UNITED STATES DISTRICT COURT
DISTRICT OF COLORADO

Larsen Law Offices, LLC, a Colorado Limited Liability Company, Plaintiff, vs. David M. Larson d/b/a Larson Law Office, Defendant.	Civil Action No. 1:16-cv-1449-PBJ Hon. R. Brooke Jackson, U.S.D.J.

EXPERT REBUTTAL REPORT OF PROFESSOR ERIC GOLDMAN

1. I submit this expert report in support of the defendant, David M. Larson. This report responds to the report of Peter Kent dated January 13, 2017.

I. Qualifications

2. I am a professor of law at Santa Clara University School of Law in Santa Clara, California. I have been a full-time professor since 2002. I started my full-time academic career at Marquette University Law School in Milwaukee, Wisconsin before moving to Santa Clara University in 2006. I was tenured and promoted to associate professor in 2008. I was promoted to full professor in 2012.

3. In addition to my duties as a professor, I co-direct the law school's High Tech Law Institute, the organization that administers the law school's programmatic offerings related to intellectual property and high tech law. I have led (or co-led) the institute since 2006. *U.S. News & World Reports* has consistently ranked the High Tech Law Institute as one of the top 10 intellectual property programs in the country. In 2016, *U.S. News & World Reports* ranked the program #6 in the country.

4. At Santa Clara University, I have taught Internet Law, Intellectual Property, and Advertising & Marketing Law. I first taught Internet Law in 1996 (as an adjunct instructor). I first taught Intellectual Property in 2003. I first taught Advertising & Marketing Law in 2011. I have taught several other courses over the years.

5. Before I became a full-time professor, I practiced Internet and technology law for eight years in the Silicon Valley. Initially, I practiced at the Cooley Godward law firm (now Cooley LLP) in Palo Alto from 1994-2000. From 2000-02, I was General Counsel at Epinions.com, a

consumer review website. I also have taught as an adjunct professor at UC Berkeley (Boalt Hall) School of Law, Santa Clara University School of Law, and University of San Francisco School of Law.

6. With a co-author, I publish a casebook called *Advertising & Marketing Law: Cases & Materials*. It is the only Advertising Law casebook catering to law school courses.

7. I have published on online trademark issues many times. In particular, I've written several academic papers about initial interest confusion or the application of trademark law to search engines, including:

- *Deregulating Relevancy in Internet Trademark Law*, 54 EMORY L.J. 507 (2005)
- *Online Word of Mouth and Its Implications for Trademark Law*, *in* TRADEMARK LAW AND THEORY: A HANDBOOK OF CONTEMPORARY RESEARCH 404 (Graeme B. Dinwoodie and Mark D. Janis eds.) (Edward Elgar Press, 2008)
- *Brand Spillovers*, 22 HARVARD J. L. & TECH. 381 (2009)
- *Regulation of Lawyers' Use of Competitive Keyword Advertising*, 2016 U. ILL. L. REV. 103 (co-authored with Angel Reyes III)

8. Since 2005, I have published a popular blog, the *Technology & Marketing Law Blog*. In 2016, the blog was inducted into the *ABA Journal*'s "Blawg 100" Hall of Fame. I have published approximately 600 blog posts on trademark topics.

9. My professional recognitions include being named an "IP Vanguard" by the IP Section of the California State Bar, and being shortlisted as a North American "IP Thought Leader" by *Managing IP* magazine.

10. I have attached my curriculum vitae, which includes a complete list of my publications.

II. Compensation

11. I am being paid $400 per hour, plus out-of-pocket expenses, for my expert work on this case. My compensation does not depend on the case's outcome.

III. Materials Reviewed

12. I reviewed the following materials in preparing my opinion:

- The complaint in this case filed June 14, 2016.
- Expert Report of Peter Kent dated January 13, 2017 (the "Kent Report").
- *1-800 Contacts, Inc. v. Lens.com, Inc.*, 722 F.3d 1229 (10th Cir. 2013)

I reference/cite additional materials in this report that I am aware of from my research activities, but I did not review them again.

IV. Past Testifying Expert Work

13. Since 2013, I have testified or been deposed in four cases involving the Ohio Tax Commissioner's efforts to collect a commercial activity tax from e-commerce retailers without a physical presence in Ohio:

- *Mason Companies v. Joseph W. Testa, Tax Commissioner of Ohio*, Case Nos. 2012-1169 and 2013-2806 (Ohio Board of Tax Appeals).
- *Crutchfield v. Joseph W. Testa, Tax Commissioner of Ohio*, Case Nos. 2012-A-926, 2012-A-3068 and 2012-A-2021 (Ohio Board of Tax Appeals).
- *Newegg v. Joseph W. Testa, Tax Commissioner of Ohio*, Case No. 2012-K-234 (Ohio Board of Tax Appeals).
- *L.L. Bean v. Joseph W. Testa, Tax Commissioner of Ohio*, Case No. 2012-A-158 (Ohio Board of Tax Appeals).

In all of these cases, I was an expert on behalf of the taxpayer.

I was also deposed in an online copyright case on behalf of the defendant: *A.M. Best Company, Inc. v. SNL Financial LC*, No. 11-1994 (D. N.J.).

V. Opinion

Testifying About Legal Matters

14. The Kent Report repeatedly discusses and opines about legal matters. I believe legal matters (as distinguished from facts) are generally inappropriate for expert testimony. Because legal discussions and conclusions pervade the Kent Report, I cannot rebut the report without doing the same. I understand that testimony about legal matters should be struck from both reports.

The Initial Interest Confusion Doctrine Is Functionally Dead

15. For many years, I have maintained a Westlaw alert that notifies me of new cases using the term "initial interest confusion." I review every notification. Over the past decade, I have blogged most of the significant rulings discussing initial interest confusion.

16. In 2012, I published a blog post entitled "Talk Notes: Death of the Initial Interest Confusion Doctrine?" The post reported the tentative results of an empirical analysis of all initial interest confusion opinions from 1990-2011 (over 240 opinions). I found that plaintiffs frequently invoked the initial interest confusion doctrine but, starting around the latter part of the 2000s decade, the doctrine succeeded in court rarely. While I have not subsequently updated my research comprehensively, I have monitored the Westlaw alert notifications, and the news has not gotten better for plaintiffs invoking the initial interest confusion doctrine. Courts rarely discuss the doctrine substantively, and even less frequently does a court rely upon the doctrine to rule for the plaintiff. Although the doctrine has not been definitively overruled, the courts' treatment of the doctrine over the past decade indicates that it is functionally dead.

17. Over time, it has become exceptionally rare to see claims of initial interest confusion based on organic search results. Those few cases usually depend on a defendant's use of misleading metatags, something not claimed by the Kent Report. As a result, this lawsuit's assertion of initial interest confusion for simply appearing in organic search results (and online business directories) is unusual and irregular.

The Kent Report's Lack of Evidence Supporting the Initial Interest Confusion Doctrine

18. Courts do not have a single well-accepted definition of what constitutes "initial interest confusion." For example, the Ninth Circuit has defined—and redefined—initial interest confusion at least a half-dozen times. The Kent Report says it consulted *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036 (9th Cir. 1999), but that case's discussion about initial interest confusion has been largely mooted by numerous subsequent initial interest confusion rulings from the Ninth Circuit.

19. Sometimes, courts try to apply initial interest confusion to "bait-and-switch" situations, although the "initial interest confusion" nomenclature usually obscures that approach. Bait-and-switch is not possible here because the litigants do not directly compete with each other. Prospective clients seeking business law services will not find any substitute offerings on David Larson's website, so there is nothing for them to "switch" to. The Kent Report does not indicate that David Larson engaged in any bait-and-switch practices.

20. In paragraph 77, the Kent Report quoted a definition of "initial interest confusion" from *Australian Gold, Inc. v. Hatfield*, 436 F.3d 1228 (10th Cir. 2006). The Kent Report's reliance on this definition is problematic in several ways.

21. First, the *Australian Gold* definition only applies to competitors. However, the Kent Report does not show that the plaintiff and David Larson are competitors.

22. Second, the *Australian Gold* definition requires that consumers be "lured" to the competitor such that "competitor has captured the trademark holder's potential visitors or customers." However, the Kent Report does not show that any consumer "luring" took place or that David Larson "captured" any potential visitors or customers. I'll revisit the luring issue momentarily.

23. Third, the Kent Report ignores the Tenth Circuit's more recent ruling on initial interest confusion in *1-800 Contacts, Inc. v. Lens.com, Inc.*, 722 F.3d 1229 (10th Cir. 2013).

24. Like many initial interest confusion opinions, *Lens.com* does not provide a crisp definition of initial interest confusion. However, the court says:

> initial-interest confusion would arise as follows: a consumer enters a query for "1-800 Contacts" on Google; sees a screen with an ad for Lens.com that is generated because of Lens.com's purchase of one of the nine Challenged Keywords; becomes confused about whether Lens.com is the same source as, or is affiliated

with, 1-800; and therefore clicks on the Lens.com ad to view the site. Lens.com has exploited its use of 1-800's mark to lure the confused consumer to its website.

25. The Kent Report (paragraph 32) confirms that keyword advertising is not relevant to this case.

26. The Kent Report does not provide any evidence that consumers were actually confused about whether David Larson's website has the same source as, or is affiliated with, the plaintiff.

27. The Kent Report only shows that search results for David Larson appear on the same page as search results for the plaintiff. However, the *Lens.com* opinion made it clear that a competitor appearing on the search results page (in that case, in form of the competitive keyword ads) for the plaintiff's trademark is not sufficient to constitute "luring." *Lens.com* said luring might occur when the consumer clicked on a link. The Kent Report does not provide any evidence that any consumer ever clicked on any of David Larson's search results, whether for legitimate or illegitimate reasons. Therefore, the Kent Report provides no evidence to support its hypothesis in paragraph 47(3).

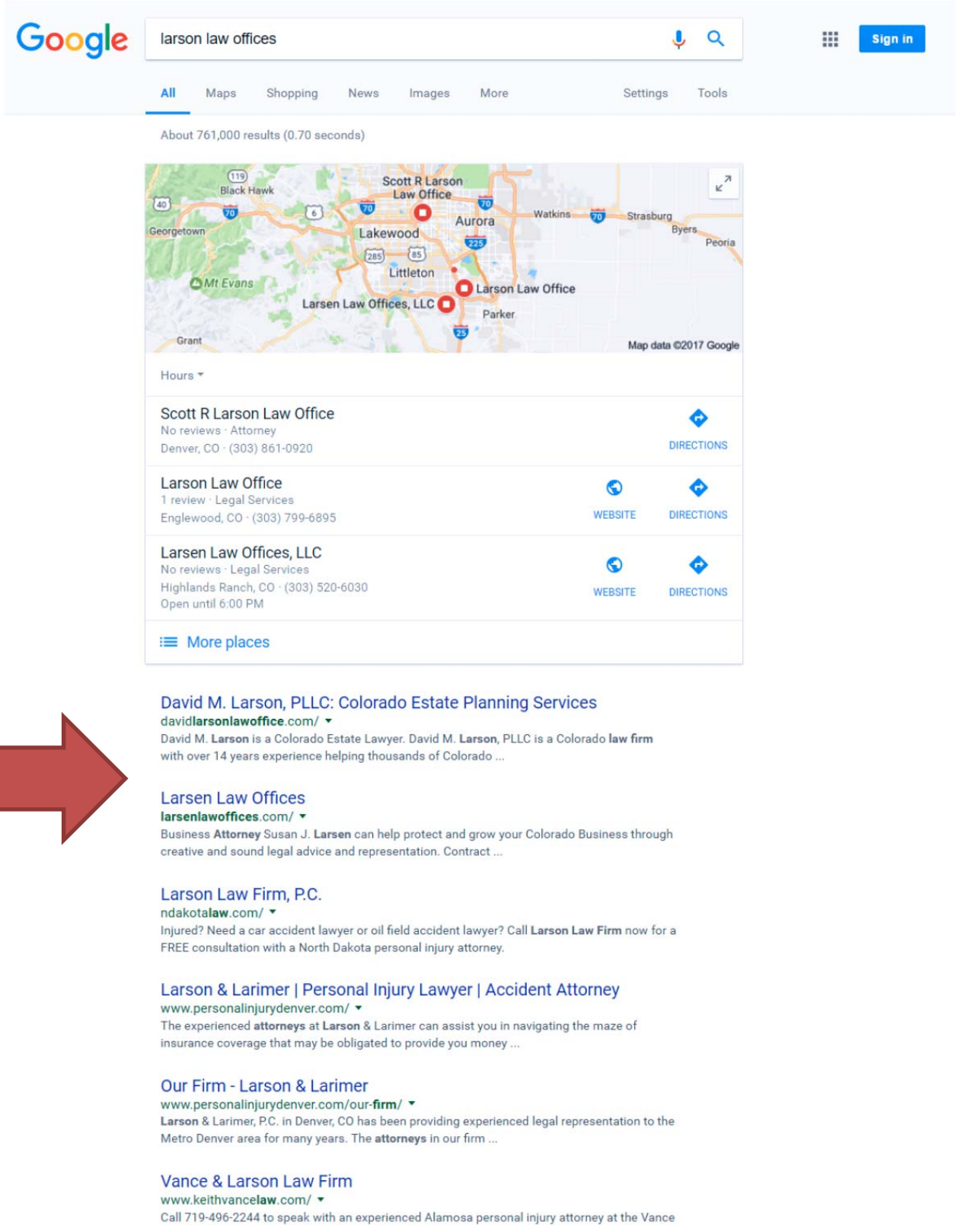
28. The *Lens.com* opinion said that it would measure initial interest confusion based on clickthrough rates for the defendant's keyword ads. The Kent Report does not provide any evidence of clickthrough rates on David Larson's search results.

29. In paragraph 47(2), the Kent Report discusses the possibility of searchers "mistakenly click[ing]" on David Larson's search results; and in paragraph 78, the Kent Report says "Defendant's actions could cause a consumer to accidentally go to Defendant's site instead of Plaintiff's." These statements could have been tested empirically, but the Kent Report does not provide any evidence—empirical or otherwise—that any consumer has "accidentally" or "mistakenly" gone to David Larson's site instead of the plaintiff's.

The Kent Report Does Not Provide Any Evidence of Consumer Search Objectives

30. The implication that searchers might "accidentally" or "mistakenly" go somewhere from a search results page is misguided. Searchers do not randomly click on search results. Instead, searchers' decisions about whether or not to click on a link are affected by the search results' descriptions.

31. The Kent Report does not consider how search results descriptions may educate consumers. Nevertheless, the report provides some evidence of how search results descriptions can educate consumers about the differences between the plaintiff's website and David Larson's website. For example, this Google screenshot comes from page 218 (part of Exhibit L) of the Kent Report (red arrows added):


Google
larson law offices
Sign in
All
Maps
Shopping
News
Images
More
Settings
Tools
About 761,000 results (0.70 seconds)
Scott R Larson Law Office
Black Hawk
Georgetown
Lakewood
Aurora
Watkins
Strasburg
Byers
Peoria
Littleton
Mt Evans
Larson Law Office
Larsen Law Offices, LLC
Parker
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1 review · Legal Services
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Open until 6:00 PM
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DIRECTIONS
More places
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davidlarsonlawoffice.com/
David M. Larson is a Colorado Estate Lawyer. David M. Larson, PLLC is a Colorado law firm with over 14 years experience helping thousands of Colorado ...
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Business Attorney Susan J. Larsen can help protect and grow your Colorado Business through creative and sound legal advice and representation. Contract ...
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32. Where indicated by the red arrow, David Larson's website appears as the first organic search result and the plaintiff's website appears as the second. Collectively, these search results make it clear that David Larson targets clients seeking estate planning services while the plaintiff targets clients seeking business law services. If consumers are actually seeking business law services, the search result descriptions guide them away from David Larson's website and towards the plaintiff's website. If consumers nevertheless decide to investigate David Larson's website, they do so with a good idea of what to expect at his website—and a clear understanding that David Larson is not affiliated with or connected to the plaintiff. Therefore, as illustrated by its own exhibits, the Kent Report provides substantial evidence that its hypothesis in paragraph 47(2) cannot be true, i.e., consumers seeing the search results as depicted in the Kent Report exhibits cannot "believe that Defendant's Web site is Plaintiff's Web site."

33. This highlights an intrinsic paradox in applying the initial interest confusion doctrine to search results. The doctrine simultaneously assumes prospective consumers are so brand-loyal that they only want to find the trademark owner; yet, that brand loyalty evaporates the moment these consumers see alternatives. The Kent Report does not address this paradox. For the search queries it conducted, the Kent Report does not provide any evidence of what consumers using those search queries would actually expect to see in their search results—or that seeing a search result for David Larson's website wasn't the consumers' objective.

34. In fact, some studies have shown that consumers expect—and want—to find results for more than just the trademark owner when they use the trademark as their search query. *See*, *e.g.*, Jeffrey P. Dotson et al, *Brand Attitudes and Search Engine Queries*, 37 J. INTERACTIVE MKTG. 105 (2016); David J. Franklyn & David Hyman, *Trademarks as Search Engine Keywords: Much Ado About Something?*, 26 HARV. J. L. & TECH. 481 (2013). The Kent Report does not explain how consumers can be confused if they expected to find multiple vendors in their search results.

35. The Kent Report does not address what consumers are likely to do if they "accidentally" or "mistakenly" click on David Larson's search results when they really are looking for the plaintiff.

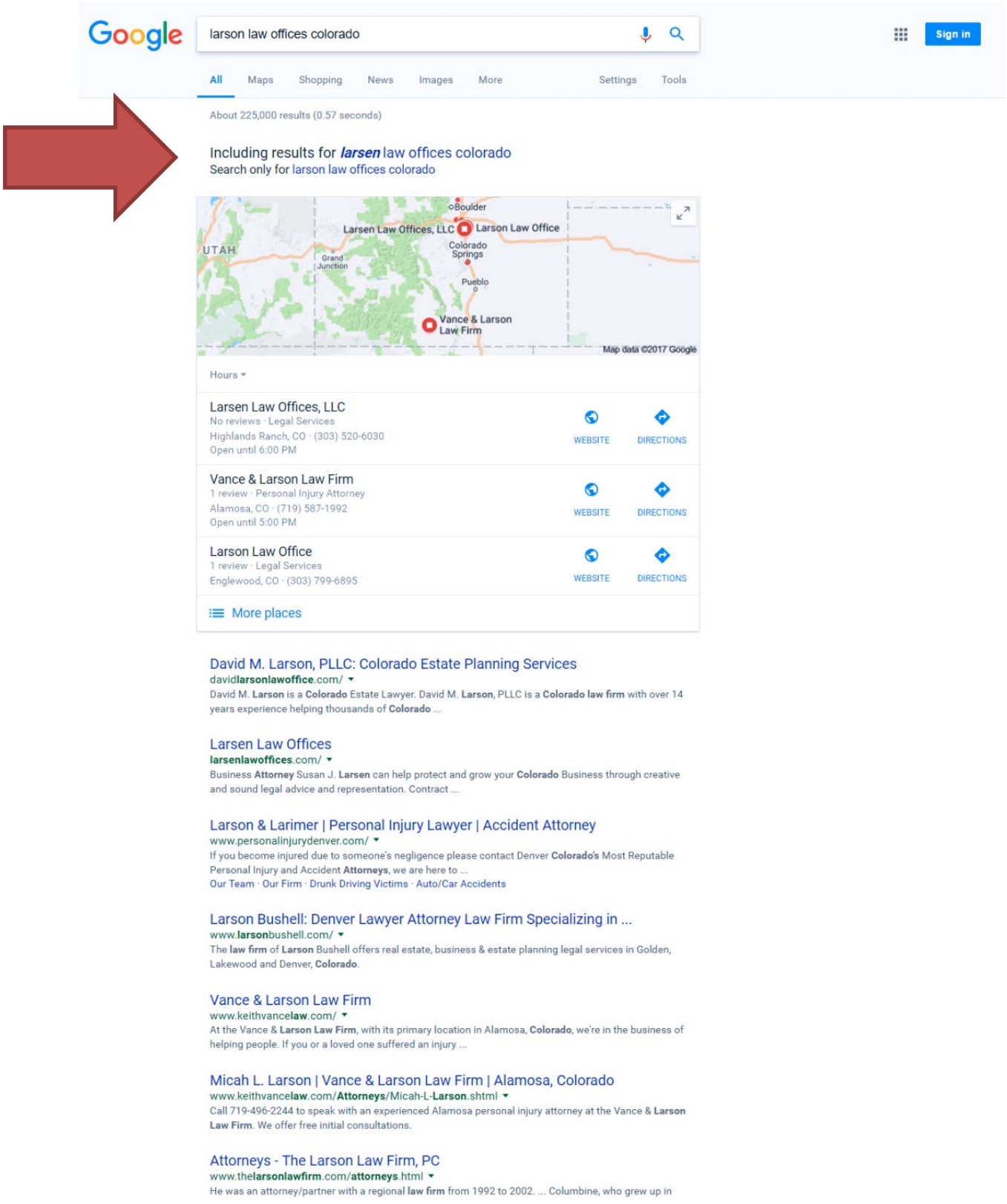
36. "Bounce rate" means the number of searchers who click on a search results link and then immediately leave the website. The Kent Report does not provide any evidence of the bounce rate for David Larson's website or how that bounce rate compares to industry standards or other expectations. Because the David Larson website doesn't offer business law services, it's likely that consumers who were seeking the plaintiff will "bounce." Searchers are used to "bouncing," and they regularly "bounce" when a website does not meet the expectations set up by the search results descriptions.

37. "Pogo-sticking" occurs when consumers repeatedly bounce back and forth between the search results page and individual search results. Pogo-sticking by searchers is common. In other words, searchers have learned that they can easily correct any "accident" or "mistake" in investigating a search result by hitting the back button. Search engines consider pogo-sticking in their rankings algorithms as a signal that a search result isn't meeting consumers' needs and therefore should be downgraded in the search results ordering.

38. Search engines may interpret a consumer's search query more broadly than the consumer expresses it. There are a number of reasons why search engines do this, including:

- Consumers may make typographical mistakes when typing their search queries.
- Consumers may not know how to spell a word (or, in this case, a person's name) accurately.
- The search engine may be uncertain about the consumer's search objective.
- The search engine may have observed that consumers searching for X are often also interested in Y, so the search engine shows results for both X and Y in response to queries for either X or Y.

39. The following Google search results screen shot comes from page 210 (part of Exhibit L) of the Kent Report (red arrow added):


Google
larson law offices colorado
Sign in
All
Maps
Shopping
News
Images
More
Settings
Tools
About 225,000 results (0.57 seconds)
Including results for larsen law offices colorado
Search only for larson law offices colorado
Boulder
Larsen Law Offices, LLC
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UTAH
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Attorneys - The Larson Law Firm, PC
www.thelarsonlawfirm.com/attorneys.html
He was an attorney/partner with a regional law firm from 1992 to 2002. ... Columbine, who grew up in

40. The red arrow highlights that Google unilaterally chose to include search results for "Larsen Law Offices" to the search results for "Larson Law Offices." At the same time, Google disclosed that it commingled these results and gave users the option to un-commingle the results.

41. Businesses indexed in search engines cannot control if and when search engines commingle results like this. Instead, commingled search results reflect the search engine's editorial decisions about what information it thinks would be most helpful to its users. Therefore, paragraph 65 of the Kent Report is incorrect when it claims that David Larson is "causing the search engines to include Defendant's Web pages with Plaintiff's mark."

42. The Kent Report frequently refers to the relative search results placement of the plaintiff's website and David Larson's website (see, e.g., Paragraphs 62-64). The ordering of search results depends on hundreds of factors. Search engines frequently change these factors and the relative weight assigned to them, so the order and relative positions of search results changes constantly. Therefore, the positions of search results indicated in the Kent Report reflect only a snapshot in time, and they have likely changed multiple times since the report was drafted. Furthermore, search engines may customize search results for individual searchers based on the searcher's geography, past search history and other factors.

The Plaintiff Does Not Have Any "Trademarks," And David Larson Did Not "Use" Them

43. The Kent Report assumes in paragraph 46 that "Larsen Law Offices" and "Larsen Law" are protectable trademarks. However, "Law Offices" and "Law" are dictionary terms for the applicable services offered by both David Larson and the plaintiff, and "Larsen" is the plaintiff's last name, which trademark law treats the same as a descriptive term. Therefore, to be protectable trademarks, the terms "Larsen Law Offices" and "Larsen Law" would need to achieve secondary meaning.

44. The Kent Report does not provide any evidence that the purported trademarks have achieved secondary meaning. The Kent Report does not show that any consumers associate the purported trademarks with any single provider in the marketplace.

45. However, the Kent Report shows that several other vendors use the name "Larsen Law Offices" or "Larson Law Offices" in the Denver and Colorado marketplaces; and these other vendors appear in local search results for various search queries related to the purported trademarks. This provides evidence that consumers do not associate the purported trademarks exclusively with the plaintiff's business.

46. The Kent Report repeatedly and conclusorily asserts that David Larson "used" the plaintiff's purported trademarks (examples include paragraphs 50-53 and 55-56). However, the Kent Report does not attempt to distinguish between David Larson's purportedly illegitimate "use" of the plaintiff's purported trademarks and David Larson's legitimate use of his own name to advertise his professional services.

47. For example, paragraphs 65-75 of the Kent Report enumerate a variety of ways consumers may learn about David Larson's services. All of the discussed activities are legitimate

business practices to inform consumers about the availability of marketplace offerings. The Kent Report does not suggest that any of these activities are intended to, or actually, deceive consumers or "game" the search engines. None of the practices described in the Kent Report constitute "black hat" or "gray hat" search engine optimization practices.

Dated: March 6, 2017 [signed]
Prof. Eric Goldman

Attachment: Eric Goldman Curriculum Vitae