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AN INTERNET ADVERTISING SERVICE CAN CONSTITUTE "USE IN COMMERCE"

Patrick Frye†

INTRODUCTION

At its simplest, trademark infringement is two things in combination: (1) confusing (2) mark use. The bulk of opinions on trademark infringement focus primarily on whether the mark use was sufficiently likely to confuse the public, not whether a party used a mark. And rightly so, since the parties in these cases typically agreed that one party used the mark the other party owned. However, when the alleged infringement is online behavior, the accused has occasion to challenge whether or not what it used was a mark. This article, via a case study of the litigation against the Gator Corporation, assesses the worth of a court dwelling on whether or not the online behavior is mark use and offers this revision of infringement: (1) Causing (2) confusion about a mark.

Businesses increasingly offer their goods and services online as consumers increasingly are willing to purchase those goods and services online.¹ Competition has followed these businesses online. Marketing schemes have learned to target consumers according to the websites that consumers browse. In turn, this targeting has alarmed the website owners, who fear they will lose business because the marketers either annoy the consumers into never returning to their websites or divert the consumers to the website owners' competitors.

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Acting on their alarm, website owners filed suit against these marketing schemes, alleging as many harms as they could imagine.

This article concerns one marketing scheme, the Gator Corporation’s Internet advertising service. This article concerns only two claims for relief (the Lanham Act’s infringement and unfair competition provisions), one element (“use in commerce”\(^2\)) common to both claims, and the defenses related to that element. Ultimately, the Gator Corporation’s Internet advertising service “uses marks in commerce” and the success of the Gator Corporation’s defenses should entirely depend on whether a court will find a “likelihood of confusion” (another element common to both claims) stemming from the Gator Corporation’s “use” of the marks. A court should analyze the “likelihood of confusion” element as soon as it is satisfied both that Congress could regulate the Gator Corporation’s Internet advertising service as commerce and that the Gator Corporation’s behavior affects public perception of the mark owner’s mark. This article makes no argument as to the correct final disposition of the infringement and unfair competition claims against the Gator Corporation because it does not analyze the “likelihood of confusion” element.

Part I introduces the Gator Corporation and its Internet advertising service. Part II offers background information on marks, the law, and the Internet. Part III summarizes the pleadings against the Gator Corporation. Part IV analyzes whether the Gator Corporation’s Internet advertising service constitutes “use in commerce” of marks under federal law and suggests that courts should consider whether the accused’s behavior might cause confusion rather than whether the accused used a mark when considering the “use in commerce” element. Part V considers the potential fair use and nominative use defenses that the Gator Corporation could raise. Part VI concludes that the “likelihood of confusion” element—and not the “use in commerce” element or the use defenses—is an open question whose determination should resolve the case against Gator. Part VII considers but rejects the possibility that requiring mark use is useful because requiring mark use discourages nuisance suits that requiring causation would not deter.

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2. The Lanham Act calls for examination of an element it labels “use in commerce.” Unfortunately, this term of art includes a common word (“use”). Therefore, to distinguish between generic employment of the word and employment of the word as a Lanham Act term of art, use in quotation marks signals a legal meaning for the purpose of the Lanham Act, while use without quotation marks signals its ordinary meaning (and therefore no legal meaning).
I. THE GATOR CORPORATION AND ITS INTERNET ADVERTISING SERVICE

The Gator Corporation ("Gator"), which is the defendant for all intents and purposes, provides for downloads from the World Wide Web ("the Web") of software programs called OfferCompanion and GAIN AdServer (together, "the Gator programs"). The Gator programs automatically run when an Internet user with a Gator program installed on his computer ("Gator subscriber") opens a browser. It then generates ads on the Gator subscriber's computer screen while monitoring the websites that the subscriber views to determine which ads to display. These ads generate separate windows on the subscriber's display. Gator subscribers typically receive the software at a discount compared to other software for


5. For a general description of the Web, see How the Internet Works: The Significance of Domain Names and Internet Protocol ("IP") Numbers, infra Part II.D.

6. Complaint ¶ 27, LendingTree, Inc. v. Gator Corp., No. 3:02-CV-519-V (W.D.N.C. Dec. 11, 2002) [hereinafter LendingTree Complaint]. The complainants allege that users accept these programs in three different ways: (1) Users accept the Gator programs in order to download other software for free (such as eWallet); (2) Gator pays other software providers to make the Gator programs a component of their software (i.e., KaZaa, etc); and, (3) Users download the Gator programs totally unwittingly because of "drive-by-downloading". Amended Complaint ¶¶ 33-36, Hertz Corp. v. Gator Corp., No. 03-CV-444 (D.N.J. June 11, 2003) [hereinafter Hertz Complaint].

7. See LendingTree Complaint, supra note 6, ¶ 30. For a definition of browser, see infra note 52.

8. See id.

which the subscribers would have paid if they had not accepted a Gator program.\(^\text{10}\)

Gator makes money by charging firms ("Gator clients") for the download of the firms’ ads to the Gator programs and the consequent display of those ads on Internet users’ displays.\(^\text{11}\) Allegedly, Gator offers to display its clients’ ads when the Gator programs detect that a Gator subscriber has requested certain URL\(^\text{12}\)s of the clients’ choice.\(^\text{13}\) Allegedly, anywhere from fifteen to thirty-five million Internet users have a Gator program on their computers.\(^\text{14}\)

II. BACKGROUND: MARKS, THE LANHAM ACT, AND HOW THE INTERNET WORKS

Before discussing the merits of the complainants’ claims against Gator, this article provides readers background on marks, the law, and the Internet.

A. Marks Identify the Source of Goods and Service

A trademark includes any word, name, symbol, or device, or any combination thereof – (1) used by a person, or (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of


\(^\text{11}\) Overstock.com Complaint, supra note 6, ¶ 34, Overstock.com, Inc. v. Gator Corp., No. 03-CV-569 (D. Utah June 25, 2003) [hereinafter Overstock.com Complaint].

\(^\text{12}\) In re Phamratrak, Inc., 329 F.3d 9, 13 n.2 (1st Cir. 2003). A website can contain numerous webpages, all of which share a domain name but each of which has a different post-domain path, and, therefore, a different URL. Interactive Prods. Corp. v. A2Z Mobile Office Solutions, 326 F.3d 687, 691 (6th Cir. 2003).

\(^\text{13}\) See LendingTree Complaint, supra note 6, ¶¶ 34, 37.

the goods, even if that source is unknown ["the source-identifying function"]).  

Marks are useful to society because they identify the sources of goods and services, and serve to lower the cost of consumer research necessary for the informed purchase of a good or service. "This in turn gives producers an incentive to maintain high and uniform quality, since otherwise the investment in their trademark may be lost as customers turn away in disappointment from the brand." 

Marks can have social disutility as well. First, consumers may rely on marks so often and readily that their response to the mark is a conditioned reflex. Consumers responding to a branded product out of a conditioned reflex ignore a product’s or a service’s quality or price. Consequently, this reflex partly protects the mark owner from competition. Second, marks present a trade barrier to the mark owner’s competitors. This trade barrier increases the mark owner’s profits beyond that which the owner would have had without trademark protection.

B. The Importance of Avoiding Consumer Confusion: One Justification for Protecting Marks

While the law hinges mark protection on confusion, it could have provided varying levels of protection, running the gamut from no protection at all to absolute protection all the time. As an example

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means any word, name, symbol, or device, or any combination thereof – (1) used by a person, or (2) which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this chapter, to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown.

Id. The complainants associate their marks with their online services. Their marks therefore are service marks. Except where noted, this article uses “mark” to signify both trademarks and service marks.


17. Ty Inc. v. Perryman, 306 F.3d 509, 510 (7th Cir. 2002).


19. See id. at 567.

20. See id.

21. Siegel v. Chicken Delight, Inc., 448 F.2d 43, 50 (9th Cir. 1971) (antitrust case discussing the inevitable trade barrier raised by the law’s protection of marks).

22. See R.G. Smith, 402 F.2d at 567.
of the former extreme, the law could permit all unauthorized mark use. If so, then competitors would erode the value of marks to consumers and mark owners. A successful mark presents the mark owner’s competitors with the opportunity to use the same mark to sell their products, which spares the competitors the cost of developing and investing in a mark. Through both confusing use of a mark and truthful use of a mark, a mark owner’s competitor will ultimately undermine consumer trust in that mark. Consequently, permitting any unauthorized mark use decreases the mark owner’s ex ante incentive to invest in a useful mark.

As an example of the other extreme, the law could prohibit all unauthorized mark use. However, a monopoly on mark use granted to the mark owner would raise its competitors’ cost of entering the market. A mark owner’s control over unauthorized but non-confusing mark uses prevents competitors from giving a truthful explanation of their product or service compared to the mark owner’s product or service. In turn, protecting marks to this extent would deny the public information concerning available products and services. Moreover, this regime would end mark use in social commentary and news reporting.

A regime permitting socially beneficial, though unauthorized, mark uses while prohibiting socially detrimental, unauthorized uses, lies between these extremes. The amount of confusion that unauthorized mark use creates measures the use’s utility. On the one hand, unauthorized use that misleads consumers as to the nature and quality of the good or service causes them to no longer trust the mark as distinguishing the good or service from all others. Thus, unauthorized and confusing uses of a mark increase the search costs that the mark was supposed to reduce.

Protecting a mark owner against unauthorized and confusing uses of his mark but not against unauthorized yet accurate and non-confusing uses of his mark “makes effective competition possible in a complex, impersonal marketplace by providing a means through which the consumer can identify products which please him and reward the producer with continued


26. *Cf. Perryman, 306 F.3d at 511 (regarding dilution).*
patronage." On the other hand, this balancing protects the marketplace of ideas as well: As a mark owner's control over the mark's use increases, it limits others' ability to use the mark in newspaper articles, conversations, polls, parody, satire and other social commentary.

Using confusion as the measure of the mark use's legality mitigates problems associated with these extreme examples, though these problems remain to a lesser extent. First, the mark owner may have less incentive to invest in his mark with protection only against confusing mark use rather than a complete monopoly on the use of his mark. However, the loss of this foregone additional investment confers the greater benefit of accurate and helpful information. The mark owner must bear this opportunity cost for the sake of the public good. Second, any restriction on mark use presents a trade barrier to a competitor, but "if customers are not willing to pay for a newcomer to establish its reputation, then society is arguably better off without being 'informed' about the alleged equivalence of the new brand."

Congress, through its prohibitions against infringement and unfair competition, protects marks to shield consumers from confusing uses. The prohibitions against infringement and unfair competition do not bar another's use of a mark unless the mark owner can show likely consumer confusion. Courts often refer to the

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27. R.G. Smith, 402 F.2d at 566.
28. See New Kids on the Block v. News Am. Publ'g, Inc., 971 F.2d 302, 308, 309 n.9 (9th Cir. 1992).
29. See R.G. Smith, 402 F.2d at 564 & n.13 (noting that trademark law does not protect all investment in a mark, but it does protect the sales that a mark secures for the mark owner and the mark owner's reputation by preventing confusing use of the owner's mark).
30. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 2:5 (4th ed. 2003); cf. Intel Corp. v. Terabyte Int'l, Inc., 6 F.3d 614, 618 (9th Cir. 1993) (deeming the purpose of mark protection to be "achiev[ing] the[] ends [of protecting consumers and preventing impairment of the mark owner's enterprise] in a manner consistent with the objectives of free competition" (citation and punctuation omitted)).
32. E.g., Am. Footwear Corp. v. Gen. Footwear Co., 609 F.2d 655, 662 (2d Cir. 1979) (finding no violation of trademark law because the mark owner did not show a likelihood of consumer confusion, though the user intended to "capitalize" on the owner's popularization of the mark); see also, e.g., Diversified Marketing, Inc. v. Estee Lauder, Inc., 705 F. Supp. 128, 133 (S.D.N.Y. 1988) (finding the same under New York trademark law). Similarly, other commentators have contended that the purpose of mark protection is to minimize consumer
public interest behind this protection of marks as preventing a mark user from appropriating the mark owner's "goodwill." By that, the courts mean that the mark user "misappropriat[ed] . . . the skill, expenditures, and labor of another" in a fashion that "misle[d] . . . the public into believing that a product is sponsored by or derived from something else".33

C. The Lanham Act: Protecting Consumers by Protecting Mark Owners

Congress passed the Lanham Act in 1946, and the Act is still the basis of trademark protection today. The Lanham Act prohibits infringement34 and unfair competition35 among other things.36 Many


33. Am. Footwear, 609 F.2d at 662 (quotation marks and citation omitted); see also G.D. Searle & Co. v. Hudson Pharm. Corp., 715 F.2d 837, 842 (3d Cir. 1983) (noting that a mark owner may only protect his goodwill from those uses by others that "engender a belief in the mind of the public that the product identified by the infringing mark is made or sponsored by the owner of the mark").

34. "Infringement" occurs when:
   (1) Any person who shall, without the consent of the registrant—
       (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive. . . .

35. "Unfair competition" occurs when:
   (1) 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. . . .

36. The Lanham Act also forbids dilution, § 1125(c), which eight of the complainants allege. However, this article does not analyze dilution: (1) Though the parties strenuously contested unfair competition and infringement in their summary judgment and preliminary injunction arguments, they did not discuss dilution, which suggests that dilution is relatively unimportant; and (2) Dilution has a relatively high burden of proof: To succeed on dilution, a complainant must show actual dilution, not merely a likelihood of dilution, Moseley v. V Secret Catalogue, Inc., 537 U.S. 418, 433 (2003), whereas a complainant must show only a "likelihood of confusion" to succeed on his infringement and unfair competition claims.
circuits use the same test for both unauthorized use of a registered mark and unfair competition. To show infringement or unfair competition, the Lanham Act requires a "use in commerce." Infringement and unfair competition both require a "likelihood of confusion" in order for another's use of the mark to violate a mark owner's entitlement.

The "use in commerce" requirement primarily limits the reach of the Lanham Act to those mark uses that Congress could regulate under the Commerce Clause. Congress does not have the authority to regulate all mark use; instead, the Constitution permits Congress only to regulate mark use that falls under at least one of its enumerated powers.


Technically, unfair competition is broader than infringement. Whereas the Lanham Act limits a mark owner's protection against infringement to another's use of a registered trademark, §1114(1), it protects a mark owner against unfair competition by another's "use in commerce" of 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", §1125(a). Moreover, courts have suggested a willingness to apply 15 U.S.C. §1125(a) "broadly so as to effectuate its remedial purpose." Frisch's Rests., Inc. v. Elby's Big Boy of Steubenville, Inc., 670 F.2d 642, 651 (6th Cir. 1982) (quoting Warner Bros., Inc. v. Gay Toys, Inc., 658 F.2d 76, 79 (2d Cir. 1982)). Yet these circuits use the same test for infringement of a registered mark and unfair competition with a registered mark because the prohibition against infringement protects registered marks only, while the prohibition against unfair competition protects not only any kind of mark but also trade dress. Brookfield Communications, 174 F.3d at 1046 n.8 (9th Cir. 1999) ("Whereas [infringement] provides protection only to registered marks, [unfair competition] protects against infringement of unregistered marks and trade dress as well as registered marks, see, e.g., Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery, 150 F.3d 1042, 1046 (9th Cir. 1998), and protects against a wider range of practices such as false advertising and product disparagement, see §1125(a)(1)(B); Two Pesos, Inc. v. Taco Cabana, 505 U.S. 763, 768, 112 S.Ct. 2753, 120 L.Ed.2d 615 (1992).") Thus, a finding of infringement necessarily proves unfair competition, see, e.g., James Burrough Ltd. v. Sign of Beefeater, Inc., 540 F.2d 266, 274 n.16 (7th Cir. 1976); Smithkline Beckman Corp. v. Pennex Prods. Co., 605 F. Supp. 746, 749 (E.D. Pa. 1985), but a finding of unfair competition does not necessarily prove infringement, see Ice Cold Auto Air of Clearwater, Inc. v. Cold Air & Accessories, Inc., 828 F. Supp. 925, 938 n.14 (M.D. Fla. 1993); Holiday Inns, Inc. v. Trump, 617 F. Supp. 1443, 1466 (D.N.J. 1985).

38. See 15 U.S.C. §§ 1114(1) (infringement), 1125(a) (unfair competition) (2000). Section 1127 defines "use in commerce" without differentiating between these sections; it therefore stands to reason that the "use in commerce" language common to these sections has the same operative meaning in each section. See 15 U.S.C. § 1127 (2000).

39. See §§ 1114(1) (infringement), 1125(a) (unfair competition).
powers. In 1879, the Supreme Court struck down one federal trademark law for want of Constitutional authority. "The next trademark statute enacted in 1905, therefore, prohibited unauthorized use of a registered trademark 'in commerce among the several States, or with a foreign nation, or with Indian tribes,' language obviously intended to track the terms of the Commerce Clause." Under the Lanham Act, Congress regulates only those mark uses that constitute commerce, which is permitted by the Commerce Clause. Consequently, all operative provisions of the Lanham Act limit themselves to "mark use in commerce." The mark owner not only must show "use in commerce" to prove infringement and unfair competition, but also must show "use in commerce" when the mark owner (1) applies to register his mark, (2) attempts to show that his mark is incontestable, and (3) argues other violations of his mark protection.

The "likelihood of confusion" encapsulates the harm that the infringement and unfair competition provisions attempt to prevent. This element requires that the mark owner show likely confusion, mistake, or deception as to whether the mark owner is affiliated with, sponsors, or is sponsored by, or is associated with the mark user, or whether the mark owner is the origin, sponsor, or approves of the mark user's goods or services.

41. The Trade-Mark Cases, 100 U.S. 82, 96-97 (1879).
43. See Planetary Motion, Inc. v. Techsplosion, Inc., 261 F.3d 1188, 1194 (11th Cir. 2001); United We Stand Am., 128 F.3d at 92-93.
47. For greater detail about the "likelihood of confusion" element, see Likelihood of Confusion, infra Part VI.
48. The Lanham Act's provision against unfair competition explicitly protects against mark use that would "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", § 1125(a), while the provision against infringement merely protects against mark use that is "likely to cause confusion, or to cause mistake, or to deceive", 15 U.S.C. § 1114(1) (2000). Though the infringement provision does not specify or limit the kinds of confusion, mistake, or deception that it endeavors to prevent, courts certainly employ the infringement provision to end behavior that causes confusion as to affiliation, connection, association, source or origin, sponsorship, or approval. J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §
D. How the Internet Works: The Significance of Domain Names and Internet Protocol ("IP") Numbers

The word "Internet" describes millions of computers that connect to each other worldwide, through which users can share information. The most familiar feature of the Internet is the Web. The Web shares information stored on various computers that non-affiliated users can access with their Internet browsers. Anyone who desires to place information online can do so. The computers from (or through) which users summon this information operate file servers, which share the information with users. The form of the information that servers display to users is commonly called a


By no means are these the only ones.


Webpages present information to users in a variety of formats, including graphical, pictorial, text and audio formats. Webpages typically are individual data files within a set of data files; the set is a website. Webpages display on users’ computers only after users request them from the webpages’ host computer, at which point the host computer sends a copy of the webpages for the users to view on their computers.

Each computer that hosts information available through the Internet has an IP number, which is composed of four numbers. A host computer’s IP number is its address. Each IP number is unique. A computer that hosts many websites typically has many IP addresses, one IP address for each website. Consequently, the IP number alone can display a website to an Internet user.

However, the IP number typically corresponds to an alphanumeric combination. These alphanumeric combinations are commonly called domain names and are easier to remember than a twelve-digit, four-number combination. When an Internet user enters a domain name instead of an IP address, a domain name service automatically—and, to the user, invisibly—translates the

55. *Lockheed Martin II*, 141 F. Supp. 2d at 650.
58. Register.com, Inc. v. Verio, Inc., 356 F.3d 393, 419 (2d Cir. 2004); Konop v. Hawaiian Islands, Inc., 302 F.3d 868, 875 (9th Cir. 2002).
59. Register.com, 356 F.3d at 410; Kremen v. Cohen, 325 F.3d 1035, 1038 (9th Cir. 2003).
60. Kremen, 325 F.3d at 1038. “An [IP] address consists of four numbers, each between 0 and 255, separated by periods. The first number signifies the computer’s geographic region; the second number a specific Internet Service Provider; the third a specific group of computers; and the fourth a specific computer within the group.” Thomas v. Network Solutions, Inc., 176 F.3d 500, 503 n.1 (D.C. Cir. 1999) (citation omitted).
62. See Kremen, 325 F.3d at 1038.
65. Kremen, 325 F.3d at 1038.
domain name into an IP address. After "resolving" what computer contains the webpage, the service directs the user's computer to that computer. Therefore, domain names, too, must be unique. The Web functions only when domain names and IP numbers are unique.

In one sense, a domain name indicates an IP address. All domain names "allow one machine to connect to another machine." Identifying an online address or the website's owner without consideration of the owner's goods or services is a non-trademark functional aspect of a domain name. However, the Internet does not have a Yellow Pages for webpages; Internet users often guess the domain name that will take them to the desired website. Alternatively, through a search engine, Internet users can search by any combination of terms that describes the content of the website that they want to view. Consequently, website owners will register their marks with these search engines as search terms, increasing the likelihood that, when an Internet user searches by these marks, the search engine will offer the owner's website as one of the most desirable targets.

Thus, a domain name can function as a mark. A domain name functions as a mark when it identifies the source of goods or services, including website owners. "Words in many domain names can and do communicate information as to the source or sponsor of the

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69. Id. at 1188-89.
70. Id.
71. See Thomas, 176 F.3d at 503.
73. Id. at 958.
74. Id. at 956.
76. See Brookfield Communications, 174 F.3d at 1044.
78. See Shade's Landing, Inc. v. Williams, 76 F. Supp. 2d 983, 989 (D. Minn. 1999); Nettis Envtl. Ltd. v. IWI, Inc., 46 F. Supp. 2d 722, 724, 724 n.2 (N.D. Ohio 1999) ("The website owner may contact the search engine administrator herself or himself, via electronic mail or other means of communication, and provide a list of keywords associated with the website").
80. See id.
web site." Domain names signal the expected contents of the website. The great value of a domain name is its ability for consumers to easily find the website; consequently, many companies opt to place their well-known marks in the domain names of their websites. A domain name therefore "derives its value chiefly from its manner of use, typically as a tradename or trademark. In other words, a domain name, in most instances, is valueless apart from the content or goodwill to which it is attached."

III. THE PLEADINGS AGAINST GATER

In the summer of 2003, ten parties had Lanham Act-based complaints pending against Gator on account of Gator’s advertising service. Each complainant owns and operates a website through which Internet users can transact business with the website owner.

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83. See Brockfield Communications, Inc. v. W. Coast Entm't, 174 F.3d 1036, 1044-45 (9th Cir. 1999).
86. L.L. Bean Complaint, supra note 85, ¶ 9 (customers can purchase products); PriceGrabber.com Complaint, supra note 85, ¶ 8 (customers can comparison shop); Overstock.com Complaint, supra note 10, ¶ 18 (customers can purchase merchandise); TigerDirect Complaint, supra note 14, ¶ 2 (customers can purchase merchandise); ESA Complaint, supra note 14, ¶ 18 (customers can make hotel reservations); UPS Complaint, supra note 85, ¶ 20 (customers can manage their shipping accounts); Hertz Complaint, supra note 6, ¶ 22 (customers can rent cars); Wells Fargo Complaint, supra note 14, ¶¶ 44, 50 (customers can enter financial transactions); LendingTree Complaint, supra note 6, ¶¶ 18-23 (customers can secure a loan); Six Continents Complaint, supra note 85, ¶ 62 (customers can make hotel reservations).
Each website owner owns marks that they prominently feature on their websites. All but one of the website domain names of the complainants' websites contain a registered mark. Some complainants advertise on their websites; others explicitly disavow it. Gator ads appear to subscribers who view these websites. Interested in maximizing their profits, the complainants fear that the ads deter Internet users from viewing their websites, lessen the effectiveness of their own ads on their websites or the potential advertising revenue if they sold ads on their websites, and funnel the business of users viewing their websites to their competitors. Therefore, the complainants allege infringement and unfair competition.

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87. L.L. Bean Complaint, supra note 85, at Ex. A; PriceGrabber.com Complaint, supra note 85, ¶ 9; Overstock.com Complaint, supra note 10, ¶ 15; TigerDirect Complaint, supra note 14, ¶¶ 14-16; ESA Complaint, supra note 14, ¶ 7; UPS Complaint, supra note 85, ¶ 15; Hertz Complaint, supra note 6, ¶ 16; Wells Fargo Complaint, supra note 14, ¶¶ 15-19, 23, 24; LendingTree Complaint, supra note 6, ¶ 12; Six Continents Complaint ¶¶ 21, 31, 46, 47, 52, supra note 85.

88. Extended Stay America's website's URL does not contain a registered mark. ESA Complaint, supra note 14, ¶ 7.

89. PriceGrabber.com Complaint, supra note 85, ¶ 12; Overstock.com Complaint, supra note 10, ¶¶ 21, 22; TigerDirect Complaint, supra note 14, ¶¶ 3, 22-29; UPS Complaint, supra note 85, ¶ 23; Hertz Complaint, supra note 6, ¶ 24; Wells Fargo Complaint, supra note 14, ¶¶ 47, 60; Six Continents Complaint, supra note 85, ¶¶ 70-72.

90. L.L. Bean Complaint, supra note 85, ¶ 22; ESA Complaint, supra note 14, ¶¶ 21, 22; LendingTree Complaint, supra note 6, ¶ 23.

91. L.L. Bean Complaint, supra note 85, ¶ 1; ESA Complaint, supra note 14, ¶ 8; UPS Complaint, supra note 85, ¶ 1; Hertz Complaint, supra note 6, ¶ 43.

92. Overstock.com Complaint, supra note 10, ¶¶ 22, 24; TigerDirect Complaint, supra note 14, ¶¶ 26, 45; ESA Complaint, supra note 14, ¶ 37; UPS Complaint, supra note 85, ¶ 45; Hertz Complaint, supra note 6, ¶ 55.

93. ESA Complaint, supra note 14, ¶ 38; Six Continents Complaint, supra note 85, ¶ 107; cf. Hertz Complaint, supra note 6, ¶ 24 (alleging that Hertz deliberately limits ads on its website, thereby foregoing "substantial revenues").

94. PriceGrabber.com Complaint, supra note 85, ¶ 19; Overstock.com Complaint, supra note 10, ¶¶ 4, 44; TigerDirect Complaint, supra note 14, ¶¶ 33, 39; ESA Complaint, supra note 14, ¶ 30; Hertz Complaint, supra note 6, ¶ 47.

95. L.L. Bean Complaint, supra note 85, ¶¶ 30-34; PriceGrabber.com Complaint, supra note 85, ¶¶ 34-39; Overstock.com Complaint, supra note 10, ¶¶ 36-64; TigerDirect Complaint, supra note 14, ¶¶ 53-61; ESA Complaint, supra note 14, ¶¶ 44-48; UPS Complaint, supra note 85, ¶¶ 63-68; Hertz Complaint, supra note 6, ¶¶ 57-61; Wells Fargo Complaint, supra note 14, ¶¶ 94-97; LendingTree Complaint, supra note 6, ¶¶ 60-71; Six Continents Complaint, supra note 85, ¶¶ 118-22.

96. L.L. Bean Complaint, supra note 85, ¶¶ 35-41; PriceGrabber.com Complaint, supra note 85, ¶¶ 25-33; Overstock.com Complaint, supra note 10, ¶¶ 65-76; TigerDirect Complaint, supra note 14, ¶¶ 62-72; ESA Complaint, supra note 14, ¶¶ 49-53; UPS Complaint, supra note 85, ¶¶ 53-62; Hertz Complaint, supra note 6, ¶¶ 62-65; Wells Fargo Complaint, supra note 14,
To meet their burden on each Lanham Act claim, the complainants must show the Lanham Act's requirement of "use in commerce." The complainants argue three different "uses in commerce" of their marks: First, users simultaneously see the complainants' websites and trademarks and a Gator ad. Second, Gator's software program contains complainants' domain name, most of which contain the complainants' marks, in order to trigger the Gator ads' appearance on Internet users' displays. Third, Gator offers its clients the ability to place ads "on" the complainants' websites.

Gator responds, first, that there is no use of a trademark in commerce. Gator argues that generating the ads in a new window on
the user’s display is not use of a trademark, \textsuperscript{102} and that use of any mark in the Gator program code or data files is not use of a mark-qua-trademark, but instead is non-trademark use. \textsuperscript{103} Gator denies that its software uses a webpage’s URL, which may contain registered trademarks in the domain name, to trigger ads as the user contemporaneously views that webpage. \textsuperscript{104} Gator points out that it does not place any ad “on” any complainants’ website; instead, the

\begin{itemize}
\item \textsuperscript{102} Gator’s Brief Against Overstock.com, \textit{supra} note 101, at 16; Gator’s Brief Against LendingTree, \textit{supra} note 101, at 13.
\item \textsuperscript{103} Gator’s Brief Against Six Continents, \textit{supra} note 101, at 4; Gator’s Brief Against Hertz, \textit{supra} note 10, at 10-11.
\end{itemize}

The most recent license agreement explains that Version 7.0 collects URL addresses, from which it surmises the users’ interests to generate ads:

\begin{itemize}
\item \textit{What Information Does GAIN Collect?}
\item GAIN Is Designed to Collect and Use Non-Personal Information. GAIN collects certain non-personally identifiable information about your Web surfing and computer usage. This includes the URL addresses of the Web pages you view and how long you view Web pages[ . . . . . . .]
\item \textit{How Do We Use This Information?}
\item To Deliver GAIN Ads. GAIN Publishing associates the non-personally identifiable information that GAIN collects to an anonymous, randomly generated Subscriber ID to create a profile of the categories of products or services in which Subscribers appear to be interested . . . .
\item We use the information we collect to display relevant ads on your computer ("GAIN Ads") . . . . GAIN Ads will appear while you are browsing the Web, not just when you use GAIN-Supported Software.
\end{itemize}

software program generates ads from the user's computer into a window separate from the window viewing the complainants' website and does so without any interaction with the website's host computers. Further, it points out that its ads do not contain any of the complainants' trademarks, nor does it otherwise make visual use of the complainants' marks. Last, Gator argues that any use of the complainants' marks is either fair use or a non-trademark use of the mark, including nominative use.

IV. GATOR'S USES OF THE COMPLAINANTS' MARKS ARE "USES IN COMMERCE"

This article advances the argument that, ultimately, the "use in commerce" element requires that the mark user affect the public perception of the mark. This requirement would replace the current understanding of the "use in commerce" element, which depends on whether a court perceives mark use. A court should assess "use in commerce" for behavior both that Congress could regulate and that affects public perception of the mark. The ease with which most complainant mark owners could meet this "use in commerce" element keeps the bulk of the practical argument on whether there is a "likelihood of confusion." By freeing itself from the limits of what it believes to be mark use and, instead, focusing on whether the contested behavior causes the alleged confusion, the court prevents the harm that the infringement and unfair competition provisions of the Lanham Act were designed to thwart. A court that permits confusing behavior because it is unable to perceive how that behavior is mark "use" excuses harmful consumer confusion without any offsetting public benefit.

This article analyzes Gator's Internet advertising service according to this theory of "use in commerce." After showing that Gator offers a service in commerce, this article hones in on the formally crucial question: Does Gator use or display the complainants' marks in the sale or advertising of its service? Though functionally irrelevant according to this article's theory of "use in commerce," analyzing this question shows how this theory of "use in commerce" is consistent with the majority of infringement and unfair

105. Gator's Brief Against Hertz, supra note 10, at 5-6.
107. Gator's Brief Against Hertz, supra note 10, at 10.
108. See id. at 18-20.
competition case law, including that case law most pertinent to Gator’s Internet advertising service, the metatagging and keying cases. The article provides background on the judicial reasoning about “use in commerce” pertaining to Gator, comments on that reasoning, examines the complainants’ successful claims of Gator’s “use of their marks in commerce,” and concludes that the complainants should prevail on the question of whether Gator “used their marks in commerce.” This conclusion does not dispose of the complainants’ claims, but propels the legal analysis of these Lanham Act complaints to consideration of Gator’s defenses and the “likelihood of confusion” analysis.

A. “Use in Commerce” Stems from Congress’ Commerce Clause Power

The trademark law’s prohibition against infringement and unfair competition focuses mainly on whether unauthorized mark use confuses consumers.109 In comparison, the “use in commerce” element of the infringement and unfair competition prohibitions fulfill Congress’ obligation to demonstrate that the Constitution empowers Congress to regulate the behavior in question.110 Nonetheless, “use in commerce” is no pro forma requirement, as courts that have found inadequacies in a mark owner’s proof of this element and have, subsequently, rejected the mark owner’s infringement and unfair competition claims.111

To understand the Lanham Act’s “use in commerce” requirement, one must first consider the meaning of “commerce.” The Lanham Act defines “commerce” as “all commerce [that] Congress may lawfully regulate.”112 The Constitution, through the

109. See, e.g., Playboy Enters Inc. v. Netscape Communications Corp., 354 F.3d 1020, 1024 (9th Cir. 2004).
110. See supra notes 40-43 and accompanying text.
111. 1-800 CONTACTS, Inc. v. WhenU.com (1-800 CONTACTS II), Nos. 04-0026-cv(L) & 04-0026-cv(CON), 2005 U.S. App. LEXIS 12711, at *5 (2d Cir. June 27, 2005) (generating pop-up ads and triggering these ads with mark-containing URLs are not “use in commerce”); Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619, 626 (6th Cir. 1996) (“[T]he defendants’ use of a protected mark or their use of a misleading representation is a prerequisite to the finding of a Lanham Act violation.”); DaimlerChrysler AG v. Bloom, 315 F.3d 932, 939 (8th Cir. 2003) (licensing the phone number 1-800-MERCEDES, without more, is not “use in commerce”); Advanced Res. Int’l, Inc. v. Tri-Star Petroleum Co., 4 F.3d 327, 335 (4th Cir. 1997) (“Tri-Star’s use of the report, even if recognized as creating an endorsement that ARI now wishes to deny, cannot be characterized as the deceptive use of a mark. The concept of mark may be broadly defined yet it does not stretch so far as to embrace ARI’s report.”). 
Commerce Clause, empowers Congress to regulate "Commerce with foreign nations, and among the several States, and with the Indian Tribes". The Supreme Court has identified three categories of activity that the Commerce Clause empowers Congress to regulate:

1. "[T]he use of the channels of interstate commerce."
2. "[T]he instrumentalities of interstate commerce."
3. "[T]hose activities that substantially affect interstate commerce."

Courts note that marks are instruments of commerce and therefore Congress can regulate mark use. Courts also permit Congress to regulate advertising and service transactions in the course of regulating interstate commerce. Last, the Internet is a channel of interstate commerce. Therefore, Congress can regulate Gator's advertising service, and the Lanham Act may proscribe Gator's behavior when Gator "uses" a mark.

"Commerce" is just one component of the "use in commerce" requirement. The Lanham Act defines "use in commerce" as,

The bona fide use of a mark in the ordinary course of trade. . . . [A] mark shall be deemed to be used in commerce . . . on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.

The fourth circuit insists that this definition has two separate and necessary elements: (1) "use[] or display[ of the mark] in the sale or advertising of services," and (2) that "the services are rendered in commerce." Each element requires analysis distinct from the

113. U.S. CONST. art. I., § 8, cl. 3.
115. Id.
116. Id.
118. See id. at 364-65.
121. Int'l Bancorp, 329 F.3d at 373 (quotation marks omitted).
Using the mark in commerce is not synonymous with rendering the mark in commerce. Gator renders its advertising service in commerce. The crucial question remains: Does Gator use or display the complainants' marks in the sale or advertising of its service?

B. The Infringement and Unfair Competition Case Law Involving Gator and WhenU

Parties involved in Lanham Act-based controversies concerning online pop-up advertising have the benefit of consistent case law. Though the Supreme Court has not addressed whether this type of advertising offends the Lanham Act, the courts that have addressed the issue have, for the most part, found no mark use and, therefore, no Lanham Act violation. The second circuit handed down the most recent and most important of these opinions in *1-800 CONTACTS v. WhenU* ("1-800 CONTACTS II"). The district court found the requisite mark use because (1) the advertiser generated ads while an Internet user viewed the complainant's website, and (2) the software code triggered the ads with the complainant's website's URL, which contained the complainant's protectable mark ("1-800 CONTACTS I"). The district court noted that the mark owner invested in websites, drawing Internet users to them with its goodwill and reputation, but was financially harmed due to ads generated by an unauthorized advertiser while users viewed the website.

122. See id.
123. Id.
127. See id.
bottom, this court found that this advertising traded on the owner’s goodwill and reputation.128

The second circuit reversed, putting an end to the lone useful precedent finding mark use.129 It found no “use” through ads generated.130 The appellate court reasoned that the following factors meant there was no “use”: (1) the mark did not appear in the ad; (2) the ad did not affect the website or the window it appeared in; (3) and the URL would trigger the ads regardless if the URL contained a mark, while ads would appear had the user clicked on a link to the website rather than by typing the URL into the address bar.131

The second circuit apparently believed that including the mark owner’s URL in the software code was not “use” of a mark, but non-trademark use of the mark.132 It reasoned that the software code was hidden and therefore could not possibly cause “visual confusion” with the mark and that a user could not input the mark into the code to trigger an advertisement.133 The court also found no “use” because the URL’s inclusion in the directory was “precisely because it is a website address, rather than because it bears any resemblance to [the mark at issue].”134 By placing its mark into its URL, the mark owner “transform[ed its mark] ... into a word combination that functions more or less like a public key to [its] website.”135 In response to the district court’s contention that the alleged mark infringer profited from the owner’s goodwill, the second circuit noted that the law does not forbid profiting off another’s goodwill alone.136

Additionally, two other courts found for the advertiser on arguments similar to the arguments presented to the 1-800 CONTACTS courts. These courts held that: (1) the advertiser’s

128. See id. at 490.
129. Another court issued a preliminary injunction against Gator. However, the court did not state its reasons in its opinion. WashingtonPost.Newsweek Interactive Co., LLC. v. Gator Corp. (Washington Post), No. Civ.A.02-909-A, 2002 WL 31356645, at *1 (E.D. Va. July 16, 2002) (granting preliminary injunction “[f]or the reasons stated from the bench”). Therefore, though the opinion may have considered the Gator advertising service as “using marks in commerce”, this article cannot assess its reasoning.
131. Id. The second circuit deemed the fact that “WhenU’s pop-up ads do not display the 1-800 trademark” fatal to the mark owner’s claim. Id. at *27.
132. Id. at *22-*26. For further explanation of how the law does not prohibit non-trademark use of a mark, see Gator’s Defenses that What It Used Was Not a Mark Should Fail, infra Part V.
133. Id. at *23-*24.
134. Id. at *23.
135. Id.
service did not hinder access to the websites;\(^{137}\) (2) causing an Internet user to see an advertisement while contemporaneously seeing the complainant’s mark on the website “beneath” the advertisement is not “use in commerce”;\(^{138}\) and, (3) the advertiser’s inclusion of the website owner’s mark in its software code is not “use in commerce.”\(^{139}\) These courts believed “use in commerce” to be impossible where the advertisement both appears in a separate window that users can manipulate and does not display the mark-at-contest, and where users are otherwise able to access the website.\(^{140}\) These courts were concerned about preventing trademark law from stifling comparative advertising.\(^{141}\)

C. The Metatagging and Keying Case Law Assumes “Use in Commerce”

Gator does not visibly accessorize its services with the complainants’ marks in the traditionally infringing fashion. However, courts do not limit “use in commerce” to only those marks that the infringer uses in a fashion visible to the naked consumer eye. Though metatags and keyed search words are not visible to consumers, an infringer’s use of a mark in a metatag and as a keyed search term can constitute “use in commerce.”\(^{142}\)

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138. Wells Fargo, 293 F. Supp. 2d at 760-61. The court contrasted WhenU’s ad with unlawful framing. “Framing refers to the process whereby one Web site can be visited while remaining in a previous Web-site. Thus, while still appearing to be at [defendant’s] site, and while still able to view its advertising, one could now have traveled to [plaintiff’s] site, which would appear inside the ‘frame’ of [defendant’s] site.” Digital Equip. Corp. v. Alta Vista Tech., Inc., 960 F. Supp. 456, 461 n.12 (D. Mass. 1997). The Wells Fargo court believed that, because it appeared in a separate window, consumers would not perceive WhenU’s ad to be a part of the webpage that appeared beneath it, and therefore the WhenU ads do not appear to display the complainant’s marks. 293 F. Supp. 2d at 761; accord U-Haul, 279 F. Supp. 2d at 727-28.

139. See Wells Fargo, 293 F. Supp. 2d at 762-64; U-Haul, 279 F. Supp. 2d at 728.


142. SNA, Inc. v. Array, 51 F. Supp. 2d 554, 562-63 (E.D. Pa. 1999) (“The defendant has infringed on plaintiff’s mark whether the meta tagging is visible or hidden in the code”).

Without reference to authority, Gator argued that its use of marks in domain names is not use as a mark because it does not display the mark to the user. Gator’s Brief Against Hertz, supra note
Metatagging: Metatags, embedded in the webpage’s code, are terms that the webpage designer intends search engines to consider when determining the contents of the webpage. Consequently, metatags affect the results of an Internet user’s search on a search engine.

The ninth circuit, in *Brookfield Communications*, instructed the district court to enter a preliminary injunction because it believed that the mark owner was likely to succeed on its Lanham Act infringement claim. Although the *Brookfield Communications* court never expressly analyzed whether including a mark in a metatag constituted “use in commerce,” it ordered an injunction. To order the injunction, the court at least must have assumed that a mark in a metatag amounted to “use in commerce.”

Keying: “Keying” means that the search engine triggers an ad to display whenever a user searches using certain pre-determined search terms. Thus, the alleged mark infringer, typically a search engine owner and operator, effectively “sells” search terms that are the mark

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143. See *Brookfield Communications, Inc. v. W. Coast Entm’t*, 174 F.3d 1036, 1045 (9th Cir. 1999):

> Metatags are HTML code intended to describe the contents of the web site. There are different types of metatags, but those of principal concern to us are the “description” and “keyword” metatags. The description metatags are intended to describe the web site; the keyword metatags, at least in theory, contain keywords relating to the contents of the web site. The more often a term appears in the metatags and in the text of the web page, the more likely it is that the web page will be “hit” in a search for that keyword and the higher on the list of “hits” the web page will appear.

*Id.* (citation omitted).

144. See *id.*

145. These are the relevant facts and procedure in *Brookfield Communications*: Mark owner Brookfield alleged Lanham Act infringement against West Coast. *Id.* at 1043. Brookfield owned the mark “MovieBuff”. *Id.* at 1041. Among other things, West Coast planned to use the terms “MovieBuff” and “moviebuff.com” in its website’s metatags. *Id.* at 1043, 1062. The district court denied Brookfield’s preliminary injunction motion. *Id.* at 1041. The ninth circuit reversed. *Id.* at 1066.

146. See *id.*

owner’s marks to another party that typically is in competition with the mark owner. When a user searches using these words, the search engine returns the competitor’s ad in addition to a list of search results.148

In the most significant keying case to date, the ninth circuit reversed the district court’s summary judgment ruling for the alleged mark infringer.149 Contrary to the district court’s ruling, the ninth circuit noted that “defendants used the marks in commerce without mark owner PEI’s permission.”150 Also contrary to the district court, the appellate court found Netscape to have used “playboy” and

148. See Netscape IV, 354 F.3d at 1023.
149. See id. at 1022.
Because the Netscape opinions influence and affect the opinions of courts that have ruled on the claims against Gator and WhenU, and because the procedural posture of the ultimate and decisive Netscape IV ruling is unusual, the facts and procedure leading to the Netscape opinions are worth noting:
Mark owner PEI complained of infringement arising from Netscape’s “keying” a competitor’s ad when users searched by PEI’s registered trademarks “playboy” and “playmate”. Netscape IV, 354 F.3d at 1022-23. In Netscape I, the district court denied a preliminary injunction against Netscape. Playboy Enters., Inc. v. Netscape Communications Corp. (Netscape I), 55 F. Supp. 2d 1070, 1090 (C.D. Cal. 1999). The court believed that a search engine user could not search by “playboy” or “playmate” in their trademarked form, but instead searched by those terms according to their generic meaning.149 The court concluded, “[t]hus, whether the user is looking for goods and services covered by PEI’s trademarks or something altogether unrelated to PEI is anybody’s guess.” Id. at 1073. The court ruled that Netscape did not “use” PEI’s marks absent a showing that Netscape used the trademarked meaning of “playboy” or “playmate” either when marketing “keying” to advertisers or when actually “keying” these search terms to ads. Id. at 1073-74. The ninth circuit, on interlocutory appeal and reserving further review of the disposition of the merits, affirmed. Playboy Enters., Inc. v. Netscape Communications Corp. (Netscape II), Nos. 99-56230 & 99-56231, 1999 WL 1049614, *1 (9th Cir. Nov. 18, 1999).
The district court later granted summary judgment on the infringement claim to Netscape on the grounds that there was no evidence of actual confusion. Playboy Enters., Inc. v. Netscape Communications Corp. (Netscape III), Nos. 99-320 & 99-321, 2000 WL 1308815, *1 (C.D. Cal., Sept. 13, 2000) Though the court did not fit it into its formal doctrinal analysis, it mentioned that “Defendants do not use PEI’s trademarks qua trademarks” because Netscape did not use the marks to identify PEI’s goods and services. Id.
As discussed in the text accompanying this note and notes 148-152, the ninth circuit reversed the Netscape III grant of summary judgment in favor of Netscape, finding that the keyed terms were unauthorized uses of a mark in its secondary meaning.
Therefore, “keying” constitutes “use of a mark in commerce.” The district court, had it considered a mark used as a search term in a fashion that it did not think to have generic use in the English language, would have found “use in commerce”. Moreover, the appellate court recognized that “keying” marks is “use in commerce”.
“playmate” for their secondary, trademarked meanings, rather than to mean, for example, “a companion, especially of a child, in games and play”, which is playmate’s generic meaning. Therefore, keying constitutes “use of a mark in commerce.”

Metatagging and keying cases turned on whether there was a “likelihood of confusion” arising from the metatagging or keying. No court dwelled on whether the defendant had “used the mark in commerce.” Though no court specifically addressed whether use of a mark in a metatag constituted “use in commerce,” courts in six circuits assumed so sub silentio. Research has not revealed any court that has categorically held that inclusion of a mark in a metatag, or as a search term that keyed an ad, cannot constitute “use of a mark in commerce.” At least one of the district courts that found an Internet advertising service not to “use marks in commerce” failed to appreciate the emphasis placed on “likelihood of confusion” by the courts that considered metatags and keying.

D. The Dueling Analogies Employed by Courts that Considered Whether Pop-up Ads, Keying, or Metatagging Violated the Lanham Act

The Wells Fargo v. WhenU court referred to an analogy employed by the Playboy Enterprises, Inc. v. Netscape Communications Corp. district court (“Netscape I”) when it concluded that inclusion of a URL in the advertising software code

151.  *Netscape IV*, 334 F.3d at 1027, n.32.

152. Other keying cases addressed the “use in commerce” element point blank, but only for the purposes of determining whether the mark owners stated a claim. *Am. Blind*, 2005 U.S. Dist. LEXIS 6228, at *22; Gov't Employees Ins. Co. v. Google, Inc., 330 F. Supp. 2d 700, 703-04 (E.D. Va. 2004). One of the two ways the Government Employees court found mark “use” was because the ads “included” the mark at issue and the mark user had control of the advertising program. *Id.* at 704. “Inclusion” apparently meant that a confusing ad – not necessarily displaying the mark – generates when a user enters the mark as a search term. *Id.* at 701-02. The *American Blind* court refused to dismiss the claims “in light of the uncertain state of the law[.]” 2005 U.S. Dist. LEXIS 6228, at *22.

153. See PACCAR, Inc. v. Telescan Techs., L.L.C., 319 F.3d 243, 258 (6th Cir. 2003) (vacating an injunction in part because the district court failed to consider whether the defendant’s use of the plaintiff’s mark in the defendant’s website’s metatags was likely to confuse); Promatek Indus., Ltd. v. Equitrac Corp., 300 F.3d 808, 812 (7th Cir. 2000) (affirming preliminary injunction); *Brookfield Communications*, 174 F.3d at 1061-65 (finding that the defendant’s use of the plaintiff’s mark in the defendant’s website’s metatags is likely to confuse); Bayer Corp. v. Custom Sch. Frames, 259 F. Supp. 2d 503 (E.D. La. 2003) (granting judgment for the plaintiff); 777388 Ontario Ltd. v. Lencore Acoustics Corp., 105 F. Supp. 2d 56, 63 (E.D.N.Y. 2000) (denying defendant’s motion to dismiss); SNA, Inc. v. Array, 51 F. Supp. 2d 554, 562-63 (E.D. Pa. 1999).
was not "use in commerce". The Netscape I analogy to which the Wells Fargo v. WhenU court referred was:

This case presents a scenario more akin to a driver pulling off the freeway in response to a sign that reads "Fast Food Burgers" to find a well-known fast food burger restaurant, next to which stands a billboard that reads: "Better Burgers: 1 Block Further." The driver, previously enticed by the prospect of a burger from the well-known restaurant, now decides she wants to explore other burger options. Assuming that the same entity owns the land on which both the burger restaurant and the competitor's billboard stand, should that entity be liable to the burger restaurant for diverting the driver? That is the rule PEI contends the Court should adopt.

The Ninth Circuit Court of Appeals in Netscape IV effectively reversed this reasoning of the Netscape I opinion.

The Netscape I court offered its analogy in response to the argument that Brookfield Communications controlled on the question of whether PEI could show the likely confusion that was necessary for a preliminary injunction. The Brookfield Communications court offered this analogy to explain the misappropriation of goodwill by non-descriptive use of a mark in a metatag:

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

156. See supra notes 148-152 and accompanying text.
157. 55 F. Supp. at 1074-75.
acquired goodwill. See Blockbuster [Entm’t Group v. Laylco, Inc.], 869 F. Supp. [505.] 513 [(E.D. Mich. 1994)] (finding trademark infringement where the defendant, a video rental store, attracted customers’ initial interest by using a sign confusingly [similar] to its competitor’s even though confusion would end long before the point of sale or rental).158

Analogies generally are an unfortunate and inexact way of explaining a point.159 However, the Wells Fargo v. WhenU court’s reasoning has greater difficulties beyond that general problem. The Wells Fargo v. WhenU court’s adoption of the Netscape I court’s analogy for the purpose of finding no “use in commerce” has the following deficiencies:

First, the Netscape I and Brookfield Communications analogies address the “likelihood of confusion” element. Technically, the Netscape I analogy is inapplicable to the “use in commerce” element for which the Wells Fargo v. WhenU court employed the analogy.

Second, the Wells Fargo v. WhenU and Netscape I courts fail to see the point that the Brookfield Communications court makes with its analogy – whatever it is that the metatag user does, it causes a “likelihood of confusion” that is exactly the same as the confusion that trademark law aims to prevent. Permitting this confusion would limit the trademark law’s usefulness in the online advertising context. Thus, the Netscape I court should have considered the possibility that, indeed, an entity that places both another entity’s burger restaurant and the sign of the restaurant’s competitor on its own land should be liable to the burger restaurant for diverting drivers if it employs confusion to do so. The Wells Fargo v. WhenU court did the disservice of noting the Netscape I opinion’s lack of clarity, but then simply ratified its reasoning without further explanation.160

158. Brookfield Communications, 174 F.3d at 1064 (other citations omitted). The 1-800 CONTACTS I court did cite to Brookfield Communications for support in its “likelihood of confusion” analysis, 309 F. Supp. 2d 467, 492 (S.D.N.Y. 2003), but never relied on Brookfield Communications in its “use of commerce” analysis. As a doctrinal matter, this judicious citing is appropriate because Brookfield Communications assumed that metatagging involved a “use in commerce” and therefore never analyzed “use in commerce.”


160. Both courts could have noted that Brookfield Communications and the other metatagging cases simply assumed that there was “use in commerce”, which would have freed them to analyze “use in commerce” without regard to Brookfield Communications’ “likelihood of confusion” analogy. Alternatively, these courts could have explained that the ill effects that
Third, the *Wells Fargo v. WhenU* court attempted to explain "use" in a virtual, two-dimensional context with a real-world three-dimensional example.\(^{161}\) It is entirely possible that consumers perceive things in the real world's space differently than on their computer's flat display. Yet the court did not pause to consider that possibility.

Last, the *Netscape IV* appellate court, in reversing the *Netscape III* district court's grant of summary judgment to Netscape, undid the reasoning of the *Netscape I* court. In *Netscape I*, the district court refused to issue a preliminary injunction in part because it found no "use in commerce." In reversing the *Netscape III* court, the *Netscape IV* court found that Netscape used PEI's marks for the purposes of the Lanham Act. This reversal, occurring after the *Wells Fargo v. WhenU* court issued its opinion, undermines the persuasiveness of the *Wells Fargo v. WhenU* court's conclusions and reasoning.

The *Netscape IV* court, in effect, found that the metatagging and keying analyses reach the same conclusions.\(^{162}\) The crucial question becomes: Given that metatagging and keying constitute use or display of marks in the sale or advertising of services, does Gator's Internet advertising service constitute use or display of marks in the sale or advertising of services as well?

These metatagging and keying cases found trademark infringement and unfair competition where the use of mark in metatags or keying did not describe the content of the linked website. The effects of metatags, keying, and Gator's software are functionally comparable. First, whereas the search engine results, based on the engine's examination of metatags or a keyed search term, present the user with a list of choices, the Gator programs present the user with a choice of two windows. Second, a website's use of metatags that include a mark increases the likelihood that a search engine will present a user who is interested in the services associated with that mark with the option of choosing that website. In comparison, the keyed search term guarantees that the search engine will present the user with a pre-determined ad, while the Gator programs guarantee presenting Gator subscribers with Gator clients' ads.

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162. *See Netscape IV*, 354 F.3d 1020, 1024-26 (9th Cir. 2004) ("PEI's theory strongly resembles the theory adopted by this court in *Brookfield Communications*.")
These effects are not exactly the same. Unlike users affected by metatags, but like users affected by keying, the Gator subscriber certainly will see the competitor’s ad. Unlike users whose search was affected by metatags or keyed search terms, a Gator subscriber does first view the desired website. Contesting these differences as significant in the “use of commerce” analysis in effect argues whether it creates a “likelihood of confusion.” To show that it did not use URLs either in bad faith or intending to cause confusion, Gator has argued that it does not “bait and switch” consumers. Intent factors into the traditional balancing test to determine whether there is a “likelihood of confusion” and is not relevant to whether Gator used the marks in the display or advertising of services. Still, the law places the burden on the complainants to show “use in commerce” and does not require Gator to disprove it.

E. The Two Temporarily Successful Theories of “Use in Commerce”

So far, complainants against the Internet advertising services have enjoyed short-lived success on two theories of “use in commerce”: (1) “Use” by including the complainants’ mark to trigger the ad; and, (2) “Use” by causing ads to appear when users access complainants’ website. The question remains whether Gator uses the source-identifying function of the mark or merely words that identify a server. Gator argues that it does not use the source-identifying feature of a mark. The analysis of the complainants’ theories proceeds notwithstanding Gator’s insistence that it does not use specific URLs to trigger ads as the Internet user contemporaneously views the website with that URL. This article ultimately concludes that Gator does use the source-identifying feature of marks and that it does not matter how Gator triggers ads. This question is deferred for the time being because Gator’s argument here is similar to Gator’s defenses.

164. See Gator’s Brief Against Hertz at 13-15.
165. See infra note 222.
167. Gator’s Brief Against Hertz, supra note 10, at 9-12; Gator’s Brief Against Overstock.com, supra note 101, at 15-16; Gator’s Brief Against LendingTree, supra note 101, at 12-13; Gator’s Brief Against Six Continents, supra note 101, at 3-5.
168. Gator’s Brief Against Hertz, supra note 10, at 5-6.
169. See Gator’s Defenses That What It Used Was Not a Mark Should Fail, infra Part V.
1. Theory 1: Using the URL in the Gator Program Code to Trigger the Ad

The first theory may be the more obvious: Gator "uses the marks" by placing them in the Gator program's code. In using the complainants' marks to trigger ads, Gator uses the mark directly, as the metatagging and keying mark users did. This theory would prevent Gator from using the complainants' marks in its software code to trigger confusing ads. Gator could then respond by distributing software programs that search webpages for word combinations unique to the targeted webpages that are equally, or nearly equally, effective as a URL or mark trigger. The first theory does not prevent Gator from using this modified software to trigger confusing ads that have the same (alleged) harmful effects. Moreover, relief may be unavailable to any party whose website's URL does not contain a registered mark, though they will suffer the same harm as those parties that do include in their website's URL a word that unfair competition law would protect. The second circuit rejected this theory because it believed the coding-embedded URL functioned as a key to the website and did not cause any "visual confusion."

2. Theory 2: Causing Ads to Appear When Users Access Websites

Gator "uses the marks" by causing ads to appear when users access the complainants' websites. Though not as direct as the "use" described in the first theory, Gator's "use" of the mark has the functional characteristics of mark use: (1) Gator does something that (arguably) causes user confusion about the complainants' marks, while (2) Gator knows that its subscribers have the complainants' marks in mind. The same harm that occurs in metatagging and

170. Extended Stay America's website's URL does not contain a registered mark. ESA Complaint, supra note 14, ¶ 7, Ex. C.

171. These parties have the burden of demonstrating that this word is protectable because the public associates their marks with their goods and services to the point where, if another affixed the same mark to its goods or services, the public would believe those parties to have produced the goods or provided the services. Metric & Multistandard Components Corp. v. Metric's, Inc., 635 F.2d 710, 714 (8th Cir. 1980). In contrast, trademark law entitles parties with a registered mark in their websites' URLs to a presumption that the law protects their mark. Brookfield Communications, Inc. v. W. Coast Entm't, 174 F.3d 1036, 1047 (9th Cir. 1999).

keying cases also (arguably) occurs here. Complainants probably prefer the second theory because it captures all variations of ads that appear when users access the complainants’ website. This theory of “use in commerce” captures all possible occurrences of harm that the first “use in commerce” theory did not; Gator cannot evade this theory of “use in commerce” simply by re-writing software code. Instead, this theory would prevent Gator from generating any confusing ads online.

Under this theory, all ads “use the marks in commerce” regardless of where Gator positions them. The complainants have argued that Gator “uses their marks in commerce” by positioning its ads in such a way that their trademarks are also visible to the user, but the ad’s position is not relevant to determining whether there is “use in commerce.” Considering the ad’s positioning relative to the content of the website allows for the possibility that pop-under ads (or pop-up ads that obscure either the complainants’ entire page or the mark on the website) do not “use” the mark “in commerce” without considering whether these ads cause a “likelihood of confusion.” This thinking suffers from the same flaw as limiting “use in commerce” to merely those triggers that employ marks if an Internet advertiser causes the same harm with pop-under ads as it might with pop-up ads, then why prohibit pop-up ads? Though a Gator subscriber may see the pop-under ad but not complainants’ mark, the subscriber may be confused because the subscriber has the mark in mind (having searched by the mark in a search engine or having reached the website by typing in the registered-mark-containing URL). A pop-under ad may be less confusing than a pop-up ad, but the possibility remains that a pop-under ad is also sufficiently confusing for the purpose of the Lanham Act. For the same reasons, courts ought to consider the possibility that an ad appearing after an Internet user stopped viewing a website constitutes trademark infringement or unfair competition. Instead of dwelling on whether they can perceive mark use, courts ought to consider whether the way in which the ads display causes a “likelihood of confusion.”

The second circuit rejected this theory as well, for two reasons. First, it described the fact that the ads do not display the website

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owner's mark, as this theory's "fatal flaw." 174 Similarly, it noted that the ads have "no tangible effect on the appearance or functionality of the [mark owner's] website." 175 However, the second circuit answers no questions with this reasoning. By statute, "use in commerce" includes "use or display" of a mark. 176 The second circuit's reasoning thus far seems to equate use with display alone and to put aside the possibility that "use" can include more than just display. Further, nothing in the statutory definition suggests that "use in commerce" in this context must, to qualify as "use," affect the appearance or functionality of the owner's website. 177

Second, the second circuit believed there was no "use" because a user would not necessarily arrive at the website by inputting the mark in any fashion. 178 According to this reasoning, the mark owner happened to choose its mark in its website's address. Had the owner not used its mark in the website's address, the user need not have typed it in when he sought out the website. 179 Along the same lines, the user could have viewed the website by clicking a result offered by a search engine, having searched by a term that was not the website owner's mark. 180

Again, the second circuit is not convincing because it treats "use" too narrowly. Apparently, the second circuit focused on the computer users' experiences with the mark. First, the second circuit noted that each user would not see the mark in the pop-up ad. Second, the court noted that the user would not necessarily type in the mark. In doing so—in attempting to perceive mark use—it overlooked the possibility that the Internet advertising service's pop-up ads caused illegal consumer confusion about the identity or source

175.  Id.
177.  At least one other court may be guilty of this reasoning, too. See DaimlerChrysler AG v. Bloom, 315 F.3d 932, 939 (8th Cir. 2003):

Review of the vanity phone number cases reveals that the mark holder is generally not entitled to relief unless the defendant advertises or otherwise promotes the alphanumeric translation of the phone number thereby causing the public to see the protected mark and associate the infringer's goods or services with those of the mark holder (emphasis added).

However, the DaimlerChrysler court arrived at the correct result for the same reason that the Holiday Inns v. 800 Reservation court did, as this article will explain, infra notes 189-198 and accompanying text.

179.  Id. at *28.
180.  Id. at *29.
of goods or services. The second circuit focuses on what the user experienced, rather than what he perceived. If the limits of consumer perception—not consumer experience—draw the boundaries of mark protection, then the second circuit did not necessarily give the 1-800 CONTACTS mark owner its due under the trademark law. In any event, the second circuit failed to consider the possibility that the ad “on” the website would cause a change in the public perception of the mark “beneath” the ad.

This second theory must address the limitations imposed on it by the current case law, which will not abandon “use in commerce” analysis simply because the mark owner can show probable consumer confusion. In Holiday Inns v. 800 Reservation, Holiday Inns, owner of the mark 1-800-HOLIDAY (or, the phone number 1-800-465-4329), complained of the defendant’s use of the phone number 1-800-405-4329. People who sought Holiday Inns but misdialed, mistaking the zero button for the letter “O”, called the defendant instead. The defendant’s phone number appeared on the keypad as 1-800-HOLIDAY. The entire value of that phone number to the defendant was the common mistake that consumers made of dialing zero instead of six. Nonetheless, the Holiday Inns court found that the defendant could not have violated the Lanham Act because the defendant never used Holiday Inns’ mark or anything similar to it.

Dicta in the Holiday Inns opinion explains the difference between mark use and no mark use: in order to “use a mark in commerce,” the mark user must use a mark or create the confusion.

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181. The second circuit argued that making a finding on the “likelihood of confusion” “puts the cart before the horse” because, “[n]ot only are ‘use,’ ‘in commerce,’ and ‘likelihood of confusion’ three distinct elements of a trademark infringement claim, but ‘use’ must be decided as a threshold matter because, while any number of activities may be ‘in commerce’ or create a likelihood of confusion, no such activity is actionable under the Lanham Act absent the ‘use’ of a trademark.” Id. at *35-*36. This article disagrees. To the extent that there is “use” apart from the jurisdictional requirement that “use” occur in commerce, “use” means the cause of a change in the public perception of a mark. This article submits that a behavior necessarily “uses” a mark if (a) there is a “likelihood of confusion” about the information marks convey that (b) would not exist but for the complained-of behavior.


183. Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619, 626 (6th Cir. 1996).

184. Id. at 620.

185. Id.

186. Id.

187. Id. at 624 (quoting the district court).

188. See Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619, 623-26 (6th Cir. 1996).

189. See id. at 626.
Some consumers seeking Holiday Inns would dial 1-800-405-4329 regardless of whether the defendant answered the phone. Moreover, once a caller dialed the defendant’s number, the defendant played an unavoidable disclaimer that informed the caller that he could not reach Holiday Inns at that number. Last, the defendant did not advertise its phone number as “1-800-HOLIDAY” (with a zero as the second digit), which would have been use of a mark confusingly similar to Holiday Inns’, or advertise its number as affiliated with Holiday Inns. Advertising would be unfair competition because the defendant would attract callers who would not otherwise mistakenly dial the defendant’s number. Creating confusion is illegal. In effect, the second theory reduces “use of a mark in commerce” to the measurable difference between the consumer perception of a mark in the presence of certain behavior and the consumer perception of a mark in the absence of that behavior; material difference, therefore, is “use in commerce.”

The Holiday Inns opinion defined “use of a mark in commerce” as the creation of confusion by the defendant, even in the absence of known mark use. To define “use in commerce” as causing confusion is to limit “use in commerce” to infringement and unfair competition, as both of those provisions prohibit only confusing uses of the mark. However, the Lanham Act employs “use in commerce” for many provisions that work to different ends, some of which are entirely unrelated to any kind of consumer confusion. To give this definition of “use in commerce” meaning that can be generally applicable to the other sections of the Lanham Act that employ it, “use in commerce” should be understood as meaning

190. See id. at 620-21, 624.
191. See id. at 621.
192. See id. at 623-24.
193. See id. at 624-25.
195. See id. at 626.
196. See The Lanham Act: Protecting Consumers by Protecting Mark Owners, infra Part II.C.
197. See supra notes 44-46 and accompanying text.
198. This article makes no claim that this definition is sensible for those provisions of the Lanham Act itemized in supra notes 44-46 and accompanying text, as the author has not studied those provisions or their case law.
that "the mark user's behavior affects the public's perception of the mark." This definition effectively renders the "use in commerce" requirement for the purposes of showing infringement and unfair competition to be little more than a jurisdictional requirement—that Congress can regulate the complained-of behavior as commerce—except in those circumstances, such as in Holiday Inns, where the complained of effect existed with or without the alleged mark user's behavior.

Not all case law corroborates this theory of the function of the "use in commerce" requirement. Take Advanced Resources v. Tri-Star Petroleum, for example. In an attempt to prevent defendant Tri-Star Petroleum from circulating a report that it commissioned from ARI, plaintiff ARI alleged unfair competition. Because Tri-Star Petroleum circulated the ARI report, along with a letter soliciting investment in a project, to potential investors, ARI asserted that the investors would mistakenly believe that ARI supported the proposed venture. The fourth circuit did make contradictory statements about whether the report led to confusion; on the one hand, "[t]he report, even if seen by an unintended audience, does not project any false association or confusion in the reader's mind but purports only to be what it in fact is—a commissioned analysis, written by ARI, based on information given to it by Tri-Star." On the other hand, "we assume, without deciding, that the materials circulated by Tri-Star, which include the ARI report, create[d] an illusion of endorsement by ARI." However, the fourth circuit mooted the issue of whether the report confused by refusing to recognize the report, which it characterized to be "commissioned, signed, unaltered[,]" and "paid for" as a mark. The fourth circuit affirmed summary judgment for Tri-Star Petroleum. "The concept of mark may be broadly defined[,] yet it does not stretch so far as to embrace ARI's report." One judge dissented and argued that the case

200. See id. at 329.
201. See id. at 330, 334.
202. Id. at 335.
203. Id. at 335 n.2.
204. Id. at 335. The fourth circuit noted that the 15 U.S.C. § 1115(b) defense of authorization was unavailable to Tri-Star Petroleum, as the court must read the facts in the light most favorable to ARI. Id. at 335 n.2.
206. Id.
should be remanded for a determination of whether circulating the report created a "likelihood of confusion." 207 The dissent concluded, "[i]f ARI can prove its allegations, it is entitled to injunctive relief lest the public be hoodwinked and ARI's name and reputation besmirched." 208

The theory that this article favors entirely conflicts with the majority opinion of *Advanced Resources*. The fourth circuit neither explained what a mark is, nor demonstrated how the report could not be a mark. Under the theory that this article advances, a court would find "use in commerce of a mark" if (1) Congress could regulate the behavior complained of under the Commerce Clause and (2) the "illusion of the mark owner's endorsement" created by the defendant caused a "likelihood of confusion" of "mistake, or [of deception] as to the affiliation, connection, or association of [the mark user] with another person, or as to the origin, sponsorship or approval of [the mark user's] goods, services or commercial activities." 209 Consequently, if the Gator complainants can show that the Gator subscribers' confusion, if any, about the association between Gator ads and the viewed websites does not exist in the absence of Gator's Internet advertising service, then the complainants can show that Gator "used their marks in commerce."

**F. Conclusion.**

Consistent with courts' treatment of metatags and keying cases, Gator's use of complainants' marks constitutes "use in commerce." In the same way in which a party can "use a mark in commerce" by keying it, and similar to how a party can "use a mark in commerce" by placing it in a metatag, using a URL as a trigger can be "use of a mark in commerce." Moreover, Gator "uses" complainants' marks when the software programs generate ads that contemporaneously appear with branded websites because these ads have the ability to cause consumer confusion. Thus, courts should consider whether Gator's "use" of the mark implicates the mark's source-identification function, and whether the "use" creates consumer confusion.

207. *See id.* at 336 (Butzner, J., concurring in part and dissenting in part).
208. *Id.* at 336-37 (Butzner, J., concurring in part and dissenting in part).
209. Thus incorporating elements of Lanham Act unfair competition, 15 U.S.C. § 1125(a) (2000). For § 1125(a)'s full text, see supra note 35.
V. GATOR’S DEFENSES THAT WHAT IT USED WAS NOT A MARK SHOULD FAIL

Gator raised one relevant affirmative defense\(^\text{210}\) against the complainants’ allegation that it “used their marks in commerce”—

\(^{210}\) “Fair use”, though a relevant defense to “use in commerce,” is not relevant to this article. Any party may use a mark if it uses the mark fairly (“fair use”). Sugar Busters LLC v. Brennan, 177 F.3d 258, 270-71 (5th Cir. 1999). Congress enacted a statutory defense that provides that one may use a mark without liability if:

[T]he use of the name, term, or device charged to be an infringement is [(1)] a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is [(2)] descriptive of... the goods or services of such party] or their geographic origin [(3) and used fairly and in good faith only to describe the goods or services of such party or their geographic origin].

15 U.S.C. § 1115(b)(4) (2000) (for clarity’s sake, the order of the statute’s words are rearranged and the numbering is added).

Mark users can raise this defense against infringement and unfair competition. Analysis of the fair use defense complements analysis of the likelihood of consumer confusion. According to the text of the statute, § 1115(b)(4) is a defense against 15 U.S.C. § 1114 infringement, but makes no mention of § 1125(a) unfair competition. § 1115(b). Nonetheless, courts consider fair use in § 1125(a) unfair competition cases and condone behavior against an unfair competition complaint if that behavior comports with fair use’s requirements. Packman v. Chi. Tribune Co., 267 F.3d 628, 639-43 (7th Cir. 2001) (finding that fair use defense precluded infringement and unfair competition claims); see also Sugar Busters, 177 F.3d at 271 (noting that fair use is a potential defense against unfair competition complaint); Car-Freshner Corp. v. S.C. Johnson & Son, Inc., 70 F.3d 267, 270 (2d Cir. 1995) (finding fair use defense precluded infringement and unfair competition claims); Microware Sys. Corp. v. Apple Computer, Inc., 126 F. Supp. 2d 1207, 1222 n.14 (S.D. Iowa 2000) (finding fair use defense effective against the plaintiff’s federal unfair competition claim); Schafer Co. v. Inco Management Corp., 797 F. Supp. 477, 482 (E.D.N.C. 1992) (finding that fair use of a mark defeated unfair competition complaint). Thus, “any inquiry into an alleged ‘fair use’ of the [plaintiff’s mark] must be accompanied by an analysis of the likelihood of confusion among consumers that may be created by [the defendant’s] use of the [plaintiff’s mark].” Shakespeare Co. v. Silstar Corp. of Am. (Shakespeare I), 9 F.3d 1091, 1099 (4th Cir. 1993) (reversing and remanding); see also Nat'l Fed’n of the Blind, Inc. v. Loompanics Enters., Inc., 936 F. Supp. 1232, 1240 n.6 (“To some degree, the ‘fair use’ and ‘absence of confusion’ arguments are but two sides of the same coin”). (After the Shakespeare I court remanded, the district court found fair use without explaining how likely the defendant’s alleged use of the plaintiff’s mark would confuse the public, or how that likelihood interacted with the court’s fair use analysis. See Shakespeare Co. v. Silstar Corp. of Am. (Shakespeare II), 906 F. Supp. 997, 1015 (D.S.C. 1995), aff’d, 110 F.3d 234 (4th Cir. 1997). The sixth circuit has gone so far as to say that “finding... a likelihood of confusion forecloses a fair use defense.” PACCAR Inc. v. Teleschan Techs., L.L.C., 319 F.3d 243, 256 (6th Cir. 2003).)

In many jurisdictions, the fair use defense will not protect a mark user if the mark owner can show a likelihood of confusion. See Cairns v. Franklin Mint Co., 292 F.3d 1139, 1151 (9th Cir. 2002); PACCAR, 319 F.3d at 255 (same); Zatarains, Inc. v. Oak Grove Smokehouse, Inc., 698 F.2d 786, 791 (5th Cir. 1983) (stating that “anyone is free to use the term in its primary, descriptive sense[, which would be a fair use,] so long as such use does not lead to customer confusion as to the source of the goods or services”); DowBrands, L.P. v. Helene Curtis, Inc., 863 F. Supp. 963, 970-71 (D. Minn. 1994); cf. Microware Sys.'Corp. v. Apple Computer, Inc., 238 F.3d 989, 990 (8th Cir. 2001) (per curiam) (finding fair use after finding no confusion);
non-trademark use.211 Ultimately, this article concludes that Gator should not succeed with this defense, and therefore a court’s decision about the Gator complainants’ Lanham Act causes ought to depend entirely on the court’s determination of whether there is a “likelihood of confusion.”

The various non-trademark uses of marks are closely related. The first, nominative use, has extensive judicial consideration, as there is a wealth of case law addressing it. Nominative use has an intimate connection with the other two defenses, which are the machine-linking cases and the comparative advertising cases. Therefore, addressing nominative use aptly precedes discussing


However, not every circuit has found that the fair use and likelihood of confusion analyses are perfectly complementary. See Shakespeare Co. v. Silstar Corp. of Am. (Shakespeare III), 110 F.3d 234, 243 (4th Cir. 1997) ("If a fair-use defense is not to be considered when there is a likelihood of confusion, then it is never to be considered. The fair-use defense comes into play only when infringement — including a likelihood of confusion — has been established. A defense which can be considered only when the prima facie case has failed is no defense at all."); see also Cosmetically Sealed Indus., Inc. v. Chesebrough-Pond’s USA Co., 125 F.3d 28, 30 (2d Cir. 1997) ("Fair use is a defense to liability under the Lanham Act even if a defendant’s conduct would otherwise constitute infringement of another’s trademark."); Soweco, Inc. v. Shell Oil Co., 617 F.2d 1178, 1189 n.30 (5th Cir. 1980) (The court noted in dicta that “we are convinced that even if there were a likelihood of confusion, the defendant would still be entitled to its fair-use defense, so long as it had met the requirements of § 1115(b)(4). To hold otherwise would effectively eviscerate the fair-use defense."); Salton Inc. v. Cornwall Corp., 477 F. Supp. 975, 988 (D.N.J. 1979) (considering the fair use defense after finding that confusion was likely). A fifth circuit case following Soweco allowed that fair use of a mark could yield “residual” confusion. See Sugar Busters, 177 F.3d at 271.

Though Gator pled fair use, see, e.g., Gator Corp.’s Defenses in Response to TigerDirect, Inc.’s Amended Complaint 11, TigerDirect, Inc. v. Gator Corp., No. 1:03-CV-1273 (N.D. Ga. June 26, 2003), it never pressed it when it faced summary judgment or a preliminary injunction, see Gator’s Brief Against Overstock.com, supra note 10; Gator’s Brief Against Hertz, supra note 10; Gator’s Brief Against Six Continents, supra note 110; Gator’s Brief Against LendingTree, supra note 101, and rightly so: The text of the statute limits this defense to situations where the mark user employs the mark to describe the mark user’s products or services. See, e.g., Horphag Research Ltd. v. Pellegrini, 337 F.3d 1036, 1041 (9th Cir. 2003); Packman v. Chi. Tribune Co., 267 F.3d 628, 639 (7th Cir. 2001). In contrast, Gator cannot argue that, if it indeed “used” the complainants’ marks, its “use” was descriptive either of Gator’s advertising service or Gator clients’ services. See Erich D. Schiefelbine, Comment, Stopping a Trojan Horse: Challenging Pop-up Advertisements and Embedded Software Schemes On the Internet Through Unfair Competition Laws, 19 SANTA CLARA COMPUTER & HIGH TECH. L.J. 499, 523 (2003). However, Gator contested whether it “used marks in commerce”. See Gator’s Uses of the Complainants’ Marks Are “Uses In Commerce,” supra Part IV.

211. See Gator’s Brief Against Hertz, supra note 10, at 9-12, 18-20.
machine-linking and comparative advertising. Note, though, that all of these uses have a common, overriding policy purpose: to permit as much speech as possible without permitting public confusion about mark-conveyed information. Thus, none excuse increasing aggregate consumer confusion.\(^{212}\)

**A. Nominative Use**

The ninth circuit created and explained a fair use defense, which some, but not all, circuits adopted.\(^{213}\) Because "application of the ["likelihood of confusion"] test,\(^{214}\) which focuses on the similarity of the mark used by the plaintiff and the defendant, would lead to the incorrect conclusion that virtually all nominative uses are confusing,"\(^{215}\) the ninth circuit devised an alternate defense to the statutory fair use defense: nominative use.\(^{216}\) Nominative use is a "non-trademark use of a mark" that "lies outside the strictures of trademark law."\(^{217}\) The ninth circuit created this defense because it desired to prevent a monopoly on the use of a word.\(^{218}\) This prevention has the salutary effect of protecting comparative

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212. *See* Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777, 811 (2004) ("The trademark use doctrine strikes that balance [between the search costs imposed by forbidding ads and the search costs imposed by permitting ads and possibly confusing consumers] in favor of permitting uses that are generally cost-reducing because they provide relevant, nonconfusing information to consumers, even if on occasion they may be cost-enhancing." (footnotes omitted)).

213. In addition to the ninth circuit, only the fifth circuit has explicitly adopted the nominative use defense. *See* Pebble Beach Co. v. Tour 18 I Ltd., 155 F.3d 526 (5th Cir. 1998) (abrogated on other grounds). Courts in the second, third, seventh, and eighth circuits have applied the nominative use test, but only to demonstrate that the mark user's use would not be nominative even if these courts acknowledged the test as valid. *See* Courtenay Communications Corp. v. Hall, 334 F.3d 210 (2d Cir. 2003); World Impressions, Inc. v. McDonald's Corp., 235 F. Supp. 2d 831 (N.D. Ill. 2002); Liquid Glass Enters., Inc. v. Dr. Ing. h.c.F. Porsche AG, 8 F. Supp. 2d 398 (D.N.J. 1998); Hillerich & Bradsby Co. v. Christian Bros., 943 F. Supp. 1136 (D. Minn. 1996); Nasdaq Stock Mkt., Inc. v. Archipelago Holdings, LLC 336 F. Supp. 2d 294 (S.D.N.Y. 2004). Courts in the fourth and sixth circuits have declined to adopt or apply the nominative use test. *See* PACCAR, 319 F.3d 243; Loompanics, 936 F. Supp. 1232.

214. In the ninth circuit, that analysis is a totality-the-circumstances assessment of the following factors:

1. strength of the mark; 2. proximity of the goods; 3. similarity of the marks; 4. evidence of actual confusion; 5. marketing channels used; 6. type of goods and the degree of care likely to be exercised by the purchaser; 7. defendant's intent in selecting the mark; and 8. likelihood of expansion of the product lines.

215. Playboy Enters., Inc. v. Welles, 279 F.3d 796, 801 (9th Cir. 2002).

216. New Kids on the Block v. News Am. Publ’g, Inc., 971 F.2d 302 (9th Cir. 1992).

217. *Id.* at 308.

218. *See id.* at 306-07.
advertising. After explaining both the nominative use doctrine and how the ninth circuit applied nominative use in a metatagging case, this article will apply the doctrine to Gator's Internet advertising service.

1. Nominative Use Doctrine

In *New Kids on the Block v. News America Publishing*, the ninth circuit announced the test for nominative use:

[W]here the defendant uses a trademark to describe the plaintiff's product, rather than its own, we hold that a commercial user is entitled to a nominative fair use defense provided he meets the following three requirements: First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark owner.

In theory, nominative use analysis replaces the traditional assessment of the six to nine factors, which courts balance to

219. See id. at 306, 308.

220. *Id.* (citations omitted). Moreover, the *New Kids* court disposed of plaintiff pop band's argument that defendant newspapers should not operate 900 numbers, for which callers had to pay if they called to vote in the poll. *Id.* at 309. Plaintiff argued that money that their fans spend on the polls is money that their fans could have spent on the band. *See id.* The court rejected this argument:

Where, as here, the use does not imply sponsorship or endorsement, the fact that it is carried on for profit and in competition with the trademark owner's business is beside the point. Voting for their favorite New Kid may be, as plaintiffs point out, a way for fans to articulate their loyalty to the group, and this may diminish the resources available for products and services they sponsor. But the trademark laws do not give the New Kids the right to channel their fans' enthusiasm (and dollars) only into items licensed or authorized by them.

*Id.* (citations omitted). The court reasoned that, if the plaintiff could not prevent the publication of a parody, satire, or unauthorized biography, and if there was no material difference between a parody, satire, or unauthorized biography and the defendant newspapers' polls, then the plaintiff could not prevent the defendants' use of plaintiff's mark. *See id.*

This article refers to "nominative fair use" as "nominative use": Not only is it expedient, it is accurate as "nominative use" is not truly a "fair use" defense; unlike the statutory fair use defense, which yields to a showing of a likelihood of confusion, "nominative use" purportedly replaces likelihood of confusion analysis, see *Welles*, 279 F.3d at 801.

221. Courts in every circuit balance many factors to determine whether there is a likelihood of confusion. The courts across the nation examine numerous similar factors, but which factors courts in a particular circuit examine varies. All circuits consider the following factors:

1. The similarity of the marks.
2. The similarity or proximity of the products, goods or services.
determine whether a “likelihood of confusion” exists. Nominative use shifts the burden of proof on the “likelihood of confusion” element. “[W]hereas plaintiff carries the burden of persuasion in a trademark infringement claim to show likelihood of confusion, the nominative use defense shifts to the defendant the burden of proving no likelihood of confusion.”

a. Use of a Mark to Describe the Mark Owner’s Product.

Determining whether the alleged infringer uses the mark to describe either its own services or the mark owner’s simply makes no sense. The ninth circuit has revised its analysis so that it will apply nominative use analysis if the mark in question is used in its secondary, trademark sense. “When a defendant uses a trademark

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3. The strength or type of mark owner’s mark.
4. Whether any actual confusion exists.
5. The mark user's intent in using the mark owner's mark.

Courts in all circuits except for the second and eighth circuits consider the area and manner of advertising and use of the mark or the marketing channels in which the mark was used. Courts in all circuits except for the fifth and eleventh circuits consider the sophistication of the consumers of the products, goods or services, or the degree of care that those consumers are likely to use. Typically, this factor includes consideration of the type of product, its costs and conditions of purchase. There are other factors, but none common to more than three circuits. See Pignons S.A. de Mecanique de Precision v. Polaroid Corp., 657 F.2d 482, 487 (1st Cir. 1981); Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961); Ford Motor Co. v. Summit Motor Prods., Inc., 930 F.2d 277, 293 (3d Cir. 1991); Sara Lee Corp. v. Kayser-Roth Corp., 81 F.3d 455, 463-64 (4th Cir. 1996); Taco Cabana Int'l, Inc. v. Two Pesos, Inc., 932 F.2d 1113, 1122 n.9 (5th Cir. 1991); Frisch's Rests., Inc. v. Elby's Big Boy of Steubenville, Inc., 670 F.2d 642, 648 (6th Cir. 1982); McGraw-Edison Co. v. Walt Disney Prods., 787 F.2d 1163, 1167-68 (7th Cir. 1986); Co-Rect Prods., Inc. v. Marvy! Adver. Photography, Inc., 780 F.2d 1324, 1330 (8th Cir. 1983); AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir. 1979); First Sav. Bank, F.S.B. v. First Bank Sys., Inc., 101 F.3d 645, 652 (10th Cir. 1996); Frehling Enters., Inc. v. Int'l Select Group, Inc., 192 F.3d 1330, 1335 (11th Cir. 1999).

222. See Welles, 279 F.3d at 801; see also Cairns, 292 F.3d at 1150 (“nominative fair use analysis replaces the [likelihood of confusion] analysis”).


224. Cf. id. at 905 (explaining that, “rather than contorting ourselves into finding either that Jardine used 'The Beach Boys' mark to describe the Beach Boys or that Jardine used 'The Beach Boys' mark only to describe himself and not at all to describe the Beach Boys, we analyze each defense separately”).

225. See id. at 905-07, 905 n.1. Primary meaning is the ordinary meaning of a word; secondary meaning is the source-identifying meaning of a word. Wal-Mart Stores, Inc. v. Samara Bros., Inc., 529 U.S. 205, 211, 211 n.8 (2000). Secondary meaning “occurs when, in the minds of the public, the primary significance of a mark is to identify the source of the product rather than the product itself.” Id. at 211 (citation and quotation marks omitted).

In comparison, the ninth circuit now applies the statutory fair use defense "only to marks that possess both a primary meaning and a secondary meaning — and the fair use defense succeeds only when the mark is used in its primary descriptive sense rather than its secondary trademark
nominally, the trademark will be identical to the plaintiff's mark, at least in terms of the words in question. Thus, the ninth circuit analyzes for nominative use whenever the alleged infringer claims to refer to the mark either to compare, or criticize, or to use as a point of reference. Courts are most likely to consider the nominative use doctrine if the mark at controversy is arbitrary or fanciful. Since the ninth circuit announced New Kids, it has protected use of (1) the name of a drug (PYCNOGENOL®), (2) the terms “Playboy” and “Playmate,” (3) the name and likeness of the late Princess

Generic terms are those used by the public to refer generally to the product rather than a particular brand of the product. See, e.g., Blinded Veterans Assoc. v. Blinded American Veterans Found., 872 F.2d 1035, 1041 (D.C. Cir. 1989) (“Blinded Veterans”); Miller Brewing Co. v. G. Heileman Brewing Co., 561 F.2d 75 (7th Cir. 1977) (“Light Beer” or “Lite Beer”). Descriptive terms directly describe the quality or features of the product. See, e.g., Application of Keebler Co., 479 F.2d 1405 (C.C.P.A. 1973) (“Rich 'N Chips” chocolate chip cookies). A suggestive mark conveys an impression of a good but requires the exercise of some imagination and perception to reach a conclusion as to the product's nature. See, e.g., American Home Prods. Corp. v. Johnson Chem. Co., 589 F.2d 103 (2d Cir. 1978) (“Roach Motel” insect trap). Arbitrary and fanciful marks have no intrinsic connection to the product with which the mark is used; the former consists of words commonly used in the English language, see, e.g., Fleischmann Distilling, 314 F.2d 149 (“Black & White” scotch whiskey), whereas the latter are wholly made-up terms, see, e.g., Clorox Chem. Co. v. Chlorit Mfg. Corp., 25 F. Supp. 702 (E.D.N.Y. 1938) (“Clorox” bleach).
Diana, the names and faces of models, and the name of a professional athlete. Research has not revealed any case where, under this doctrine, the ninth circuit protected the use of a suggestive or descriptive mark.

The nominative use prerequisite that "the defendant uses a trademark to describe the plaintiff's product, rather than its own" merely means that the defendant uses the mark's secondary meaning. It does not literally mean that the defendant employs the mark to describe the plaintiff's product. In Playboy v. Welles, the ninth circuit found mark use in metatags to be nominative use. Defendant Terri Welles, Playboy's Playmate of the Year 1981, promoted herself through her website. She included the marks "Playboy" and "Playmate," both owned by plaintiff PEI, in her website's metatags. PEI sued, alleging infringement. Finding that her use of the PEI marks in the metatags was an acceptable nominative use, the Welles court affirmed the district court's summary judgment for Welles. If the New Kids prerequisite limited the nominative use doctrine to those situations where the mark use described only the plaintiff's product, Welles could not have employed the nominative use doctrine because her use of PEI's "accurately describe[d] the contents of Welles' website, in addition to describing Welles[,]" but did not describe PEI's products.

b. No Suggestion of Sponsorship or Endorsement

The last prong—"the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark [owner]"—requires consideration of the context in which the alleged infringer used the mark. For example, the New Kids defendant newspapers did nothing "expressly or by fair
implication" to suggest that the plaintiff pop band sponsored or endorsed its poll because it advertised in newspapers and magazines and “[n]ewspapers and magazines commonly use celebrities’ names and photographs without making endorsement contracts, so the public does not infer an endorsement agreement from that use.” In comparison, where the alleged infringement is in a televised commercial, “[m]any people may assume [that] the celebrity endorses the product advertised.” In the latter case, the context of the behavior created a question of fact relevant to both the implied sponsorship prong and, by extension, whether there was a “likelihood of confusion.” Therefore, even if a mark use is reasonably necessary, it may imply sponsorship if it is actually confusing.

The way that courts examine the context suggests that this prong incorporates factors considered in the traditional “likelihood of confusion” analysis. At least one court looked for actual confusion in order to assess the alleged infringer’s use according to this element. A defendant can avail itself of the nominative use defense “only if the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one.” Courts’ development of the nominative use doctrine suggests that a traditional demonstration of probable confusion may defeat a nominative use defense despite the defense’s purported replacement of the traditional “likelihood of confusion” analysis.

No court explains any other functional difference between analysis that incorporates nominative use analysis and analysis that instead pins the alleged infringer’s “nominative use” of the owner’s mark to the use’s “likelihood of confusion.” Given that both the nominative use and the “likelihood of confusion” analyses are context-driven, totality-of-the-circumstances analyses, there is arguably no difference between the two. The ninth circuit courts that applied the nominative use defense either found nominative use and

238. New Kids on the Block v. News Am. Publ’g, Inc., 971 F.2d 302, 309 (9th Cir. 1992).
239. Abdul-Jabbar v. G.M.C., 85 F.3d 407, 413 (9th Cir. 1996).
240. Id.
241. See id. (finding a material question of fact for the jury).
242. See id. at 412-13; Downing v. Abercrombie & Fitch, 265 F.3d 994, 1009 (9th Cir. 2001).
243. See Brother Records v. Jardine, 318 F.3d 900, 908 (9th Cir. 2003). Actual confusion is a traditional “likelihood of confusion” factor, see supra note 221.
244. Horphag Research Ltd. v. Pellegrini, 337 F.3d 1036, 1041 (9th Cir. 2003) (citation and quotation marks omitted). The user’s intent is a traditional “likelihood of confusion” factor, see supra note 221.
also noted no traditional "likelihood of confusion" or found questions of fact implicating "likelihood of confusion" and nominative use. Research has not revealed any case where the court held that the defendant's use of the mark clearly was nominative, and, therefore, the defendant prevailed despite the obvious "likelihood of confusion" under the traditional analysis.

2. Applying the Nominative Use Doctrine to Gator's Internet Advertising Service

In the pending litigation, Gator raised the nominative use defense. Following the nominative use test, Gator first argued that it had no way to identify the complainant's URL other than to reference its URL. Second, it argued that it uses the URL no more than necessary to identify the website's location. Finally, it argued that its use of the URL does not suggest that the complainant sponsors the generated ad. Gator built up to its nominative use argument by characterizing its use of the URLs as use to learn the addresses for Internet locations. Otherwise, Gator argues that it only uses the URLs to build consumer profiles in an effort to understand the individual consumer's interests in services and products.

Understanding Gator's mischaracterization of its use of the URLs should clarify exactly why the nominative use doctrine ought not to aid Gator in escaping the Lanham Act complaints: Gator clients want to reach consumers whom the clients believe are interested in their kinds of products and services. To that end, Gator uses the URLs to determine which users are interested in what products and services.

245. See Cairns v. Franklin Mint Co., 292 F.3d 1139, 1155 n.14 (9th Cir. 2002) (though ruling that the defendant's use of the plaintiff's mark was fair according to nominative use analysis, the court noted, "even if we were to apply... the Sleekcraft likelihood of confusion test to this case, we would hold that... there was no likelihood of confusion.").

246. See Downing, 265 F.3d at 1008-09 (reversing summary judgment for the defendant and remanding because of questions of fact concerning both likelihood of confusion and suggested sponsorship or endorsement); cf. Abdul-Jabbar v. G.M.C., 85 F.3d 407, 412-13 (9th Cir. 1996).

247. See Gator's Brief Against Hertz, supra note 10, at 20. Because Gator presented this argument in a pleading, its arguments to meet the nominative use test's prongs are brief.

248. See id.

249. See id.

250. See id.

251. See id. at 19. This argument is similar to the one addressed in the next section, see Machine-Linking and Cataloging or Indexing, infra Part V.B.2.

252. See id. at 10-11; see also supra note 104 (providing excerpts of Gator licenses).
services. Gator relies on the users' identification of the mark owners' goods and services to promote the goods and services of its clients, while the users probably identify these goods and services by the mark. Moreover, the greater the popularity of the mark owner's brand, goods and services, or website, the greater the demand for Gator's services in placing ads over that mark owner's website will be. While users associate goods and services with a mark, Gator offers other brands of goods and services to the users. Gator's characterization of its use of the marks in its software code ignores how it uses the mark, as a source identifier, to trigger ads.

Gator might shift its argument from claiming mark use for identifying URLs to claiming mark use for identifying consumers interested in certain goods and services (but not necessarily brands). It may argue that using all the URLs of all the firms in the business of providing that good or service aids Gator in collecting that information about Gator subscribers. Yet the ninth circuit has rejected a similar argument; for example, in Netscape v. Playboy, the court refused to condone the defendant search-engine operator's keying of the registered trademarks "playboy" and "playmate" to the ad of the mark owner's competitor. According to the court, such use referenced a product or service that was readily identifiable without using its mark, thus the keying was truly for identifying adult-entertainment consumers. Identifying consumers is not identifying products or services; identifying consumers is not nominative.

Even if Gator instead claims to use the URLs to identify its clients' competitors, Gator still cannot prevail under nominative use analysis. On the first prong, Gator's value to its clients as an advertising service is that Gator distracts consumers from the websites of its clients' competitors and does so with the clients'
ads. To know which of its clients' competitors the user seeks, Gator examines URLs, which include the complainants’ marks, and recognizes the competitor and its products and services from the URL. To distract the consumers, Gator must use the complainants’ marks, for which there are no substitutes. The second prong quickly follows: Gator uses as much of the URL as necessary as to determine which website (and, by extension, which goods and services) users want. However, this behavior is not nominative use because Gator does something in conjunction with the mark that suggests the owner’s sponsorship or endorsement.

The prohibition against implied sponsorship means that a court will examine how the mark user employed the reasonably necessary mark. Thus, nominative use does not protect Gator if the complainants can show confusion. If complainants can convince the courts that the Internet social conventions make this confusion reasonable because website operators sponsor the majority of online pop-up ads that pop up over the website, then the complainants can disprove nominative use. Thus, if the complainants can show that Gator subscribers associate pop-up ads with contemporaneously viewed websites, including Gator ads, then complainants can show that Gator creates confusion. Therefore, such advertising can suggest sponsorship or endorsement, and the nominative use doctrine should not protect it.

Generally, the nominative use doctrine only protects ideas communicated to third parties. At the moment, the nominative use doctrine probably would not deem Gator pop-up ads as such protectable ideas. The New Kids court announced the nominative use test for “where the defendant uses [the plaintiff’s] trademark to describe the plaintiff’s product[.]” The nominative use doctrine

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258. This argument has not been tried, though the opportunity was available for the defendant in Netscape IV. There, the defendant search engine operator returned an unlabeled ad that contained adult content whenever a user searched by the trademarked words “playboy” and “playgirl.” Netscape IV, 354 F.3d at 1022-23. The defendant raised the nominative use defense, but the ninth circuit’s conclusory ruling on its defense was that its use was not one of a “product or service in question [that is] one not readily identifiable without use of the trademark.” Id. at 1029-30. The court did not elaborate on the defendant’s nominative use argument.

259. Cf. Abdul-Jabbar v. G.M.C., 85 F.3d 407, 412-13 (9th Cir. 1996) (noting, while examining defendant’s use of a basketball player’s name in its commercial, that the defendant “could not refer to plaintiff without using his name”).

260. Cf. id. at 413 (“Many people may assume [that] the celebrity endorses the product advertised [in a television commercial].”).

protects communication of the mark to a third party.\textsuperscript{262} The \textit{Welles} opinion is the present limit. Welles' use of marks in metatags is not visible to the naked consumer eye; however, the metatags communicate with search engines the contents of the websites, and, in turn, the search engines communicate with consumers that the websites it presents to them are pertinent to their search. Thus, the engines answer questions knowingly and explicitly posed to them by the users. If this \textit{New Kids} prerequisite protects only mark users who use the mark to describe the mark owner's product to the public, and not to the defendant, then Gator cannot avail itself of the nominative use defense: Gator's source code is hidden, and its ads do not contain overt mentions of the contemporaneously-viewed website's content.\textsuperscript{263} When the Gator ads pop-up, it is not apparent that they address Gator subscribers' concerns, let alone the questions that their subscribers have in mind as they view a website. The communication between the Gator programs generating ads and the Gator subscribers seems more oblique than the communication between the websites with metatags and the search-engine users. Thus, the nominative use doctrine would have to extend the limits of protected communications to protect Gator.

\textbf{B. Machine-Linking and Cataloging or Indexing}

In protesting that it does not "use marks in commerce," Gator refers to doctrine that permits machine-linking as non-trademark use.\textsuperscript{264} Though the doctrine permitting use of a mark to link machines has its roots in \textit{New Kids}, it does not fit into the nominative use doctrine; the first court to permit machine-linking as non-trademark use did not bother with the \textit{New Kids} three-pronged test. That court cited \textit{New Kids} for the proposition that trademark law does not prohibit non-trademark uses of marks, and then it categorized machine-linking by registering a URL that contained a registered mark as non-trademark use.\textsuperscript{265} Thus far in the case law, the machine-

\textsuperscript{262} \textit{See id.} at 304 (using the mark in a newspaper); Playboy Enters., Inc. v. Welles, 279 F.3d 796, 800 (9th Cir. 2002) (using the mark in metatags); Brother Records v. Jardine, 318 F.3d 900, 902 (9th Cir. 2003) (performing under the mark); Cairns v. Franklin Mint Co., 292 F.3d 1139, 1144 (9th Cir. 2002) (placing the mark on collectors' items).

\textsuperscript{263} \textit{See Gator's Brief Against Hertz, supra note 10, at 12; Gator's Brief Against Overstock.com, supra note 101, at 16; Gator's Brief Against LendingTree, supra note 101, at 13; Gator's Brief Against Six Continents, supra note 101, at 4.}

\textsuperscript{264} \textit{See Gator's Brief Against Hertz, supra note 10, at 11 (citing Bird v. Parsons, 289 F.3d 865 (6th Cir. 2002)).}

linking doctrine protects domain name registrars and domain name auctioneers from Lanham Act causes: registering a domain name that includes a mark does not violate the Lanham Act, nor does auctioning such a domain name.266

Gator is not just linking machines or recognizing the connection between a Gator subscriber’s computer and a website’s server. Gator cannot succeed with this defense because it is not agnostic as to the webpages’ contents. Despite its express denial that it monitors the webpages’ content, Gator implicitly acknowledges that it must do so. It stated that “the URL is no more than one reference point among many that is lawfully used to index or catalog a [Gator] subscriber’s behavioral pattern.”267 The “behavior” to which Gator refers is the interests of consumers in branded products and services, not IP addresses for webpages. Once the Gator programs take notice of the

266. In *Lockheed Martin* I, plaintiff Lockheed, which owned the registered trademark SKUNKWORKS®, complained of infringement and unfair competition by NSI. *Lockheed Martin I*, 985 F. Supp. at 950-51. NSI, which was an exclusive registrar of domain names, had accepted registration of domain names that were similar to Lockheed’s marks from seven different parties, none of which were Lockheed. See *id.* at 954-55. The court granted NSI’s motion for summary judgment. See *id.* at 950. The court found that NSI’s registration of domain names, albeit domain names that contain the words “skunk works,” was use of domain names to designate host computers on the Internet. See *id.* at 957. The court found that NSI acted only to “allow one machine to connect to another machine.” *Id.* at 958. “[T]he pure machine-linking function is the only use at issue, [therefore,] there is no trademark use.” *Id.* The court dismissed Lockheed’s infringement and unfair competition claims. See *id.* at 956-59.

267. *Bird v. Parsons* followed *Lockheed Martin* I. 289 F.3d 865 (6th Cir. 2002). The *Bird* court relied in part on *Lockheed Martin* I to affirm the dismissal of a registered-mark owner’s infringement and unfair competition claims against two defendants, one a registrar of domain names, and the other a website for the auction of domain names. See *id.* at 869-70. The *Bird* court concluded that the defendants did not use plaintiff’s mark when they aligned a domain name that contained a registered mark with an IP number or permitted the exchange of such domain names. See *id.* at 878-79. The court adopted the *Lockheed Martin* I court’s reasoning and conclusion with respect to the defendant domain name registrar’s use of the mark, and applied the *Lockheed Martin* I court’s reasoning to the defendant internet auction website’s use of the mark. See *id.* The *Bird* court only added that neither defendant was liable for infringement or unfair competition based on the possible illegal activities of domain name registrants who have made use of the defendants’ services. See *id.* at 878.
content of the webpages, Gator observes the products and services behind the Internet address, which constitutes use of a trademark.  

C. Comparative Advertising

Comparative advertising is a non-trademark use that some courts have labeled as nominative use. Courts allow some confusion in comparative advertising. Gator-friendly rulings on similar Internet advertising described the advertising in question as comparative advertising. If successful, this defense would protect all of Gator's alleged "uses in commerce."

Comparative advertising typically "compares alternative brands on objectively measurable attributes or price, and identifies the alternative brand by name, illustration or other distinctive information." Trademark law permits a competitor to "denominat[e] his [own] goods" in reference to the mark owner's goods by its mark to make comparisons between the two goods. Typically, permissible comparative advertising identifies the competing brand and suggests the advantage of the advertiser's brand over the competing brand to the consumer. However, an ad does

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268. Only the fashion in which Gator "uses" the mark wards off liability under the Lanham Act – if Gator "uses" the mark without probably confusing consumers, then it has no Lanham Act infringement or unfair competition liability. But whether Gator's use is confusing is an argument separate from whether Gator's use of a mark is a "use" under the Lanham Act. Here, on the issue of likelihood of confusion, Gator's argument that it does not use any mark to "trigger ads specifically when a subscriber views the [plaintiff]'s Web site," but instead that the user's "aggregate profile" triggers the ads could aid it in showing no likelihood of confusion. See Gator's Brief Against Hertz, supra note 10, at 5, 6. However, that depends on what pattern of advertisement triggering incurs.

269. See Pebble Beach Co. v. Tour 18 I Ltd., 155 F.3d 526, 546 (5th Cir. 1998).


272. Societe Comptoir de L'Industrie Cotonniere Etablissements Boussac v. Alexander's Dept. Stores, Inc., 299 F.2d 33, 36 (2d Cir. 1962); cf. August Storck, 59 F.3d at 618 (noting that "the candy-gulping public will quickly grasp that the point of the [claim] containing the Werther's® Original name is to distinguish the two candies – to say that one is different from, and better than, the other").

273. See, e.g., August Storck, 59 F.3d at 617 (permitting "25% LOWER IN CALORIES THAN WERTHER'S® ORIGINAL CANDY"); G.D. Searle & Co. v. Hudson Pharm. Corp., 715 F.2d 837, 838 (3d Cir. 1983) (permitting overt price comparison); R.G. Smith v. Chanel, Inc., 402 F.2d 562, 563 (9th Cir. 1968) (permitting "We dare you to try to detect any difference between Chanel #5 ([S]25.00) and Ta'Ron's 2nd Chance ([S]7.00)"); cf. Diversified Marketing,
not always have to identify a competitor for courts to protect it as permissible comparative advertising. Whatever the content of the comparative ad, it must provide consumers with "a fair statement of what is true and false."

"Fair statements" tend to be accurate and truthful comparative ads, which also clearly communicate their comparative message to consumers. Consequently, all courts that permit comparative advertising qualify that permission on the mark owner's failure to plead or failure to show misrepresentation or consumer confusion. The greatest allowance that a court will make for comparative advertising is that it will force the mark owner to suffer the misunderstanding of ignorant or inattentive consumers. Such acceptable confusion probably means that only a minority of consumers are confused and that these consumers would not be confused if they paid the amount of attention that a similarly situated, average consumer did. However, if the average consumer is confused despite his normal effort and despite the fact that he would not be confused if he had invested more effort, then the comparative advertising is unacceptably confusing. Moreover, because courts

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275. Id. at 941.
276. See August Storck, 59 F.3d at 619; G.D. Searle, 715 F.2d at 843; R.G. Smith, 402 F.2d at 566-67; cf Diversified Marketing, 705 F. Supp. at 132 ("Plaintiff's advertising may invite comparative shopping even though the products are only similar and not identical. Whether or not the advertisement unfairly competes with defendant's trademark turns on whether consumers are likely to be confused by the nature of the advertisement.").
277. See August Storck, 59 F.3d at 618; see also Life Savers Corp. v. Curtiss Candy Co., 182 F.2d 4, 8 (7th Cir. 1950). The August Storck court demanded that comparative advertising not "engender substantial confusion," rather than the other court's acceptance of a likelihood of confusion. Id. In comparison, an earlier case from the ninth circuit permitted comparative advertising that does not "create a reasonable likelihood that purchasers will be confused as to the source, identity, or sponsorship of the advertiser's product." SSP Agricultural, Etc. v. Orchard-Rite Ltd., 592 F.2d 1096, 1103 (9th Cir. 1979) (emphasis added). The author does not comment as to whether "substantial confusion" is materially different in its application than the other court's standard.
278. Cf Am. Chicle Co. v. Topps Chewing Gum, Inc., 208 F.2d 560, 563 (2d Cir. 1953) (quoting the Second Restatement of Torts: "The buying habits of the purchasers of the particular goods in question are also significant. If the goods are bought by purchasers who exercise considerable attention and inspect fairly closely, the likelihood of confusion is smaller than when the goods are bought by purchasers who make little or no inspection."). Because they do not investigate the limits that they will permit confusion of inattentive consumers, the August Storck and Life Savers opinions do not necessarily contradict this point. In effect, this is a cost-benefit analysis: If the advertising improves information in excess of the confusion it creates, then courts will permit it; if it does not, then courts will prohibit it.
accept some confusion as *de minimis* regardless of whether they would characterize the mark use as comparative advertising, courts probably do not allow more confusion in comparative advertising than they do for other uses of the mark.\(^{279}\)

Whether Gator can survive this scrutiny remains to be seen. The extent to which Gator can even be considered comparative advertising is dubious; unlike the typical comparative ad, the typical Gator ad complained of merely identified the ad’s sponsor, which tended to be the mark owner’s competitor.\(^{280}\) The lack of identification of the mark owner visible to Gator subscribers and the lack of a comparison of measurable aspects of the two brands both increase the likelihood that the average consumer did not understand the ad and, therefore, was confused. No court can say as a matter of law whether this confusion is unlawful; it partly depends on the results of consumer surveys.\(^{281}\) Gator can argue that only confusion typical of a comparative ad ensues because (1) Internet users (a) allegedly affirmatively authorize the Gator programs to download to their computers,\(^{282}\) and (b) have full control over the windows in which the ads generate,\(^{283}\) including the ability to press a button that informs them that Gator generates the ad,\(^{284}\) and (2) the ads (a) contain a disclaimer\(^{285}\) and (b) are branded with Gator’s mark.\(^{286}\) Moreover, Gator tends to put before the Internet user the choice of two different brands of the same or easily substitutable good or service,\(^{287}\) from

\(^{279}\) See Weight Watchers Int’l, Inc. v. Stouffer Corp., 744 F. Supp. 1259, 1274 (S.D.N.Y. 1990) (noting that no case presented with survey data suggesting actual confusion found a likelihood of confusion where the data suggested less than 15% of the survey respondents were confused). For examples of courts that have found *de minimis* confusion insufficient to show a Lanham Act violation, see NYSE, Inc. v. N.Y., N.Y. Hotel LLC, 293 F.3d 550, 555 (2d Cir. 2002), Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 298 (3d Cir. 2001), Packman v. Chi. Tribune Co., 267 F.3d 628, 644 (7th Cir. 2001), King of Mountain Sports, Inc. v. Chrysler Corp., 185 F.3d 1084, 1092 (10th Cir. 1999), Petro Stopping Ctrs., L.P. v. James River Petroleum, Inc., 130 F.3d 88, 95 (4th Cir. 1997), and Universal Money Ctrs., Inc. v. AT&T, 22 F.3d 1527, 1535 (10th Cir. 1994).


\(^{281}\) Cf August Storck, 59 F.3d at 618-19 (calling for the parties to survey consumers, which is “customary in trademark cases” in order to determine whether the comparative advertising was confusing).

\(^{282}\) See Gator’s Brief Against Hertz, *supra* note 10, at 4.

\(^{283}\) See id. at 7.

\(^{284}\) See id.

\(^{285}\) See id.

\(^{286}\) See id.

\(^{287}\) See id. at 17, arguing that:
which, perhaps, the average Internet-using consumer understands that the ad is for the sake of comparison. Again, this is a factual issue and depends on the results of a properly conducted survey.288

VI. LIKELIHOOD OF CONFUSION.

Both infringement and unfair competition under the Lanham Act require that the complainant show a “likelihood of confusion.” This “likelihood of confusion” requirement is a question of fact289 about whether the use probably confuses, not possibly confuses.290 The complainants allege a type of confusion known as “initial interest confusion.”291 It is a theory of unlawful trademark use accepted outright by many circuits,292 considered but not adopted in other circuits,293 and apparently ignored by the rest of the circuits.294

Many [Gator ads]... offer[ ] services and products that are clearly competitive to those that may be appearing in one or more other Web sites simultaneously displayed. . . . Without question, the average Internet consumer understands that not all things appearing on a PC screen originate with the same company.

See Likelihood of Confusion, infra Part VI.


KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 328 F.3d 1061, 1072 (9th Cir. 2003); Morningside Group Ltd. v. Morningside Capital Group, L.L.C., 182 F.3d 133, 140 (2d Cir. 1999); Estee Lauder Inc. v. The Gap, Inc., 108 F.3d 1503, 1511 (2d Cir. 1997). Please note that, in order to be maximally descriptive, this section of the article, but this section only, uses “probable confusion” in place of “likelihood of confusion.”

See Gator’s Brief Against Hertz, supra note 10, at 12-16 (arguing against initial interest confusion).

Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 260 (2d Cir. 1987); Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 294-95 (3d Cir. 2001); Elvis Presley Enters., Inc. v. Capece, 141 F.3d 188, 204 (5th Cir. 1998); Syndicate Sales, Inc. v. Hampshire Paper Corp., 192 F.3d 633, 638 (7th Cir. 1999); Brookfield Communications, Inc. v. W. Coast Entm’t, 174 F.3d 1036, 1065 (9th Cir. 1999). For an argument favoring extending the initial interest confusion doctrine to all Internet commercial activities everywhere, limited only by the relatedness of the competitors and intent to confuse, see Note, Confusion in Cyberspace: Defending and Recalibrating the Initial Interest Confusion Doctrine, 117 HARV. L. REV. 2387, 2400-10 (2004).

See Altira Group LLC v. Philip Morris Cos., 207 F. Supp. 2d 1193 (D. Colo. 2002) (distinguishing case from other accepted instances of initial interest confusion); see also Northland Ins. Cos. v. Blaylock, 115 F. Supp. 2d 1108 (D. Minn. 2000) (noting that, even if the doctrine applied in the eighth circuit, the facts do not support a finding of initial interest confusion). For an argument favoring limiting the initial interest confusion doctrine to point-of-sale situations, see Lisa M. Sharrock, Realigning the Initial Interest Confusion Doctrine with the Lanham Act, 25 WHITTIER L. REV. 53, 73-78 (2003). For an argument that the courts applying the initial interest confusion doctrine have taken it too far, see Stacey L. Dogan & Mark A. Lemley, Trademarks and Consumer Search Costs on the Internet, 41 HOU. L. REV. 777, 812-31 (2004).

Research revealed no cases in the sixth, eleventh, or D.C. circuits where a court considered initial interest confusion. The sixth circuit recently had the opportunity to consider
“Initial interest confusion” means that the alleged infringer diverts the interest of consumers that the mark attracts away from the mark owner’s website to a competitor’s website. Whether that diverted consumer ultimately does business with the competitor or returns to the mark owner’s website, or does business with the competitor under the misimpression that the mark identified the competitor’s services, is immaterial. The complainants argue that the pop-up ads misappropriated the mark’s goodwill by causing consumers to arrive at competitors’ websites while under the impression that the mark had led them there. On the other hand, if consumers that click on the Gator ads know that they will examine the services of a competitor of the mark owner’s—not the services of the mark owner’s or any affiliate’s—then Gator creates no confusion.

Whether the Gator complainants can prove that Gator advertising probably causes confusion remains to be seen. Thus far, the courts analyzing “likelihood of confusion” have split on whether an Internet advertising service’s pop-up advertising probably causes confusion: one favored the Internet advertising service and one ruled against the Internet advertising service. As Gator has “used the marks in commerce” and as its nominative use defenses turn on whether it has made a use of those marks likely to cause confusion, a court’s consideration of the “likelihood of confusion” element determines the

the initial interest doctrine, but it went unmentioned in an opinion about facts in controversy where the initial interest doctrine may have been applicable. See Taubman Co. v. Webfeats, 319 F.3d 770 (6th Cir. 2003) (resolving a domain-name-registration controversy without mention of the initial interest confusion doctrine). Courts in the first circuit have had many opportunities to adopt or reject the initial interest confusion doctrine, but whether the doctrine is effective in the first circuit is something of a mystery. Beacon Mut. Ins. Co. v. OneBeacon Ins. Group, 290 F. Supp. 2d 241, 245-46 (R.I. 2003), rev’d, 376 F.3d 8 (1st Cir. 2004).

295. See Brookfield Communications, 174 F.3d at 1062.

296. See id.

297. Cf. Netscape IV, 354 F.3d 1020, 1024-31 (9th Cir. 2004) (finding a triable issue on initial interest confusion where the plaintiff introduced evidence that consumers were clicking onto the ad of what they thought was an affiliate of the plaintiff; however, the court expressly limited their ruling to unlabeled, unclear ads and noting that labeling might eliminate confusion).

298. Crucially, the two courts arrived at different conclusions about the veracity of the survey data offered by the complainants as a demonstration of actual confusion (“Neal survey”). Compare 1-800 CONTACTS I, 309 F. Supp. 2d 467, 504-05 (S.D.N.Y. 2003) (issuing a preliminary injunction after relying on the Neal survey to find that the complainant would probably show a likelihood of confusion) with Wells Fargo & Co. v. WhenU.com, Inc., 293 F. Supp. 2d 734, 750-54 (E.D. Mich. 2003) (refusing to issue a preliminary injunction after refusing to admit the Neal survey and finding that the complainant probably would not show a likelihood of confusion). The second circuit, in 1-800 CONTACTS II, reversed the 1-800 CONTACTS I district court on other grounds. Nos. 04-0026-cv(L) & 04-0446-cv(CON), 2005 U.S. App. LEXIS 12711, at *5 (2d Cir. June 27, 2005).
outcome of the case against Gator. This article does not attempt to predict resolution of that crucial element on its merits. Instead, this article only advocates that courts, when considering whether an Internet advertising service’s ads violate the Lanham Act, proceed directly to considering whether there is a “likelihood of confusion.”

VII. “USE IN COMMERCE” AS CAUSATION DOES NOT OPEN THE DOOR TO NUISANCE SUITS THAT SHUT OUT PERCEIVABLE MARK USE

Requiring that the accused’s allegedly infringing behavior affected public perception of the mark will not encourage those nuisance suits deterred by the perceivable mark use requirement. Arguing that such behavior would not change public perception of the mark is as effective for the accused as arguing that its behavior was not perceivable mark use. Cases that would not have gone to a fact-finder without the change in the application of the “use in commerce” analysis are cases where addressing the “likelihood of confusion” element is desirable.

The argument against “use in commerce” as causation is as follows: Requiring perceivable mark use provides the accused with an efficient way of discouraging anti-competitive nuisance suits. The accused can argue that there is no “use in commerce” more easily than it can argue that there is no likelihood of confusion. The “likelihood of confusion” inquiry is a fact-specific, totality-of-the-circumstances test, often proved or disproved by expensive consumer surveys. The “use in commerce” inquiry requires no complex fact-

299. Loosely, a nuisance suit is one filed to extract from the defendant a settlement less than the defendant’s expected costs of litigating the suit to judgment. Courts and commentators often characterize these suits as frivolous or groundless. E.g., Anthony Q. Fetcher, Curing Crib Death: Emerging Growth Companies, Nuisance Suits, and Congressional Proposals for Securities Litigation Reform, 32 HARV. J. ON LEGIS. 493, 494 n.4 (1995). In this context, the concern about nuisance suits is not necessarily that the owner will attempt to extract payments from the accused, but that the owner will use its lawsuit as a way to oppress its competitor’s business, either temporarily by winning an injunction for the duration of the lawsuit, or permanently by settlement.

300. Sean H. Brogan, Who Are These “Colts?”: The Likelihood of Confusion, Consumer Survey Evidence and Trademark Abandonment in Indianapolis Colts, Inc. v. Metropolitan Baltimore Football Club, Ltd., 7 MARQ. SPORTS L.J. 39, 49-50 (1996); see Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 224 (2d Cir. 1999) (deeming expensive surveys conducted to determine whether there was trademark dilution); Johnson v. Revenue Mgmt. Corp., 169 F.3d 1057, 1063 (7th Cir. 1999) (Eschbach, J. concurring) (noting costs of surveys in trademark and trade dress cases); Thomas R. Lee, Demystifying Dilution, 84 B.U. L. Rev. 859, 914 (2004) (deeming costly surveys that would be conducted to determine whether there was trademark
finding; its outcome is based on whether or not the court senses mark use. Litigating to a dispositive determination is cheaper for determining whether there is perceivable mark use than determining whether there is a "likelihood of confusion." Thus, requiring perceivable mark use in conjunction with requiring likely confusion has a nuisance value less than the nuisance value of requiring likely confusion alone.

According to this argument, changing "use in commerce" to inquiring into causation risks eliminating the accused’s easiest and cheapest defense against a nuisance suit. If a court entertains the possibility that any and potentially all behavior could affect public perception of marks, then the infringement suit becomes a competition-stifling device. Large, well-established corporations, owning popular marks, would sue their less wealthy, upstart competitors almost automatically. Foregoing perceivable mark use risks abandoning a way the accused can easily and cheaply win in litigation’s early stages. Without requiring perceivable mark use, the accused faces the cost of litigating the infringement suit to the end. This could be prohibitively expensive for the upstart. Facing this cost, the upstart may choose to change its behavior—behavior of which society may approve—rather than to duke it out in court. The change would drive up the expected cost of defending an infringement suit. In turn, mark owners would bring such suits for
dilation); cf. Tri-Star Pictures, Inc. v. Unger, 42 F. Supp. 2d 296, 307 (S.D.N.Y. 1999) (awarding costs of conducting consumer survey, which was $20,600).

However, the accused need not bring empirical evidence forward. The mark owner bears the burden of proving that it is entitled to a preliminary injunction. E.g., Granny Goose Foods, Inc. v. Teamsters, 415 U.S. 423, 441 (1974). Thus, the accused could stand pat during the preliminary injunction hearing. Instead of undertaking the cost and effort of surveying consumers itself, the accused could limit its argument about the owner’s likelihood of success by pointing out the deficiencies of the owner’s surveys. Then again, the owner has the ultimate burden as well, so the accused can opt to never bring forth survey evidence if it pleases. E.g., Emergency One, Inc. v. Am. Fire Eagle Engine Co., 332 F.3d 264, 271-72 (4th Cir. 2003).

Cases featured in this article are examples of accused sparing themselves the costs of conducting their own surveys and still defending themselves on the merits of the "likelihood of confusion" analysis. In both 1-800 CONTACTS and Wells Fargo v. WhenU, the accused did not present survey evidence at the preliminary injunction hearing. Instead, it brought forth its own expert to criticize and rebut the owner’s survey evidence. 1-800 CONTACTS I, 309 F. Supp. 2d 467, 482-83 (S.D.N.Y. 2003), rev’d, Nos. 04-0026-cv(L) & 04-0026-cv(CON), 2005 U.S. App. LEXIS 12711 (2d Cir. June 27, 2005); Wells Fargo & Co. v. WhenU.com, Inc., 293 F. Supp. 2d 734, 749-54 (E.D. Mich. 2003). The same appears to have happened in the Netscape cases. By the time the ninth circuit reviewed the district court’s summary judgment ruling, the parties had argued and appealed the preliminary injunction and argued the summary judgment. Thus, the appeal of the summary judgment was at least the fourth time the parties argued the merits. On that appeal, the ninth circuit reviewed the owner’s survey data and the accused criticisms of that survey and its interpretation of the data. Netscape IV, 354 F.3d 1020, 1026-27 (9th Cir. 2004).
opportunistic, anti-competitive ends. Thus, preventing judges from screening cases out according to whether or not the judge can perceive mark use may do more harm than good.

However, a court can resolve arguments of whether the behavior caused a change in public perception as it would arguments about whether the court perceives mark use. A court can resolve whether or not the allegedly infringing behavior changes public perception of the mark by assessing whether or not it perceives causation.\textsuperscript{301} This method does not require any more effort than assessing whether or not the accused’s behavior is a perceivable mark use.

It is true that the change would lead those who are accused to succeed on their motions to dismiss less often. There could be a margin of cases where:

(a) The court could not perceive mark use; but
(b) The court can perceive that the behavior affects the public perception of the mark; yet
(c) The owner cannot prove a “likelihood of confusion.”

However, these are claims where the ultimate question—whether the behavior confuses consumers—needs answering. Without determining whether the owner can prove a “likelihood of confusion,” those cases appear exactly like these cases:

(a) The court could not perceive mark use; but
(b) The court can perceive that the behavior affects the public perception of the mark; \textit{and}
(c) The owner can prove a “likelihood of confusion.”

Presently, there is no reason to believe that the cost of litigating the former cases outweighs the benefits of litigating the latter cases. The balance between these two kinds of cases is an empirical question that courts have not addressed and for which there appears to be no data. For the time being, courts should consider whether the allegedly infringing behavior affects public perception of the mark rather than whether that behavior is a perceivable mark use. Doing so fulfills the purpose of mark protection.

\textsuperscript{301} E.g., Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619, 625-26 (6th Cir. 1996). The \textit{Holiday Inns} court was able to determine whether the behavior at issue created “likely confusion” without any reference to empirical study or consumer surveys.
CONCLUSION

Requiring perceivable mark use undermines trademark protection by permitting confusion-causing behavior without any complementary good. Instead of treating “use in commerce” as requiring mark use, courts should treat it as requiring behavior (a) that Congress can regulate and (b) that affects public perception about the information marks convey. This treatment fulfills the Lanham Act’s purpose without undesirable offsetting costs. In treating the prohibition against trademark infringement as one against causing confusion about a mark, courts will resolve infringement disputes in the Internet age on the same grounds the bulk of infringement cases were resolved in the past: whether or not there is a “likelihood of confusion.”