

Trademark Infringement Claims in Keyword Advertising

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Over the past few years, companies have become increasingly interested in Internet advertising because of its ability to target, find, and attract customers. Companies use keyword advertising to increase their search engine rankings and Internet presence. Search engine providers, such as Google, Bing, and Yahoo, have created keyword advertising programs in addition to their normal Internet search engine features to aid companies in this endeavor. These programs auction off keywords for Internet advertisers to bid on and “purchase” so that their products and services can be associated with certain keywords. When the purchased keyword is entered into a search engine, the ad or website of an advertiser that purchased the keyword will receive priority placement in the search results, thereby driving Internet traffic to its website.

For example, if a person was opening a new bakery in Dallas and wanted to advertise the bakery on Google, the first step would be to create an online advertisement for the bakery. Next, the owner would choose search terms that would cause the advertisement to appear in Google when certain words or phrases are entered. The bakery owner could purchase “bakery Dallas,” “pastry Dallas,” “bake shop Dallas,” or other bakery-related terms to cause the bakery’s advertisement to appear. If the words or phrases people type into the Google search match the owner’s purchased keywords, the bakery’s advertisement will appear above or next to the search results.

Potential problems arise with purchasing keywords for advertising when companies purchase their competitors’ trademarks as keywords so that the purchasing company’s advertisement displays when a consumer searches for the competitors’ mark. Using the example above, what if the start-up bakery owner wanted to purchase a competing bakery’s trademark as a keyword



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because it would generate more Internet traffic than the bakery would get by using its own new and relatively unknown trademark? Imagine if the new bakery purchased the keyword “Sprinkles Cupcakes” so that the new bakery’s ad is displayed on the results page to anyone who searches the term “Sprinkles Cupcakes.” It is easy to see why this type of advertising can be incredibly appealing, but is it trademark infringement under existing law? And if it is, is Google liable for selling the trademark of another as a keyword? Are consumers likely to be confused if they type in the name or trademark of the competing bakery and an advertisement for the new bakery appears?

Many brand owners believe that the answer is “yes” and, as a result, numerous lawsuits claiming that the use of a trademark in keyword advertising is trademark infringement have been filed. Courts have been grappling with the interesting and complex issues surrounding keyword advertising and trademark infringement for the past few years, however, and seem to be taking a different view, holding that such conduct is likely not trademark infringement. The overwhelming majority of courts have sided with the defense in these cases—with a lack of a likelihood of confusion as their primary basis.

I. What Is Keyword Advertising?

Search engines, such as Google, Yahoo, and Bing, have keyword advertising programs in addition to their normal Internet search engine features. When using the normal search feature of these search engines to locate information on the Internet, consumers enter the desired search term (“shoes” for example), and the search engine creates a results page of “organic links” containing all of the websites that its unique algorithms determine are relevant to that search term. These are normally ranked from most relevant at the top of the results page to least relevant on the bottom and following pages.¹

In addition to the “organic links,” the results page may also contain “sponsored links,” which are context-based, or keyword, advertisements. When a consumer uses the search engine by submitting a term, the search engine will place advertisements on the consumer’s screen “if an advertiser, having determined that its ad is likely to be of interest to a searcher who enters that particular term, has purchased from [the search engine] the placement of its ad on the screen of the consumer who entered the search term.”²

Google’s AdWords program is perhaps the best-known example of keyword advertising, that is, a form of advertising that produces content based on detection of certain words or phrases. AdWords allows customers to bid on terms that will be used as keywords; typically, these keywords include words and phrases that an Internet user might enter into Google’s

1. See *FPX, LLC v. Google, Inc.*, 276 F.R.D. 543, 546 (E.D. Tex. 2011).

2. See *id.*

search engine as search terms. Through its associated Keyword Suggestion Tool, Google actively encourages some customers to purchase certain keywords. Once a keyword has been purchased, Google links an advertisement and hyperlink to the keyword to create what is referred to as a “sponsored link.” Subsequent entry of the keyword by an Internet user triggers the appearance of the advertiser’s ad and link on the user’s screen whenever a searcher launches a Google search based on the purchased search term.³ The search engine “displays these advertisements on the search results page in a separate area, usually in the right margin or in a horizontal band immediately above the column of relevance based search results,” and they are almost always clearly marked as “paid advertisements” or “sponsored links.”⁴

The AdWords program allows advertisers to create, change, and monitor the performance of sponsored links. These sponsored links consist of three parts. The first part is the headline, which incorporates a link to a webpage. The second part is the address of the webpage. The third part of the link is the advertising text, which usually consists of a brief summary of the subject of the sponsored link and sometimes the advertiser’s business.

A more recent addition to Google’s search results page is the Knowledge Graph box. According to Google, “[t]he Knowledge Graph enables you to search for things, people or places that Google knows about—landmarks, celebrities, cities, sports teams, buildings, geographical features, movies, celestial objects, works of art, and more—and instantly get information that’s relevant to your query.”⁵ The relevant information Google refers to appears on the right hand side of the search results page and links to public sources, including Wikipedia. The information shown in this section is derived from a collection of information about real world things and their connections to other things; Knowledge Graph gathers information about a topic from several sources before refining the information based on the most popular questions people ask about that subject. For an example of Google’s search layout, enter the word “iPhone” in Google.com; the results page includes both organic search results and sponsored links as well as Google’s Knowledge Graph.

II. Trademark Infringement

The Lanham Act governs cases brought for trademark infringement.⁶ Courts consider a variety of factors in this highly fact-specific analysis, but no consensus has yet emerged as to what factors should be considered in

3. *Id.*

4. *Id.* at 547.

5. *Introducing the Knowledge Graph: things, not strings*, GOOGLE OFFICIAL BLOG, May 16, 2012), <https://googleblog.blogspot.com/2012/05/introducing-knowledge-graph-things-not.html> (last accessed on May 31, 2016).

6. Lanham Act, 15 U.S.C. §§ 1051–1141.

these keyword advertising cases, much less which factors should be considered controlling. In general, to establish trademark infringement under the Lanham Act, the brand owner must show: (1) it has a valid mark; (2) the alleged infringer used the mark in commerce without its consent; (3) in a manner that is likely to cause confusion or mistake or to deceive the public as to an affiliation, endorsement, or sponsorship between the parties; and (4) damages as a result of this confusion.⁷

In applying these elements to cases involving a trademark as a search engine keyword that triggers sponsored link advertisements appearing alongside organic search results, courts have focused on the following issues: (1) whether the sale and purchase of keywords in this manner is trademark “use” that can give rise to trademark infringement in the first place; and (2) assuming keyword purchasing is “use,” whether it causes a likelihood of confusion.

Early on in keyword advertising suits, courts routinely dismissed cases on the grounds that the trademarked keywords were not “used in commerce” because the trademarks were not generally visible and were not used directly in connection with the sale of goods and services. However, within the past few years, courts that have considered the legal issue of whether the purchase of such keyword search terms constitutes “use in commerce” for the purposes of trademark infringement have almost unanimously decided that it does.⁸ Indeed, today, it is well settled in most jurisdictions that the sale and purchase of trademarks as keywords meet the “use in commerce” element of the Lanham Act.⁹ With the “use in commerce” element decided, cases have proceeded to the more fact-specific inquiry of whether keyword advertising is likely to cause confusion.

7. 15 U.S.C. §§ 1141(1)(a), 1127(a)(1).

8. *Rescuecom v. Google*, 562 F.3d 123 (2d Cir. 2009); *Venture Tape Corp. v. McGills Glass Warehouse*, 540 F.3d 56 (1st Cir. 2008); *N. Am. Med. Corp. v. Axiom Worldwide, Inc.*, 522 F.3d 1211 (11th Cir. 2008); *1-800 Contacts, Inc. v. Mem'l Eye, P.A.*, 95 U.S.P.Q.2d 1226 (D. Utah Mar. 15, 2010); *Deltek, Inc. v. IUVO Sys., Inc.*, No: 1:09cv330, 2009 WL 1073196 (E.D. Va. 2009); *Morningware, Inc. v. Hearthware Home Prods., Inc.*, 673 F. Supp. 2d 630 (N.D. Ill. 2009); *Fair Isaac Corp. v. Experian Info. Sols., Inc.*, 645 F. Supp. 2d 734 (D. Minn. 2009); *Soilworks, LLC v. Midwest Indus. Supply, Inc.*, 575 F Supp. 2d 1118 (D. Ariz. 2008); *J.G. Wentworth, S.S.C. Ltd. P'ship v. Settlement Funding LLC*, 85 U.S.P.Q.2d 1780 (E.D. Pa. 2007).

9. Before 2009, district courts in the Second Circuit ruled that a use of trademarked keywords was not a “use” under the Lanham Act because the use was “strictly internal” and not visible to the public. *See, e.g.*, *S & L Vitamins, Inc. v. Australian Gold, Inc.*, 521 F. Supp. 2d 188, 200 (E.D.N.Y. 2007); *Merck & Co., Inc. v. Mediplan Health Consulting, Inc.*, 425 F. Supp. 2d 402 (S.D.N.Y. 2006). The Second Circuit overturned this position in 2009, bringing the circuit into agreement with the majority of courts by concluding that search engine keyword advertising programs are “use in commerce” because search engines make trademarked keywords available for purchase and display them in the search results. *Rescuecom*, 562 F.3d at 127–30; *see also, e.g.*, *Network Automation Inc. v. Advanced Sys. Concepts Inc.*, 638 F.3d 1137, 1144 (9th Cir. 2011); *Australian Gold Inc. v. Hatfield*, 436 F.3d 1228, 1239 (10th Cir. 2006) (finding a “violation of the Lanham Act” where “Defendants paid Overture.com to list Defendants in a preferred position whenever a computer user searched for Plaintiffs’ trademarks”).

A. Confusion Factors

If the keywords are “used in commerce,” a plaintiff in a keyword case must still prove that the use of the trademark in keyword advertising is likely to cause consumer confusion.

General consensus has not emerged on what factors courts should consider when evaluating confusion or what types of evidence are most relevant to proving confusion in the keyword advertising context. Courts have thus applied different factors and reached varying conclusions as to whether the use of trademarks as keywords in sponsored searches is likely to cause confusion. Moreover, most keyword advertising cases settle before they go to trial, thereby minimizing the clarity of the law.

To the extent a general rule can be garnered from the cases, courts assess likelihood of confusion by considering several factors. The factors vary slightly by jurisdiction, but generally include: (1) the strength of the mark, (2) the proximity of the goods, (3) the similarity of the marks, (4) any evidence of actual confusion, (5) what marketing channels were used, (6) the typical degree of care purchasers use when purchasing the particular type of goods or services, (7) whether the defendant intended to confuse consumers, and (8) the likelihood that product lines will expand to directly compete.¹⁰

Moreover, there seems to be a general consensus that not all the factors in the traditional multifactor confusion test are relevant in this context, that courts should consider the list of factors to be non-exhaustive, and that the factors should not be applied mechanically.¹¹ Courts have stressed that the weight given to the factors depends upon the context and that certain factors, like the similarity of the marks, have little or no weight in the context of keyword advertising.¹²

For example, the Ninth Circuit has held that “the most relevant factors to the analysis of the likelihood of confusion are: (1) the strength of the mark; (2) the evidence of actual confusion; (3) the type of goods and degree of care likely to be exercised by the purchaser; and (4) the labeling and appearance of the advertisements and the surrounding context on the screen displaying the results page.”¹³ The “*central issue* at play where online retail search results are concerned” is “the likelihood of confusion [, which] will ultimately turn on what the consumer saw on the screen and reasonably believed, given the context.”¹⁴

10. See, e.g., 1-800 Contacts, Inc. v. Lens.com, Inc., 722 F.3d 1229, 1243 (10th Cir. 2013); Rosetta Stone v. Google, Inc., 676 F.3d 144, 153-54 (4th Cir. 2012); *Network Automation*, 638 F.3d at 1149-54.

11. *Network Automation*, 638 F.3d at 1149; *Rosetta Stone*, 676 F.3d at 154; *1-800 Contacts*, 722 F.3d at 1243.

12. *Network Automation*, 638 F.3d at 1149; *Rosetta Stone*, 676 F.3d at 154; *1-800 Contacts*, 722 F.3d at 1243.

13. *Network Automation*, 638 F.3d at 1154.

14. *Id.* at 1153 (internal quotation marks omitted).

Likewise, the Fifth Circuit has set out a “nonexhaustive” list of factors to consider when analyzing the “likelihood of confusion” element of a trademark infringement claim.¹⁵ The factors to consider are: (1) the type of trademark, (2) mark similarity, (3) product similarity, (4) outlet and purchaser identity, (5) advertising media identity, (6) defendant’s intent, (7) actual confusion, and (8) care exercised by potential purchasers.¹⁶ “No one factor is dispositive,” and “in addition to the listed factors, a court is free to consider other relevant factors in determining whether a likelihood of confusion exists.”¹⁷

Furthermore, the likelihood of confusion requires “a probability of confusion, not a mere possibility.”¹⁸ Although not an outright requirement, most courts analyzing likelihood of confusion require either survey evidence, expert testimony, or both to prove the existence of a likelihood of confusion.¹⁹

While there is no general consensus on the confusion factors, it is clear that one factor is considered substantially significant in any decision: the presence or absence of actual confusion.²⁰

B. *Initial Interest Confusion*

Initially, plaintiffs challenging the use of their trademark as a search engine keyword argued that keyword advertising creates “initial interest confusion.”²¹ The initial interest confusion argument is as follows: when a consumer inputs a trademark, such as “Sprinkles Cupcakes,” into a search engine and sees a results page with an advertisements for a competitor—for example, “Sweet Sprinkles” because “Sweet Sprinkles” purchased the keyword “Sprinkles Cupcakes”—the consumer is confused about whether “Sprinkles Cupcakes” is somehow affiliated or connected with “Sweet Sprinkles.” Plaintiffs argue this is the case even if consumers are not ultimately confused as to the source of the advertisement prior to purchase.

15. See *Xtreme Lashes, LLC v. Xtended Beauty, Inc.*, 576 F.3d 221, 227 (5th Cir. 2009).

16. *Id.*

17. *Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188, 194 (5th Cir. 1998).

18. *Xtreme Lashes*, 576 F.3d at 226.

19. See, e.g., *King-Size, Inc. v. Frank’s King-Size Clothes, Inc.*, 547 F. Supp. 1138, 1162 (S.D. Tex. 1982) (“Plaintiffs did not present to the Court a survey or any other evidence of actual confusion. The Court views these omissions as both suspect and significant.”); see also *Gov’t Emp. Ins. Co. v. Google, Inc.*, No. 1:04-cv-507, 2005 WL 1903128, at *5 (E.D. Va. Aug. 8, 2005) (“[t]o prove likelihood or absence of confusion . . . parties commonly introduce the results of customer or potential customer surveys.”); *Pharmacia Corp. v. Alcon Labs, Inc.*, 201 F. Supp. 2d 335, 373 (D.N.J. 2002) (“The Court is aware that Pharmacia is not legally required to conduct a confusion survey. But under the circumstances of this case, Pharmacia’s failure to conduct any confusion survey weighs against its request for preliminary injunction. Such a failure, particularly when the trademark owner is financially able, justifies an inference that the plaintiff believes the results of the survey will be unfavorable.”).

20. See, e.g., *Network Automation*, 638 F.3d at 1149; *Rosetta Stone*, 676 F.3d at 157–59; *1-800 Contacts*, 722 F.3d at 1243–48.

21. See Daniel C. Glazer & Dev R. Dhamia, *Revisiting Initial Interest Confusion on the Internet*, 95 TRADEMARK REP. 952, 972 (2005).

Opponents argue that the initial interest test is out-of-date because consumers have come a long way since the initial interest test was created in the 1990s and that the test is inapplicable to today's Internet consumers who are much more sophisticated and savvy. Unconvinced by the initial interest confusion test? So are most courts. Courts have repeatedly held that merely purchasing, selling, or using the trademark of another as a keyword does not result in a likelihood of confusion among consumers, and thus there is no actionable claim under the Lanham Act.²²

Specifically, in *Network Automation, Inc. v. Advanced System Concepts*,²³ the Ninth Circuit largely rejected the initial interest doctrine, stating "it would be wrong to expand the initial interest confusion theory of infringement beyond the realm of the misleading and deceptive to the context of legitimate comparative and contextual advertising."²⁴ Instead, the court stressed the importance of returning to a full analysis of likelihood of confusion factors and found that a "mere diversion" is not enough to prove a likelihood of confusion.²⁵

Other courts have reached similar conclusions.²⁶ Most recently, the Tenth Circuit in 2013 issued a decision effectively refocusing the likelihood of confusion factors in a manner that supports competitors' ability to use keyword advertising. The court held that the use of a competitor's trademark is not trademark infringement, provided that the mark that triggers appearance of the sponsored link is not visible in the sponsored matter within the results list.²⁷

As part of Google's AdWords program, Lens.com and its affiliates purchased various terms resembling the 1800CONTACTS mark ("1800CONTACTS" is a registered service mark of the leading retailer of replacement contact lenses). 1-800 Contacts sued Lens.com for trademark infringement

22. See, e.g., J.G. Wentworth, S.S.C. Ltd. P'ship, No. 06-0597, 2007 WL 30115, at *5-6 (E.D. Pa. Apr. 18, 2007) ("Even accepting plaintiff's allegations as true—i.e., assuming that defendant did in fact use plaintiff's marks through Google's AdWords program or in the keyword meta tags for its website—as a matter of law defendant's actions do not result in any actionable likelihood of confusion under the Lanham Act."); *Jurin v. Google Inc.*, 695 F. Supp. 2d 1117 (E.D. Cal. 2010) (dismissing a keyword allegation against Google for failure to state a claim that web users are likely to be confused and finding Google immune under the Communications Decency Act. 47 U.S.C. § 230(e)(2) (2014)). See also *Gen. Steel Domestic Sales, LLC v. Chumley*, No. 10-cv-01398-PAB-KLM, 2013 WL 1900562, at *10 (D. Colo. May 7, 2013) (internal citations omitted) (holding after trial that no likelihood of confusion was caused by defendant's use of competitor's trademark in Google keywords usage. "Advertisements on Google appear in a list as distinct and independent entries that internet users can browse and select at will. . . . [T]he connection between the search term entered and the appearance of an advertisement is too attenuated to suggest an actual affiliation.").

23. 638 F.3d 1137 (9th Cir. 2011).

24. *Id.* at 1148.

25. *Id.*

26. See *1-800 Contacts, Inc. v. Lens.com, Inc.*, 722 F.3d 1229, 1244-45 (10th Cir. 2013); *Moving & Storage, Inc. v. Panayotov*, Civ. Action No. 12-12262, 2014 U.S. Dist. LEXIS 31546 (D. Mass. Mar. 12, 2014); *Dwyer Instruments, Inc. v. Sensocon, Inc.*, 103 U.S.P.Q.2D 1444 (N.D. Ind. 2012).

27. See *1-800 Contacts*, 722 F. 3d at 1246-49.

and other causes of action. The U.S. District Court for the District of Utah granted Lens.com's motion for summary judgment, finding that 1-800 Contacts failed to establish a likelihood of initial interest confusion and determined that the evidence was insufficient to hold Lens.com secondarily liable for the conduct of its affiliates. The Tenth Circuit agreed with respect to the direct infringement claim, finding no likelihood of confusion was created by the purchase of AdWords containing the 1800CONTACTS trademark, where Lens.com's ads did not contain the mark in the advertising copy itself. The Tenth Circuit warned against a mechanical use of the standard factors in a likelihood of confusion analysis and emphasized the importance of flexibility of the test depending on the context of the case. In determining the likelihood of confusion, the court focused on the statistical evidence presented by Lens.com, finding:

we have AdWords data setting an upper limit on how often consumers really were lured in such fashion. A report by Lens.com's expert explained that Lens.com's use of the nine Challenged Keywords yielded 1,626 impressions for Lens.com or its associated websites over eight months. In only 25 (1.5%) of these 1,626 instances did the user click on the ad for Lens.com. (We do not know how many of the 25 made a purchase from Lens.com.) The users in those 25 instances may have been confused into thinking that Lens.com was affiliated with 1-800, or they may simply have wished to look at the offerings of those whom they knew to be 1-800's competitors. What we can say, though, is that initial-interest confusion occurred at most 1.5% of the time that a Lens.com ad was generated by a Challenged Keyword in those eight months. This number cannot support an inference that Lens.com's keyword activity was likely to "lure[]" consumers away from 1-800.²⁸

The Tenth Circuit also considered how the ads were displayed and the fact that the Lens.com advertisements clearly identified the source of the ad, stating,

[p]erhaps in the abstract, one who searches for a particular business with a strong mark and sees an entry on the results page will naturally infer that the entry is for that business. But that inference is an unnatural one when the entry is clearly labeled as an advertisement and clearly identifies the source, which has a name quite different from the business being searched for.

The Tenth Circuit's ruling is telling in that where the mark is not used in the text of the sponsored ad and where there is evidence of a low click through rate, the plaintiff will likely have difficulty demonstrating a likelihood of confusion.

C. *Emerging Consensus*

While the exact "likelihood of confusion" factors may vary by jurisdiction, one thing is clear: time and time again, courts analyzing likelihood of confusion in Internet keyword advertising cases find that purchasing a competitor's trademark as a keyword ad trigger does not lead to a likelihood of con-

28. *Id.* at 1244.

fusion.²⁹ Indeed, since 2011, plaintiff wins of a final ruling in a trademark infringement claim over keyword advertising have been rare.

Courts recognize that

the degree of care exercised by Internet users is becoming more heightened as the novelty of the Internet evaporates and online commerce becomes commonplace. . . . Modern Internet users are accustomed to such exploration by trial and error . . . The modern Internet user's increasing level of experience with search sites decreases the likelihood that they would be confused by the advertisements at issue in these types of cases.³⁰

Internet consumers “fully expect to find some sites that aren't what they imagine based on a glance at the domain name or search engine summary. Outside the special case of . . . domains that actively claim affiliation with the trademark holder, consumers don't form any firm expectations about the sponsorship of a website until they've seen the landing page—if then.”³¹

College Network v. Moore Publishers is one of only a handful of cases to reach a jury verdict on keyword advertising trademark infringement claims.³²

29. See, e.g., *Network Automation Inc. v. Advanced Sys. Concepts Inc.*, 638 F.3d 1137, 1137 (9th Cir. 2011) (finding no likelihood of confusion after applying factor test, focusing most heavily on the strength of plaintiff's mark, lack of evidence of actual confusion, type of goods and degree of care likely to be exercised by the purchaser, and the labeling and appearance of advertisements and the surrounding context on the screen displaying the results page); *College Network v. Moore Publishers*, 378 F. App'x 403, 413 (5th Cir. 2010) (jury verdict of non-infringement upheld where defendant used plaintiff's trademark as a keyword ad trigger because sufficient evidence supported the jury's finding of no likelihood of confusion—jury was permitted to view the keyword search process and visually compare the companies' websites in reaching its decision); *General Steel Domestic Sales*, 2013 WL 1900562 (court held no likelihood of confusion where defendant used plaintiff's trademark in the advertising copy of its Google AdWords advertisement and where defendant purchased plaintiff's trademark as a keyword ad trigger for sponsored links); *Infostream Grp., Inc. v. Avid Life Media Inc.*, No. CV 12-09315 DDP, 2013 WL 6018030 (C.D. Cal. Nov. 12, 2013) (court granted defendant's motion to dismiss plaintiff's trademark infringement claim, holding that defendant's purchase of plaintiff's trademark as a keyword ad trigger does not lead to customer confusion); *CollegeSource, Inc. v. AcademyOne, Inc.*, No. 10-3542, 2012 WL 5269213 (E.D. Pa. Oct. 25, 2012) (no likelihood of confusion found where the surrounding ad context, including separation of sponsored ad links and labeling of sponsored links, decreased any potential likelihood of confusion); *Fair Isaac Corp. v. Experian Info. Sols. Inc.*, No. 06-4112 ADM/JSM, 2009 WL 4263699 (D. Minn. Nov. 25, 2009) (court held no trademark infringement due to a lack of likelihood of confusion, based on the finding that expert testimony was inadequate to support likelihood of confusion); *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 527 F. Supp. 2d 205 (D. Mass. 2007) (holding that triggered advertisement clearly identified the defendant as the source of the ad and thus no likelihood of confusion, and defendant's use of plaintiff's trademark as a keyword ad trigger constituted fair, aggressive competition that did not result in customer confusion and was not prohibited by the Lanham Act); *J.G. Wentworth, S.S.C. Ltd. P'ship, Civil Action No. 06-0597*, 2007 WL 30115 (E.D. Pa. Jan. 4, 2007) (finding defendants purchase of plaintiff's trademarks as keyword ad triggers for Google's AdWords program did not result in any actionable likelihood of confusion because of the separate and distinct nature of the links created on the search results page); *GEICO v. Google, Inc.*, No. 1:04-cv-507, 2005 WL 1903128 (E.D. Va. Aug. 8, 2005) (court held no likelihood of confusion or initial interest confusion existed where Google used GEICO's trademark as a keyword ad trigger and the resulting sponsored link text did not include GEICO's trademark).

30. *CollegeSource*, 2012 WL 5269213, at *18.

31. *Infostream Grp.*, 2013 WL 6018030, at *5.

32. 378 F. App'x 403 (5th Cir. 2010).

The plaintiff, The College Network (TCN) sued the defendant, Moore Educational Publishers, Inc. (MEP), in the U.S. District Court for the Western District of Texas, alleging trademark infringement under Section 43 of the Lanham Act, 15 U.S.C. § 1125.³³ TCN contended that MEP had purchased the phrase “The College Network” from several search engines as a keyword ad trigger that would summon MEP’s sponsored link advertisement.³⁴ The only trademark infringement factor at issue was whether there was a likelihood of confusion resulting from MEP’s use of TCN’s trademark as a keyword ad trigger. At trial, TCN presented the testimony of an expert witness who opined that MEP’s use of “The College Network” as an Internet search term created a likelihood of confusion under the Lanham Act.³⁵ The case was submitted to the jury, along with jury instructions that laid out the likelihood of confusion factors as described above.³⁶ The jury found that “The College Network” was a valid trademark but that MEP did not infringe it by using it as a keyword ad trigger.³⁷

The Fifth Circuit upheld the jury’s verdict as to non-infringement, stating that “the evidence does not compel a finding of likelihood of confusion under the relevant Fifth Circuit law.”³⁸ The court stated that MEP “presented extensive documentary evidence” on the issue of confusion, and “[t]he jury was permitted to view the keyword-search process and visually compare the companies’ websites.”³⁹

Moreover, district court rulings have overwhelmingly permitted use of the protected words in the advertising copy itself as long as there is “no evidence at trial of actual confusion.”⁴⁰ In *General Steel Domestic Sales, LLC v. Chumley*, General Steel brought trademark infringement claims against Armstrong Steel Corporation and Daniel Chumley, the owner of Armstrong, for Armstrong’s use of General Steel’s trademarks as keyword ad triggers. Armstrong purchased several of General Steel’s trademarks, including the marks “general steel” and “general steel buildings,” as keyword ad triggers through Google’s AdWords program.⁴¹ Armstrong’s advertising copy and sponsored links that resulted from searching for either of those two search terms included such text as “General Steel building—steel framed buildings | Armstrong Steel,” “General Steel Buildings www.ArmstrongSteelBuildings.com,” “Don’t Buy General Steel Without Pricing Armstrong First,” and “General Steel v. Armstrong www.ArmstrongSteelBuildings.com.”⁴² The

33. *Id.* at 405.

34. *Id.*

35. *Id.* at 406.

36. *Id.* at 413.

37. *Id.* at 406.

38. *Id.* at 413.

39. *Id.* at 414 n.5.

40. See *Gen. Steel Domestic Sales, LLC v. Chumley*, No. 10-cv-01398-PAB-KLM, 2013 WL 1900562, at *9 (D. Colo. May 7, 2013).

41. *Id.* at *2–3.

42. *Id.*

court then analyzed the likelihood of confusion factors and determined that the plaintiff failed to demonstrate a likelihood of confusion between Armstrong's use of "General Steel" in the advertising copy of its AdWords campaign and the plaintiff's protected word mark.⁴³ The court also went on to find that

defendants' use of "general steel" as a supposedly generic term in website copy was intended to increase the likelihood Armstrong's website would appear near the top of the list of organic search results whenever someone ran a search for "general steel." Armstrong also purchased the term "general steel" as a keyword from search engines so that searches incorporating that term would trigger the display of Armstrong's advertisements in the "sponsored links" section of the search results. These uses of "general steel" are not sufficient to support a trademark violation on the theory of initial interest confusion . . . and the Court does not find that the advertisements were likely to confuse consumers.⁴⁴

In its analysis, the court found instructive the fact that advertisements on Google appear in a list as distinct and independent entries that Internet users could browse and select at will.⁴⁵ It noted that

[a]lthough the appearance of a link in a results list may enhance the likelihood that a user will view the associated page, the user must still make an affirmative decision to select the link. In addition, the connection between the search term entered and the appearance of an advertisements is too attenuated to suggest an actual affiliation between the two. . . . Now that the Internet and its vast search capabilities are no longer new to society as a whole, it is much less likely that potential customers—especially the sophisticated business people purchasing steel buildings—would be led by the appearance of an advertisement to believe that two companies known to be in competition were actually affiliated.⁴⁶

The U.S. District Court for the Southern District of New York reached a similar conclusion in *Allied Interstate LLC v. Kimmel & Silverman P.C.*,⁴⁷ where the advertiser—a law firm soliciting clients who had allegedly been harmed by the plaintiff—referenced the trademark in its advertising copy and used it as a trigger. The court found that the defendant's ads were referencing plaintiff's trademark to identify the plaintiff and not in reference to the defendant's goods.⁴⁸ Moreover, the court found that the defendant was not attempting to use the plaintiff's name to confuse consumers because the ads made clear that the businesses of the plaintiff and the defendant were not the same.

43. *Id.* at *9.

44. *Id.* at *10–11.

45. *Id.* at *10.

46. *Id.*

47. 2013 WL 4245987 (S.D.N.Y. Aug. 12, 2013).

48. *Id.*

III. What Does This Mean for You?

A. *Can You Use a Competitor's Trademark as a Keyword?*

It depends on how you use it. It is important to remember that content counts. Courts that have found a likelihood of confusion have generally required other factors besides the mere use of keywords to trigger the ads, such as: (1) display of the trademark in the advertising text, (2) the advertisement's failure to clearly indicate its source, and (3) the relationship of the parties. This list is certainly not exhaustive, but rather is intended to illustrate the main factors courts tend to consider as contributing to the likelihood of confusion in keyword advertising cases. Accordingly, where the advertisement clearly identifies its source, or the advertisement explicitly compares its goods or services to a competitor, courts have found that risk of confusion is significantly reduced. In contrast, courts have held that there might be a likelihood of confusion if the sponsor advertisement is not identified. For example, if a company puts the name of the competitor on an advertisement without identifying the true source of the advertisement, courts may be inclined to find a likelihood of confusion. Even though courts tend to find against trademark infringement, it is still important to give due consideration the risk that may be risk associated with purchasing or bidding on a competitor's trademarks.

B. *How Can You Protect Your Trademark?*

In general, the best course of action is to be proactive and preemptively purchase your own company's trademarks in keyword advertising programs so as to block your trademark from being sold as a keyword, monitor third-party and competitor uses of your trademarks in keyword advertising, and be familiar with each relevant search engine's company policies and complaint procedures. Most important, do not hesitate to submit complaints and take action where needed or warranted.

All of these strategies, however, are not necessarily applicable or appropriate for every company. For example, proactively and preemptively purchasing a company's trademark in keyword advertising for all major markets in which a brand is present may be cost prohibitive or not a worthwhile value proposition for certain companies. For those with this approach, a strategy geared toward monitoring may be more appropriate. In the end, though, the line in the sand with respect to trademark infringement claims in keyword advertising is clearer than ever, allowing companies to more readily assess risks related to participating in various ways in the search engine advertising space.