally, the defendant may not use the mark in any manner "that suggests that [the] plaintiff endorses or sponsors [the] defendant's website."⁸¹

⁷⁵ Tucci, *supra* note 29, at 48; *see also* David M. Kelly & Jonathan M. Gelchinsky, *No Fair! Stop Using My Marks: A Look at the Fair Use Defense on the Internet*, INTELL. PROP. TODAY, July 1999, at 16.

⁷⁶ Tucci, *supra* note 29, at 48.

⁷⁷ *See id.*; *see also Welles*, 78 F. Supp. 2d at 1074.

⁷⁸ *See Welles*, 78 F. Supp. 2d at 1074. Courts typically consider factors such as the visual placement, font size, and the prominence of the word. *See Engineered Mechanical Servs. v. Applied Mechanical Tech., Inc.*, 584 F. Supp. 1149, 1158 (M.D. La. 1984).

⁷⁹ Tucci, *supra* note 29, at 48; *see also Welles*, 78 F. Supp. 2d at 1074.

⁸⁰ Jeffrey R. Kuester & Peter A. Nieves, *Hyperlinks, Frames and Meta-Tags: An Intellectual Property Analysis*, 38 IDEA 243, 259 (1998).

⁸¹ Tucci, *supra* note 29, at 48.

Courts apply a traditional likelihood of confusion analysis to determine whether a defendant comports with the third factor.⁸²

The larger and more significant question, which *Welles* did not reach, is the extent to which a website owner may use another's trademark as a metatag or trigger ad for purposes of comparative advertising. Although it is well established that a website owner may not use another's trademark as a keyword metatag solely for purposes of deceiving consumers⁸³ and although it is equally established that one may use another's trademark for purely descriptive purposes,⁸⁴ there is a proverbial gray area emerging between purely deceptive purposes and purely descriptive purposes in the context of Internet advertising.

V. Establishing the Boundaries of Fair Use

As previously noted, one of the underlying policies of the fair use defense is to prevent a trademark owner from using the mark to stifle competition.⁸⁵ Moreover, courts and commentators have recognized that the policies of free competition dictate that one should be permitted to use another's mark (even for commercial purposes) if the use of the mark is for merely descriptive purposes.⁸⁶ In theory, this suggests that one should be permitted to use another's trademark for comparative advertising purposes in the context of metatags and trigger ads.

⁸² Kuester & Nieves, *supra* note 80, at 259. Courts perform a likelihood of confusion analysis by balancing the eight Polaroid factors. *See supra* note 29 and accompanying text.

⁸³ *See supra* notes 44-47 and accompanying text.

⁸⁴ *See supra* notes 72-73 and accompanying text.

⁸⁵ *See* MCCARTHY, *supra* note 24, § 11.45.

⁸⁶ *See Welles*, 78 F. Supp. 2d at 1074 (citing MCCARTHY, *supra* note 24, § 11.45); *see also* LEMLEY, *supra* note 41 and accompanying text.

A. Forcing Square Pegs into Round Holes?

Under the current regime of Internet trademark jurisprudence, a conflict has emerged between the policies underlying the fair use defense and the practical application of the fair use doctrine. As previously noted, the Ninth Circuit in *Brookfield* held that the act of purposefully creating initial interest confusion – even if no actual sale results from the confusion – is sufficient to establish trademark infringement.⁸⁷ The problem arises, however, when a defendant who uses another's trademark for comparative advertising purposes on both its website and in its metatags, asserts the three-pronged nominative fair use defense recognized in *Welles*.⁸⁸

For example, suppose that A, an athletic shoe manufacturer, establishes a website to sell athletic shoes. Suppose further that A's website provides detailed specification charts that use his competitor's trademark to accurately describe the competitor's products for purposes of comparative advertising. It is well established that A's use of his competitor's trademark *on the specification charts* would be nominative fair use because (1) A is not using his competitor's mark as a trademark; (2) A's use of the competitor's mark is in good faith and is the only way to accurately describe the product; and (3) comparative advertising does not present a likelihood of confusion.⁸⁹ Suppose, however, that A inserted his competitor's trademark as a keyword metatag in his website for purposes of increasing the likelihood that consumers will be able to find his specification and comparison

⁸⁷ *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1062 (9th Cir. 1999).

⁸⁸ See *supra* notes 65-70 and accompanying text.

⁸⁹ See Tucci, *supra* note 29, at 48; see also *Welles*, 78 F. Supp. 2d at 1074.

chart. The unsettled issue is whether A may use his competitor's trademark as a metatag for comparative advertising purposes.

The question, therefore, becomes whether A's use of his competitor's trademark as a keyword metatag for comparative advertising purposes is fair use. To make this determination, courts would apply the three-pronged test articulated in *Welles*.⁹⁰ Under the first prong, A must prove that he is not using his competitor's mark as a trademark and that he is only using the mark to the extent necessary to identify the plaintiff's mark. This factor presents some difficulty in its application; while A is not using his competitor's mark as a trademark in the HTML code, a court might deem that A's use of the mark *as a metatag* is not necessary to identify the plaintiff's products. Thus, it is unclear whether A could establish the first prong.

Under the second prong, A must prove that his use of the plaintiff's mark is in good faith and is the only way to describe the plaintiff's products. A could establish this prong by showing that his use of the plaintiff's mark as a metatag is in good faith and is the only way to describe his competitor's product.

The crux of the problem arises, however, under the third prong. Under this prong, A must show that his use of the competitor's mark as a metatag does not suggest that the plaintiff endorses or sponsors A's website. As previously noted, courts have traditionally analyzed the third prong by employing a likelihood of confusion analysis.⁹¹ Under *Brookfield*, however, courts in the Ninth Circuit – and other courts that choose to adopt this approach – will not analyze the third prong under a traditional

⁹⁰ See 78 F. Supp. 2d at 1074.

⁹¹ Kuester & Nieves, *supra* note 80, at 259. Courts perform a likelihood of confusion analysis by balancing the eight Polaroid factors. See *supra* note 29 and accompanying text.

likelihood of confusion analysis, but under a likelihood of initial interest confusion standard.⁹² *Brookfield*, therefore, imposes a harsher and higher standard for metatag defendants than traditional trademark infringement defendants.

Although the *Brookfield* court noted that one is free to use another's trademark for comparative advertising purposes, it did not address the question of whether one may concurrently use the plaintiff's trademark as a metatag in its website for purposes of comparative advertising.⁹³ It is, therefore, unclear whether A could establish an absence of a likelihood of initial interest confusion. Thus, it is unclear whether A could establish a nominative fair use defense for his use of a competitor's mark as a metatag.

A similar example will suffice to illustrate the difficulty of applying the Ninth Circuit framework to trigger ad cases. Suppose that A "buys" a particular keyword – a federally registered trademark of B (his competitor) – from a search engine, so that an advertising banner will appear at the top of the results list each time a web surfer enters the keyword into a search engine. Suppose further that the banner reads: "Why pay more for B's shoes when A's shoes are of better quality?"⁹⁴ This is clearly nominative fair use under the traditional fair use analysis, but the result might change under the initial interest confusion approach to the third fair use factor.⁹⁵

These examples illustrate that the traditional test for nominative fair use is unworkable in the context of metatags and

⁹² See *Brookfield*, 174 F.3d at 1062.

⁹³ *Id.* at 1065-66.

⁹⁴ Note that clicking on the banner would transport the web surfer to A's web site.

⁹⁵ See *supra* notes 74-82 and accompanying text.

trigger ads. Moreover, in the context of comparative advertising, the *Brookfield* initial interest confusion approach seems to expand a trademark owner's rights while it restricts free competition.

B. Proposal

In trademark law, two recurring, underlying policies might be of value in resolving the fair use dilemma presented in this article. First, the Lanham Act recognizes that a mark's acquired goodwill should be protected.⁹⁶ Second, and as previously noted, courts seem to have imposed the requirement that intent to deceive or bad faith be present in order for a plaintiff to be awarded injunctive relief or damages in the context of metatags or trigger ads.⁹⁷

Because the traditional fair use analysis does not comport with metatag and trigger ad technologies,⁹⁸ a more appropriate test should focus on the defendant's intent and good faith. That is, this article proposes that courts should focus on two primary disjunctive factors. If the plaintiff can show that the defendant is either (1) using the plaintiff's mark with the intent to usurp the plaintiff's good will (and lure web surfers to defendant's website rather than plaintiff's site) or (2) is acting in bad faith by creating deception as to source or sponsorship, the court should enjoin the defendant's use of the plaintiff's mark in the defendant's metatags. Because the proposed test is a factual inquiry into the defendant's

⁹⁶ See 15 U.S.C. § 1125(c)(1) (2000); see also *Welles*, 78 F. Supp. 2d at 1095.

⁹⁷ See *supra* notes 45-47 and accompanying text.

⁹⁸ See *supra* notes 89-95 and accompanying text.

intent or bad faith, courts may infer intent or bad faith from the surrounding facts and circumstances.⁹⁹

The proposed test for fair use would, therefore, bar a defendant from establishing the fair use defense if he uses the plaintiff's mark (as a keyword metatag or trigger ad) with the intent to usurp the plaintiff's good will or to create deception as to source or sponsorship.¹⁰⁰ Because the likelihood of initial interest confusion approach is problematic, this test would both preserve the policies of "free competition" and protect a mark from dilution or infringement.¹⁰¹

VI. Conclusion

In the global Internet market, businesses live and die not only by sales and advertising revenues, but also by the ease with which consumers can find their website.¹⁰² As a result, it is axiomatic that courts will continue to be faced with complex questions regarding the extent to which the fair use defense should apply to metatag and trigger ad issues. Because trademark law has traditionally been applied to visible uses of marks, the framework proposed in this article – to focus on the defendant's intent to

⁹⁹ See, e.g., *Sunbeam Products, Inc. v. West Bend Co.*, 123 F.3d 246, 258 (5th Cir. 1997) (inferring bad faith intent to usurp plaintiff's goodwill from the facts and circumstances of the case).

¹⁰⁰ Additionally, this approach would address the issue of unintentional metatagging. As previously discussed, this occurs when a third party website designer inserts another's trademark into the website's metatags. The website owner, however, does not authorize or have knowledge of the use of the competitor's trademark in its metatags. The above mentioned approach might serve as a mechanism for website owners to avoid monetary damages, provided that the trademarks are removed from the website's HTML code.

¹⁰¹ See *Welles*, 78 F. Supp. 2d at 1073.

¹⁰² See *supra* notes 3-4 and accompanying text.

deceive or intent to usurp the plaintiff's goodwill – is an attempt to bridge traditional trademark analysis with contemporary technology. It is also one step in the process of recognizing that our intellectual property laws must be adapted and thoughtfully tailored to comport with new technologies.