REVISITING INITIAL INTEREST CONFUSION ON THE INTERNET

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I. INTRODUCTION

Initial interest (or "pre-sale") confusion can result from the unauthorized use of a trademark in a manner that initially captures consumer attention, regardless of any resulting sale.1 In the Internet context, courts have held that initial interest confusion exists where Internet users seeking a trademark owner’s website are diverted by identical or confusingly similar domain names to websites in competition with, or critical of, the trademark owner, as well as in certain instances where a senior user’s mark is used in the metatags2 of a junior user’s website. More recently, courts have also considered whether initial interest confusion can result from a competitor’s unauthorized use of another’s mark as a keyword to generate banner or pop-up advertisements for its products or services.

The different approaches utilized to address initial interest confusion vary. Some courts have evaluated initial interest confusion through the use of existing tests, such as the traditional multifactor likelihood of confusion analysis. Other courts have sought to develop new tests or legal theories to remedy the harm caused by initial interest confusion. The redundancy of the creation of any separate initial interest confusion “doctrine” in the Internet context was addressed in these pages in Reconsidering Initial Interest Confusion on the Internet (“Reconsidering”),3 in which the authors argued that existing remedies suffice.

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2. “A ‘metatag’ is a list of words hidden in a web site acting as an index or reference source identifying the content of the web site for search engines.” See 4 McCarthy supra note 1, § 25.69 at 25-156. The use of a mark in the metatags of a website is analogous to the subject index of a card catalog indicating the general subject of a book.” Id.

This article discusses the evolution of initial interest confusion on the Internet since Reconsidering, in particular courts' expansion of the concept to address potential confusion through the use of keywords and banner and pop-up advertisements. In these settings, as with domain names and metatags, it is unnecessary to establish new legal theories to address any resulting harm to the trademark owner or consumers. In fact, the cases decided to date suggest that any creation of a new doctrine has been illusory. The tests or theories that have been developed to analyze initial interest confusion are substantially the same as, or a subset of, the traditional likelihood of confusion analysis. Further, to the extent that the traditional test for likelihood of confusion is insufficient to remedy actionable harm, the Anti-cybersquatting Consumer Protection Act (ACPA) and the Federal Trademark Dilution Act (FTDA) are also available to protect against the bad-faith registration of marks as domain names and the unauthorized commercial use of famous marks, respectively.

Part II of this article briefly retraces the development of initial interest confusion. Part III reviews the specific Internet-based contexts in which the harm has arisen and explicates the redundancy of creating a separate initial interest confusion “doctrine” in each of those contexts. The article concludes that the use of a scaled-back likelihood of confusion analysis focused on the similarity of the parties' goods is sufficient to address the actionable harm created by initial interest confusion on the Internet.

II. ORIGINS OF INITIAL INTEREST CONFUSION

The influential Second Circuit decision Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons provided a remedy for confusion arising prior to the point of sale. The Grotrian court found that the use of GROTRIAN-STEINWEG (pronounced “Steinway”) in connection with pianos infringed the STEINWAY & SONS mark, even though it was unlikely consumers would purchase a GROTRIAN-STEINWEG piano under the mistaken belief it was a STEINWAY & SONS piano. The actionable harm resulted from the likelihood that consumers would believe, at least initially, that GROTRIAN-STEINWEG was

6. 523 F.2d 1331 (2d Cir. 1975).
7. See id. at 1342.
affiliated with the owner of STEINWAY & SONS and consider purchasing a GROTRIAN-STEINWEG piano on that basis.8

In the medium of the Internet, the seminal case addressing initial interest confusion is Brookfield Communications, Inc. v. West Coast Entm't Corp.9 Defendant West Coast Entertainment used the plaintiff’s MOVIEBUFF mark in the metatags of its westcoastvideo.com website, which the court analogized to defendant’s use of a billboard bearing the plaintiff’s mark to attract consumers interested in the plaintiff’s products or services.10 Although consumers would realize that the defendant was not the provider they initially sought, they might decide instead to patronize the defendant’s website.11 The court identified this harm as initial interest confusion “in the sense that, by using ‘moviebuff.com’ or MovieBuff [in its metatags] to divert people looking for [plaintiff’s] MovieBuff to [the defendant’s] website, West Coast improperly benefits from the goodwill that Brookfield developed in its mark.”12

Although Brookfield identified the harm, it did not provide an adequate framework within which to analyze it. As a result, courts have taken disparate approaches to addressing initial interest confusion on the Internet.13 Nevertheless, the reported decisions make clear that there is no need for a distinct initial interest confusion “doctrine” to address any harm that may result from the unauthorized use of another’s mark on the Internet to capture consumer attention. Traditional remedies available in trademark law suffice.

8. See id.

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

10. See id. at 1064.

11. See id.

12. Id. at 1062. See also Government Employees Ins. Co. v. Google, Inc., No. 1:04CV507, 2005 WL 1903128, at *4 (E.D. Va. Aug. 8, 2005) (“In the Internet context, this term [initial interest confusion] describes the distraction or diversion of a potential customer from the website he was initially seeking to another site, based on the user’s belief that the second site it associated with the one he originally sought.”).

13. See Michael Gryenberg, The Road Not Taken: Initial Interest Confusion, Consumer Search Costs, and the Challenge of the Internet, 28 Seattle U. L. Rev. 97, 118 (2004) (“Having never articulated a cogent basis for the initial interest doctrine, courts left plenty of precedential space for an overly aggressive application to the Internet.”). Courts’ analyses of the harm in the domain name context demonstrate the spectrum of approaches taken. In that context, some courts have treated initial interest confusion within one or more of the several likelihood of confusion factors. See, e.g., Trans Union LLC v. Credit Research, Inc., 142 F. Supp. 2d 1029, 1043-44 (N.D. Ill. 2001) (discussing initial interest confusion within the “actual confusion” factor of the likelihood of confusion test). Other courts have found the likelihood of confusion factors insufficient. See, e.g., Chatam Int’l, Inc. v. Bodum, Inc., 157 F. Supp. 2d 549 (E.D. Pa. 2001) (focusing instead on whether the two users’ goods were in competition).
III. INITIAL INTEREST CONFUSION ON THE INTERNET

A. Domain Name Cases

1. Commercial Websites

To capture the attention of consumers interested in a particular product or service, many companies have found it beneficial to utilize domain names that incorporate another's mark affiliated with that product or service. In particular, courts have held the unauthorized use of another's mark as a domain name for a commercial website to be actionable as initial interest confusion "when customers seeking a particular website are diverted by allegedly infringing domain names . . . to a competing web site and then 'realize that the site they have accessed is not the one they were looking for.'"14

For example, in Victoria's Secret Stores v. Arco Equipment Co.,15 the district court found that the defendant's sale of lingerie at a website under the domain name victoriassecrets.net created initial interest confusion with plaintiff's VICTORIA'S SECRET mark.16 Dismissing the defendant's argument that consumers would not be confused once they accessed its website, the court observed that "'[t]he use of a mark which misdirects consumers to a competitor's goods constitutes infringement, even if consumers later dispel confusion on their own power or with the assistance of a disclaimer.'"17

In this context, even if the user immediately realizes that the website at which he has arrived is not related to the entity whose website he initially sought, there is a significant risk that the user will instead patronize the competing website and not return to the trademark owner's website.18 The owner of the competing website

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16. See id. at 728-29.

17. Id. at 729 (quoting the magistrate judge's Report & Recommendation on the defendants' motion to set aside the Clerk of Court's entry of default and the plaintiff's motion for default judgment); see also Faerge & Benson, LLP v. Purdy, No. Civ. 03-6472 (MJD/JGL), 2004 WL 167570, at *2 (D. Minn. Jan. 5, 2004) ("Defendants use of a disclaimer on their websites does not insulate their conduct, because their misleading use of [plaintiff's] trademark to divert consumers to their websites creates initial interest confusion.") But see infra, Part III.C. The Ninth Circuit has held that disclaimers in the banner advertisements context may be sufficient to distinguish source. As more fully explained below, disclaimers in that context prevent the harm, whereas disclaimers in the domain name context appear post-harm.

18. See Victoria's Secret Stores, 194 F. Supp. 2d at 728-29. See also Government Employees, 2005 WL 1903128, at *4 ("Internet in this concept [of initial interest confusion]
has obtained this patronage only through the unauthorized use of another's mark, and in a manner that did not inform the Internet user beforehand of the true nature of the website.\footnote{See id.} Further, the use of another’s mark in a domain name affords undue credibility to the competing website.

Recently, this reasoning was extended to the use of hyperlinks within a website that bore a senior user’s mark as a domain name. In \textit{Nissan Motor Co. v. Nissan Computer Corp.},\footnote{378 F.3d 1002 (9th Cir. 2004).} the court held that initial interest confusion can result from the unauthorized use of a mark as a domain name for a website containing hyperlinks to websites of the trademark owner’s competitors. In \textit{Nissan}, the plaintiff automobile manufacturer which, in 1959, obtained a federal registration for NISSAN, brought suit against the operator of a website who registered the domain name nissan.com in 1994.\footnote{See id. at 1007-08.} The defendant Nissan Computer Corporation used the nissan.com website to advertise and link to websites for various products, including websites for automobile-related products.\footnote{See id.} The plaintiff argued on summary judgment, and the district court agreed, that the defendant’s use of NISSAN in its domain name, accompanied by links to automobile-related websites, constituted trademark infringement “on the basis of initial interest confusion.”\footnote{Id. at 1006.}

On appeal, the Ninth Circuit used the multifactor likelihood of confusion test to determine the existence of initial interest confusion, concluding that the defendant’s unauthorized use of NISSAN in its domain name would create such confusion by channeling consumers to websites in competition with Nissan Motor Company.\footnote{See id. at 1019.} As in other Internet-related infringement cases in the Ninth Circuit, the court focused on the so-called “Internet Trinity” of the eight Sleekcraft\footnote{AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir. 1979).} likelihood of confusion factors: (i) the similarity of the marks, (ii) the relatedness of the goods or services and (iii) the parties’ simultaneous use of the Internet as a marketing channel.\footnote{See id. at 1018; see also SMC Promotions Inc. v. SMC Promotions, 355 F. Supp. 2d 1127 (C.D. Cal. 2005).} Due to the similarity of the parties’ marks and their commercial use of the Internet, the court focused primarily on whether the parties offered competing goods or
services. The court concluded that the initial diversion of consumer attention stemming from the defendant's use of the NISSAN mark as a domain name was actionable only as a result of the similarity of the goods offered at (or through) the websites. Defendant's use of plaintiff's mark in its domain name created actionable harm because consumers seeking plaintiff's website for automobile-related goods may instead patronize the websites of plaintiff's competitors to which defendant's website links. Even though the defendant did not itself offer competitive products, its unauthorized use of plaintiff's mark in its domain name enabled competitors to present their products to plaintiff's potential customers through defendant's website.

Of course, not all diversions on the Internet create actionable harm. In particular, many different parties may be entitled to operate websites under domain names that embody the same or similar marks. For example, the owner of APPLE for computers likely could not enjoin an apple farmer from selling apples at a hypothetical website apples.com. Although an Internet user may mistakenly go to apples.com seeking to buy an APPLE computer, there is little risk that any such diversion would discourage the user's eventual purchase of the computer. In instances such as these, where a mark is used as the domain name for a commercial website that does not compete with, or provide links to those that compete with, the trademark owner, there is no diversion of business from the trademark owner and thus no actionable harm.

As the Ninth Circuit demonstrated in Nissan, the determination of whether actionable harm results from the unauthorized use of another's mark as a domain name for a website offering goods or services can be effectively analyzed through the traditional likelihood of confusion test. However, other courts have utilized varying approaches when considering

27. See Nissan Motor Co., 378 F.3d at 1018. There may be no need for such a three-part test because, as in Nissan, a case prompting the use of the "Internet Trinity" will necessarily meet the first and third elements: the similarity of the marks and the use of the Internet as a marketing channel, respectively. In practice, the crucial issue will be whether the goods or services of the two users compete.

28. See id. at 1019.

29. See id.

30. See id.

31. See id. See also Lamparello v. Falwell, Nos. 04-2011, 04-2122, 2005 WL 2030729 (4th Cir. Aug. 24, 2005) ("When an alleged infringer does not compete with the markholder for sales, 'some initial confusion will not likely facilitate free riding on the goodwill of another mark, otherwise harm the user claiming infringement.'") (quoting Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 296-97 (3d Cir. 2001)).

Note that an exception exists for the unauthorized use of famous marks under the FTDA. See infra note 51 and accompanying text.

32. See Nissan Motor Co., 378 F.3d at 1018.
initial interest confusion on the Internet. Some courts have followed the approach historically taken by courts in the non-Internet context and considered initial interest confusion resulting from the unauthorized use of a trademark as a domain name within one or more of the several factors in traditional tests for likelihood of confusion. Other courts have concluded that domain name-related initial interest confusion results in a harm different from traditional infringement, for which the standard likelihood of confusion test is inappropriate or insufficient.

Recently, the Second Circuit accepted the approach of incorporating an independent initial interest confusion factor into its traditional likelihood of confusion analysis. In Savin Corp. v. Savin Group, the plaintiff had marketed, sold, and distributed business equipment under the SAVIN mark since 1959 and operated a website at savin.com. The defendant, an engineering consultant, operated websites at thesavingroup.com and savinengineers.com. The plaintiff argued that the defendant’s operation of its websites infringed the plaintiff’s SAVIN mark. In conducting its infringement analysis, the district court held that the application of the Polaroid factors, including an additional factor intended to evaluate the existence of initial interest confusion on the Internet, favored a finding of no likelihood of confusion. On appeal, and in dicta, the Second Circuit accepted the district court’s use of an initial interest confusion factor as a separate factor within New York’s Polaroid likelihood of confusion framework:

The District Court also included an “Internet initial interest confusion factor” in the Polaroid balancing test. Because consumers diverted on the Internet can more readily get back


35. See Savin Corp. v. Savin Group, 391 F.3d 439 (2d Cir. 2004).

36. See id.

37. See id. at 446.

38. See id. at 446-47.

39. See id. at 447.


41. See id. at 462 n.13.
on track than those in actual space, thus minimizing the harm to the owner of the searched-for site from consumers becoming trapped in a competing site. Internet initial interest confusion requires a showing of intentional deception. Here, the District Court found that Plaintiff had failed to raise a triable issue of fact with regard to either a likelihood of confusion or intentional deception, and accordingly, the court concluded that this factor, too, weighs in Defendants’ favor. We find no error in the court’s determination on this issue, which, in any event, Plaintiff does not directly challenge on appeal.42

Nissan and Savin suggest that courts are becoming more consistent in their analysis of initial interest confusion in domain name cases. Although Nissan relied primarily on the “Internet Trinity” subset of the traditional set of likelihood of confusion factors and Savin established a separate factor, both approaches reflect a fundamental acceptance of the Sleekcraft and Polaroid frameworks, respectively, to address whether the diversion of consumer attention resulting from the unauthorized use of another’s mark as a domain name for a commercial website constitutes actionable harm.

a. Use of the ACPA and the FTDA to Address Initial interest Confusion in the Commercial Website Context

Any harm that arises in cases involving the unauthorized use of another’s mark in the domain name of a non-competing commercial website is most effectively addressed by utilizing the ACPA (where the unauthorized use suggests bad faith registration of a domain name) and the FTDA (where the mark is famous).

(I) ACPA

Congress enacted the ACPA in November 1999 to address cybersquatting, that is, where a junior user registers a domain name bearing a distinctive mark with the intent to profit from the goodwill associated with that mark.43 Unlike the Ninth and Second Circuits’ tests for initial interest confusion on the Internet, a finding of liability under the ACPA does not require the goods or services of the plaintiff and defendant to be in competition.44 Rather, a violation of the ACPA is determined by applying nine

42. See id. (internal citations omitted).
44. See 15 U.S.C. § 1125(d)(1)(A) (2005) (stating that liability is “without regard to the goods or services of the parties”).
non-exclusive statutory factors that focus on whether the junior user registered its domain name in bad faith.\textsuperscript{45}

The harm that can result from the unauthorized use of a mark to divert customers to a competing website is, in certain instances, the harm that the ACPA was intended to address.\textsuperscript{46} Although the ACPA's bad faith requirement renders it inadequate to address all instances of actionable harm involving domain names for commercial websites, it is sufficient to address the large group of initial interest confusion cases in which the defendant does demonstrate bad faith.\textsuperscript{47} Many courts appear to have recognized this overlap and, in certain cases, have found both initial interest confusion and ACPA liability.\textsuperscript{48}

\textsuperscript{45} The nine factors to be considered are: (1) the trademark or other intellectual property rights of the person, if any, in the domain name; (2) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person; (3) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services; (4) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name; (5) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site; (6) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services; or the person's prior conduct indicating a pattern of such conduct; (7) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct; (8) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and (9) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of the FTDA. See 15 U.S.C. § 1125(d)(1)(B)(i)(I-IX) (2005).

\textsuperscript{46} See 15 U.S.C. § 1125(d)(1)(B)(i)(V) (2005). The fifth factor under the ACPA instructs the court to determine whether the junior user had the intent "to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark . . . ." Id.


The FTDA allows the owner of a famous mark to enjoin and seek damages arising from another party's use of a mark that "causes dilution of the distinctive quality of the famous mark," regardless of the presence or absence of competition between the parties or likelihood of confusion. To successfully assert a claim under the FTDA, the claimant must establish that: (1) its mark is famous; (2) the defendant is making commercial use of the mark; (3) the defendant's use began after the plaintiff's mark became famous; and (4) the defendant's use caused actual dilution of the distinctive value of the mark. The statutory history of the FTDA indicates that Congress intended it to be fully applicable to cases involving the unauthorized use of marks as domain names.

Like the ACPA, the FTDA provides a remedy for certain trademark owners whose marks are used in domain names for commercial websites that do not compete with the trademark owner. Provided that the mark at issue is famous, the unauthorized use of an identical mark as a domain name to divert customers to another website that sells goods or services can cause dilution for purposes of the FTDA. Following the Supreme

50. 15 U.S.C. § 1127 (2005) (defining "dilution" as the "lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of . . . competition between the owner of the famous mark and the other parties, or . . . likelihood of confusion, mistake, or deception.").
51. See 4 McCarthy, supra note 1, § 24:89; Moseley v. V Secret Catalogue, Inc., 537 U.S. 418 (2003). The determination of whether a mark is famous is made by the court, taking into consideration:

(A) the degree of inherent or acquired distinctiveness of the mark; (B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used; (C) the duration and extent of advertising and publicity of the mark; (D) the geographical extent of the trading area in which the mark is used; (E) the channels of trade for the goods or services with which the mark is used; (F) the degree of recognition of the mark in the trading areas and channels of trade of the mark's owner and the person against whom the injunction is sought; (G) the nature and extent of use of the same or similar marks by third parties; and (H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register. 15 U.S.C. § 1125(c)(1)(A-H) (2005).
52. 141 Cong. Rec. S19312 (daily ed. Dec. 29, 1995) (statement of Sen. Patrick J. Leahy (D-Vt.)) ("It is my hope that this antidilution statute can help stem the use of deceptive Internet addresses taken by those who are choosing marks that are associated with the products and reputations of others.").
53. See 15 U.S.C. §§ 1125(c)(1), 1127 (2005); Moseley. 537 U.S. at 429 ("Neither the absence of any likelihood of confusion nor the absence of competition . . . provides a defense to the statutory dilution claim.").
54. See Savin Corp. v. Savin Group, 391 F.3d 439, 452 n.10 (2d Cir. 2004) ("Although the Supreme Court's decision in Moseley appears to require proof of actual harm to a famous mark in order to prevail on an FTDA claim, the Court suggests that the junior user's exact
Court's decision in *Moseley*, holding that a plaintiff must demonstrate actual dilution of its mark, the key issue typically will be whether the defendant caused actual dilution of the plaintiff's famous mark. In the domain name context, some courts have interpreted *Moseley* to stand for the proposition that the unauthorized use of an identical famous mark as a domain name is, without more, circumstantial evidence of dilution. Other courts have held that evidence of the mark's use in commerce (e.g., as the domain name for a website offering goods or services) is adequate circumstantial evidence of actual dilution.

**b. Adequacy of Existing Remedies**

As analysis of trademark infringement on the Internet has evolved over the last decade, it has become increasingly clear that existing remedies are adequate to analyze and remedy the harm created by initial interest confusion.

The traditional multifactor test for likelihood of confusion, whether utilized in whole or in part, provides an effective framework for determining the scope of protection that should be afforded owners of distinctive (but not famous) marks that are used as domain names for commercial websites. When the factors—particularly similarity of goods and services—weigh in favor of the plaintiff, a finding of initial interest confusion is appropriate. If the likelihood of confusion factors are not applicable or do not favor the plaintiff, but there is evidence that the domain name was registered in bad faith, the plaintiff should prevail on a claim under the ACPA. Alternatively, if the factors favor the defendant but the plaintiff's mark is famous and being diluted by the defendant's unauthorized use, a FTDA claim is appropriate.

The remaining instances of unauthorized use of another's mark in the domain name for a commercial website should not constitute initial interest confusion because there is no actionable harm. It is likely unnecessary to grant a trademark owner a remedy where, without evidence of bad faith, a party incorporates the owner's non-famous mark in a domain name associated with a copying of the mark will be sufficient circumstantial evidence to demonstrate dilution.

55. See, e.g., *Pinehurst, Inc. v. Wick*, 256 F. Supp. 2d 424 (M.D.N.C. 2003). However, as Professor McCarthy explains, this line of decisions considers actual dilution as an "afterthought" to likelihood of confusion and cybersquatting. See 4 McCarthy, *supra* note 1, § 24:94.2, at 24-208.11 n.7.2.

56. *Savin Corp.*, 391 F.3d at 452 ("We interpret *Moseley* to mean that where a plaintiff who owns a famous senior mark can show the commercial use of an identical junior mark, such a showing constitutes circumstantial evidence of the actual-dilution element of an FTDA claim."). For a discussion of the use of non-identical marks, see 4 McCarthy, *supra* note 1, § 24:94.2, at 24-208.13–208.17 (suggesting the use of expert testimony and surveys to determine whether there is a creation of confusion by using non-identical marks).
website offering goods or services that are not competitive with those of the trademark owner. It would be inappropriate to find initial interest (or any other) confusion because neither the trademark owner, the consumers nor the goodwill associated with the mark would suffer any injury.

2. Parody and Criticism Websites

Courts also have characterized as initial interest confusion any actionable harm arising from the unauthorized use of a trademark as the domain name for a website that parodies or criticizes the trademark’s owner. In particular, some courts have prohibited such unauthorized use of a mark when the domain name does not convey the website’s satirical or critical content and intent because consumers are unlikely to realize prior to accessing the website that it is unaffiliated with the trademark owner.57

For example, in OBH, Inc. v. Spotlight Magazine,58 the district court rejected the defendant’s parody defense in granting the plaintiff’s motion for a preliminary injunction on the ground that the domain name failed to simultaneously convey the two contradictory messages required of a parody: that it is and is not the original.59 Only when Internet users accessed the website would they realize it was a parody, by which time the defendant already would have succeeded in diverting users from the plaintiff’s website.60 A disclaimer on the website would not alleviate the initial interest confusion because the harm had already occurred.61 Similarly, many cases addressing the use of a

57. See, e.g., People for Ethical Treatment of Animals v. Doughney, 263 F.3d 359, 366-67 (4th Cir. 2001) (“A[n] Internet user would not realize that they were not on an official . . . web site [of the plaintiff] until after they had used [the plaintiff’s] mark to access the web page . . . .”) (quoting People for Ethical Treatment of Animals, Inc. v. Doughney, 113 F. Supp. 2d 915, 921 (E.D. Va. 2000), aff’d, 263 F.3d 359 (4th Cir. 2001)).

58. 86 F. Supp. 2d 176 (W.D.N.Y. 2000).

59. Id. at 191 (citing Hormel Foods Corp. v. Jim Henson Prods., Inc., 73 F.3d 497, 503 (2d Cir. 1996)).

60. See id.; see also Doughney, 263 F.3d at 366 (“To the extent that an alleged parody conveys only the first message, ‘it is not only a poor parody but also vulnerable under the trademark law, since the customer will be confused.’”) (quoting Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Group, Inc., 886 F.2d 490, 494 (2d Cir. 1989)); Morrison & Foerster, LLP v. Wick, 94 F. Supp. 2d 1125, 1134-35 (D. Colo. 2000) (“[The names of [defendant’s] web sites produce confusion. Only by reading through the content of the sites could the user discover that the domain names are an attempt at parody.”).

61. See OBH, Inc., 86 F. Supp. 2d at 190: PACCAR, Inc. v. TeleScan Techs., LLC, 319 F.3d 243, 253 (6th Cir. 2003) (“A disclaimer disavowing affiliation with the trademark owner read by a consumer after reaching the web site comes too late.”); SNA, Inc. v. Array, 51 F. Supp. 2d 542, 553 (E.D. Pa. 1999) (“The relevant confusion that the domain name causes is drawing the web user to the site in the first place, and the disclaimer cannot fix that.”). But see Taubman Co. v. Webfeats, 319 F.3d 770, 777 (6th Cir. 2003) (finding that a
mark in a domain name of a website critical of the trademark owner have reached analogous holdings, that is, the domain name must indicate the critical nature of the website.62

**a. Use of the ACPA and the FTDA to Address Initial Interest Confusion in the Parody and Criticism Context**

In the context of parody and criticism websites, where the goodwill in a mark is used to satirize or criticize, rather than compete in the marketplace with a trademark owner, the likelihood of confusion factors are largely inapplicable. For example, the similarity of the plaintiff's and defendant's goods and services cannot be tested because the defendant in such cases offers no such goods or services. In fact, some courts have stated that the use of a mark in the domain name of a website critical of the trademark owner is not, without more, a commercial use of the mark that would give rise to harm to be remedied under infringement or dilution law.63 However, the ACPA and the FTDA are sufficient to address any harm resulting from the use of another's mark in a domain name of a website that parodies or criticizes the trademark owner.

"disclaimer [can] actually serve to re-direct lost customers to [plaintiff's] site that might otherwise be lost").

62. *See, e.g.*, *The Bear Stearns Cos., Inc. v. Lavalle* No. Civ. A 3:00CV1900D, 2002 WL 31757771, at *5-*6 (N.D. Tex. Dec. 3, 2002) (permitting defendant's use of plaintiff's mark in domain names only where critical nature of website is clear, such as bearstearnscriminals.com); *Taubman Co.* 319 F.3d at 778 (defendant was permitted to use the critical domain name taubmansucks.com because "the First Amendment protects critical commentary when there is no confusion as to source, even when it involves the criticism of a business"); *Bally Total Fitness Holding Corp. v. Faber* 29 F. Supp. 2d 1161 (C.D. Cal. 1998) (permitting defendant's use of ballysucks.com). Concomitantly, using a domain name that is "deceptive, confusingly similar, or identical" to a trademark owned by the party being criticized creates initial interest confusion by unfairly exploiting the fact that consumers will go to the website expecting it to be affiliated with or sponsored by the trademark owner. *See Bear Stearns*, 2002 WL 31757771, at *5 (citing *Morrison & Foerster*, 94 F. Supp. 2d at 1131); *SNA*, 51 F. Supp. 2d at 552-53 (E.D. Pa. 1999) (finding initial confusion because "Internet users expect that a site with a domain name that is a trademark is somehow related to the owner of the trademark," even if the "highly critical and mean-spirited" content of defendant's website dispels any suggestion of affiliation with plaintiff).

63. *See, e.g.*, *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002 (9th Cir. 2004) (holding that negative commentary is not commercial in nature and thus protected under the First Amendment); *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672 (9th Cir. 2005) (defendant's criticism of plaintiff at the bosleymedical.com website was not a commercial use of plaintiff's mark and could not support a finding of actionable confusion). *See also Lamparello v. Falwell*, Nos. 04-2011, 04-2122, 2005 WL 2030729 (4th Cir. Aug. 24, 2005) ("Profiting financially from initial interest confusion is thus a key element for imposition of liability under this theory. . . . This critical element—use of another firm's mark to capture the markholder's customers and profits—simply does not exist when the alleged infringer establishes a gripe site that criticizes the markholder").
The ACPA, which requires that the defendant evidence a bad faith intent to profit from its registration of the senior user's mark as a domain name, is a more appropriate remedy for trademark owners whose marks are incorporated in the domain names for parody or criticism websites. Applying the ACPA in this context is consistent with the Act's goal of addressing the bad faith diversion of consumers by using domain names incorporating the senior user's mark. Specifically, the ACPA's fifth "bad faith" factor addresses the defendant's intent to mislead or confuse consumers into accessing a website that could tarnish the goodwill represented by the trademark owner's mark. In the parody and criticism context, courts have recognized that this goodwill is used to unwittingly and intentionally divert consumers to a website that disparages the trademark owner—a diversion that would not be actionable if the parody or critical message was conveyed within the domain name itself. Further, unlike infringement and dilution, recovering under the ACPA does not require that the offending use of a mark in a domain name be a use in commerce.

64. 15 U.S.C. § 1125(d)(1)(B)(i)(V) (2005) (stating that a court may consider "the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site").

65. 4 McCarthy, supra note 1, § 25:78 ("[The ACPA's fifth] factor embodies the traditional rule of trademark law that when there is proof that the junior user has done something to intentionally divert or confuse customers, the courts will use this, either via a presumption or as relevant evidence, that defendant was successful and that a likelihood of confusion exists.").


67. See, e.g., Taubman Co., 319 F.3d at 778.

68. The applicability of the FTDA to parody or criticism websites follows the analysis presented in the domain name section above. See supra, Part III.A.1.a.

69. See Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672 (9th Cir. 2005).
Although some courts have been reluctant to accept the use of the First Amendment as a defense in this context primarily because domain names have been held to act merely as source identifiers rather than speech,70 a recent decision clarifies that hyperlinks within a website may be protected under the First Amendment when such hyperlinks function as more than source identifiers. In Nissan Motor Co. v. Nissan Computer Corp.,71 the Ninth Circuit held that negative commentary regarding plaintiff Nissan Motor Company channeled through defendant's nissan.com website was protected by the First Amendment.72 The plaintiff in Nissan sought to enjoin the defendant's use of hyperlinks on the nissan.com website that channeled users to websites that were critical of the plaintiff.73 The district court granted a permanent injunction that, among other things, restricted the defendant's website from linking to websites disparaging the plaintiff.74

On appeal, the Ninth Circuit held that links to websites containing disparaging remarks are distinct from the domain name that permits access to such links. The links are more than source identifiers. Enjoining the use of nissan.com because of the presence of links that channeled the Internet user to content critical of the Nissan Motor Company would be an impermissible restriction on speech under the First Amendment:

Prohibiting Nissan Computer from placing links to other sites with disparaging commentary goes beyond control of the Nissan name as a source identifier. The injunction does not enjoin use of nissan.com, but enjoins certain content on the nissan.com website. Thus, it is not the source identifier that is controlled but the communicative message that is constrained. Consequently, the First Amendment is implicated.75

B. Metatag Cases

Since the development of Internet search engines, courts also have found initial interest confusion resulting from the

70. See, e.g., OBH, Inc., 86 F. Supp. 2d at 197-98.
71. 378 F.3d 1002 (9th Cir. 2004).
72. See id. at 1016.
73. See id. at 1016-17.
74. See id. at 1016.
75. See id. The court also held that the use of links to a website that proposes a commercial transaction would not be protected under the First Amendment because the First Amendment cannot protect commercial speech. Id. at 1017. Cf. Bosley Med. Inst., Inc. v. Kremer, 403 F.3d 672 (9th Cir. 2005) (holding that links to a non-commercial website that contained links to a commercial website could still be protected under the First Amendment).
Unauthorized use of another’s mark in the metatags of a website. Using a trademark in this manner increases the likelihood that an Internet search conducted for the trademark will generate a link to the competitor’s website. Consumers would not have been provided with a link to the junior user’s website but for the unauthorized use of another’s mark. By using another’s mark as a “reference source,” the junior user is capitalizing on the mark’s goodwill to have its website presented to, and potentially accessed by, consumers.

In *Brookfield Communications, Inc. v. West Coast Entm’t Corp.*,76 the leading case addressing initial interest confusion and metatags, the Ninth Circuit found actionable the use of a competitor’s mark in the junior user’s metatags that diverted consumers to its website.77 Initial interest confusion resulted even though consumers accessing the junior user’s website would immediately realize that they were patronizing a website unaffiliated with the one they initially sought.78 In this manner, the junior user improperly benefits from the goodwill that the trademark owner developed in its mark.79

However, courts have not deemed all unauthorized uses of trademarks in metatags to be actionable. In particular, where the junior user of a trademark has a good faith reason for using the mark in its metatags to index the legitimate content of its website, courts typically have held such use to be a permissible fair use.80 Examples of unauthorized uses deemed to be “fair” include where the defendant uses the plaintiff’s mark in a descriptive sense;81 the defendant’s website is critical of plaintiff’s business activities;82 the defendant distributes the plaintiff’s products or has a similar

76. 174 F.3d 1036 (9th Cir. 1999).
77. See id. at 1064.
78. See id.
79. See id.; Promatek Indus., Ltd. v. Equitrac Corp., 300 F.3d 808, 812-13 (7th Cir. 2002) (“What is important is not the duration of the confusion, it is the misappropriation of [plaintiff’s] goodwill. [Defendant] cannot unring the bell.”); J.K. Harris Co., LLC v. Kassel, 253 F. Supp. 2d 1120, 1125 (N.D. Cal. 2003) (“The alleged use of Plaintiff’s trademark in the HTML code . . . allows Defendants initially to divert Plaintiff’s potential consumers to its web site.”).
80. See Playboy Enters., Inc. v. Welles, 279 F.3d 796 (9th Cir. 2002); Trans Union LLC v. Credit Research, Inc., 142 F. Supp. 2d 1029 (N.D. Ill. 2001) (citing cases); Brookfield Communications, Inc. v. West Coast Entm’t Corp., 174 F.3d 1036, 1065 (9th Cir. 1999) (“We are not in any way restricting West Coast’s right to use terms in a manner which would constitute fair use under the Lanham Act.”).
81. Brookfield, 174 F.3d at 1066 (“The proper term for the ‘motion picture enthusiast’ is ‘Movie Buff’ which West Coast certainly can use [in its metatags]. It cannot, however, omit the space.”) (emphasis in original).
82. See Bihari v. Gross, 119 F. Supp. 2d 309 (S.D.N.Y. 2000); Welles, 279 F.3d at 804 (“Someone searching for critiques of Playboy on the [I]nternet would have a difficult time if [I]nternet sites could not list the object of their critique in their metatags.”).
legitimate business relationship with or connection to the plaintiff and its products. 83 Or defendant’s fame or notoriety stems from its affiliation with the plaintiff. 84 Notwithstanding these exceptions, courts have not extended the fair use defense to “cyberstuffing,” in which another’s trademark is used multiple times in a website’s metatags to obtain more prominent placement on a search engine results page. 85

The Brookfield court’s discussion in the metatag context created such uncertainty that some courts have extended Brookfield’s reasoning to find per se initial interest confusion resulting from the use of another’s mark in a metatag. 86 However, a recent Ninth Circuit decision suggests that such use, without more, may not result in actionable harm. In Playboy Enterprises, Inc. v. Netscape Communications Corp., 87 a case addressing the use of another’s trademark in connection with keywords and banner advertisements, Judge Marsha S. Berzon’s concurring opinion questioned Brookfield’s continuing vitality. 88 In particular, Judge Berzon suggested that Brookfield be reconsidered to the extent it expounds an “insupportable rule” that initial interest confusion can result where consumers knowingly access a website and are never confused as to its affiliation with a trademark owner. 89 As Judge Berzon noted: “[W]hen the search engine list generated by the search for the trademark ensconced in a metatag comes up, an [I]nternet user might choose to visit [a competitor’s] website . . . instead of the [senior user’s] website, but such choices do not constitute trademark infringement off the [I]nternet, and I cannot understand why they should on the [I]nternet.” 90

83. See Trans Union, 142 F. Supp. 2d at 1040; see also Promatek, 300 F.3d at 814 (“The problem here is not that [defendant], which repairs [plaintiff’s] products, used [plaintiff’s] trademark in its metatag, but that it used that trademark in a way calculated to deceive consumers into thinking that [defendant] was [plaintiff].”).

84. See Welles, 279 F.3d at 802 (“[D]efendant [can] only identify herself clearly by using [plaintiff’s] trademarked title.”).

85. Trans Union, 142 F. Supp. 2d at 1040 n.8 ("Significantly, only one ‘trans union’ metatag is embedded in the website, indicating that defendants have not engaged in ‘cyberstuffing’.")

86. See Bayer Corp. v. Custom School Frames, LLC, 259 F. Supp. 2d 503, 509 (E.D. La. 2003) (holding that using the plaintiff’s mark in the metatags of defendant’s website “constitutes an appropriation of goodwill and creates initial interest confusion”). See also Horphag Research Ltd. v. Pellegrini, 337 F.3d 1036, 1040 (9th Cir. 2003) (holding that where an individual admits to using another’s trademark in his website’s metatags, that “use satisfies the terms of trademark infringement in the first instance”).

87. 354 F.3d 1020 (9th Cir. 2004).

88. See id. at 1034-36.

89. See id. at 1036.

90. Id. at 1035 (emphasis in original).
Judge Berzon's skepticism appears to stem from the fact that Internet search engines do not take users directly to websites potentially responsive to their search engine query. Rather, based on several factors, which typically include metatag content, search engines generate lists of potentially responsive hyperlinks to the search query, as well as some basic information concerning the relevance of the hyperlinks. Unless the additional information provided or the hyperlink itself causes confusion, Internet users may make an informed choice to access websites other than those that they initially sought. As Judge Berzon stated, "[t]here is a big difference between hijacking a customer to another website by making the customer think he or she is visiting the trademark holder's website (even if only briefly) . . . and just distracting a potential customer with another choice, when it is clear that it is a choice."91

Judge Berzon's opinion calls into doubt the finding in Brookfield of initial interest confusion stemming from the mere unauthorized use of another's mark absent any evidence that consumers were ever confused or unwittingly diverted to other websites. Unless the domain names or other information provided on the search engine results page causes confusion, the inclusion of links to others' websites creates no impression of affiliation nor provides such websites with undue credibility. The inclusion of multiple websites on a search engine results page merely gives consumers an informed choice. As Judge Berzon stated, a consumer "knows, or should know, from the outset that a product or web link is not related to that of the trademark holder because the list produced by the search engine so informs him."92 Absent the unintended diversion of Internet users or other evidence of consumer confusion, "the initial interest confusion doctrine in the metatag context is a cause of action without a harm."93

C. Keying and Banner Advertisements

Courts have recently expanded the concept of initial interest confusion to the unauthorized use of a mark by a competitor as an Internet search engine "keyword." When consumers type in a mark as a search term, advertisements (or "banner ads") may appear on the ensuing search results page. By paying a fee to search engine providers, companies can ensure that their advertisements appear on the search results page when consumers utilize certain words as keywords.94 Thus, a trademark owner's competitors can pay to

91. See id. at 1035 (parenthetical in original).
92. See id. at 1035-36.
93. Klein & Glazer, supra note 3, at 1058.
94. As the Ninth Circuit explained:
have their banner ads appear when consumers use the mark as a keyword.

The Ninth Circuit has determined that such practices can constitute initial interest confusion if the banner ads do not clearly indicate that the source of such ads is not the entity whose mark was used as a keyword. In *Playboy Enterprises*, the defendant search engine companies generated banner ads for adult-oriented companies based on a list of several hundred terms related to sex and adult entertainment, including plaintiff's PLAYBOY and PLAYMATE marks. Consumers using these marks as search terms would be presented with banner ads for the plaintiff's competitors on the search engine results page. In some instances, these banner ads did not clearly indicate that the source of such ads was unrelated to plaintiff Playboy Enterprises, nor did the defendants require the companies placing such ads to clearly distinguish the source of the ads from Playboy Enterprises.

The plaintiff's claims were initially rejected by the federal district court for the Central District of California, which found that the use of plaintiff's marks was not actionable because neither the defendants nor plaintiff's competitors used plaintiff's marks to identify defendants' goods or services. The Ninth Circuit reversed, however, finding genuine issues of material fact. In particular, the court found compelling plaintiff's argument that defendants' keying practices facilitated initial interest confusion because Internet users utilizing the search terms PLAYBOY or PLAYMATE would expect that the banner ads were associated with the plaintiff. Users accessing the websites associated with ambiguously marked or unmarked banner ads were likely to do so under the mistaken belief that the websites were somehow affiliated with the plaintiff. Even if such users immediately realized their error, plaintiff's competitors unfairly gained

To take an innocuous example, a person who searches for a term related to gardening may be a likely customer for a company selling seeds. Thus, a seed company might pay to have its advertisement displayed when searchers enter terms related to gardening. After paying a fee to [certain Internet search engines], that company could have its advertisements appear on the page listing the search results for gardening-related terms: the ad would be "keyed" to gardening-related terms.

*Playboy Enterprises*, 354 F.3d at 1022-23.

95. *See id.* at 1030.

96. *See id.* at 1023.

97. *See id.*

98. *See id.* at 1025.

99. *See id.* at 1023.

100. *See id.*

101. *See id.* at 1025.

102. *See id.*
potential customers through the goodwill associated with plaintiff's marks.103 The diversion created an opportunity for plaintiff's competitors to retain as customers Internet users who may be satisfied with the competitors' services and that would then not return to plaintiff's website.104

However, the Ninth Circuit expressly limited its holding to instances where the banner ads do not make clear to the consumer that they are unrelated to the owner of the mark used as a keyword.105 As the Playboy Enterprises court stated clearly identifying the source of a banner advertisement with its sponsor's name, or otherwise including a disclaimer, "might eliminate the likelihood of initial interest confusion that exists in this case."106 Unlike the use of disclaimers on commercial websites incorporating a competitor's mark in their domain names, a disclaimer in a banner ad prevents consumers from accessing websites under false pretenses. The consumer's decision to access a competitor's website in such cases is an informed choice and does not result in actionable harm to the trademark owner or its mark.107

In expanding the application of initial interest confusion beyond the domain name and metatag contexts, Playboy Enterprises continues a consistent analysis for initial interest confusion on the Internet. Actionable harm results where a mark is used as a keyword to generate banner ads for websites competitive with the trademark owner, and such banner ads do not make clear that they are unaffiliated with the trademark owner.108 Without the disclaimer, consumers may click through to the advertised websites under the mistaken belief that they are patronizing the entity whose trademark they used as a keyword. Once there, their needs may be met by the trademark owner's competitor, which may prevent the consumer's return to the website they initially sought. However, no actionable harm results

103. See id.
104. See id.
105. See id. at 1030.
106. See id. at 1030 n.43; see also Google Inc. v. American Blind & Wallpaper Factory, Inc, No. C 03-05340 JF, 2005 WL 832398, at *7 (N.D. Cal. March 30, 2005) (stating that search engine's use of "sponsored link" label on banner ads is insufficient to distinguish source).
107. As stated in Playboy Enterprises, "[I]f a banner advertisement clearly identified its source or, even better, overtly compared [plaintiff's] products to the sponsor's own, no confusion would occur under [plaintiff's' initial interest confusion] theory." 354 F.3d at 1025 n.16.
where there is no competition. Ambiguously marked banner ads for apple growers, for example, are unlikely to divert business from Apple Computer, Inc. Even if Internet users seeking computer-related websites mistakenly go to such apple-growing websites, they are not likely to stop looking for APPLE computers or give business to the apple growers that would otherwise have belonged to the computer company. As in the domain name context, whether or not the parties compete and actionable harm results is best evaluated through the use of the traditional multifactor likelihood of confusion test.

Where the source of the banner ads is clearly marked as distinct from the owner of the trademark used as a keyword, there is no actionable harm and no initial interest confusion.109 As in the case of search engine results triggered by metatags, there is no immediate diversion of interest; rather, consumers first make an informed choice where it is clear that the source of the banner ad is unrelated to the trademark owner. The consumer’s diversion to another website—whether or not such website provides goods or services competitive with those of the trademark owner—is intentionally undertaken with the prior awareness that the website is unrelated to the trademark owner. Clearly marked banner ads that provide consumers with an additional choice do not give rise to a cognizable claim under trademark law. As Judge Berzon noted in her concurring opinion in Playboy Enterprises, informed decisions that result in consumers patronizing a trademark owner’s competitors should not result in trademark infringement on or off the Internet.110

**D. Pop-up Advertisements**

Courts also have recently analyzed initial interest confusion on the Internet in connection with pop-up advertisements (or “pop-up ads”), which appear as separate browser screens when an Internet user employs a mark as a search engine keyword or types a domain name into an Internet browser. Such advertisements are typically generated by software downloaded by Internet users—sometimes unknowingly—onto their computers. The software monitors the user’s Internet activity and triggers pop-up ads sponsored by companies offering goods or services that are likely to appeal to the user, based on the websites that the user has accessed previously.

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109. *Government Employees*, 2005 WL 1903128, at *5 n. 15 (“This absence of confusion when faced with NIKE ads alongside organic listings for GEICO also refutes the allegation that the use of the [GEICO] trademark as a keyword, without more, causes a likelihood of confusion.”).

110. See id. at 1035.
In *1-800 Contacts, Inc. v. WhenU.com*, the district court held that the unauthorized use of a trademark to trigger the pop-up ads of the trademark owner’s competitors could create initial interest confusion. When Internet users typed plaintiff’s 1-800 CONTACTS mark into a search engine or Internet browser, the software program retrieved and displayed a pop-up ad from one of plaintiff’s competitors, along with the search engine results of plaintiff’s website.

The district court applied the Second Circuit’s *Polaroid* likelihood of confusion factors “with an eye to how they bear on the likelihood that Defendants’ pop-up advertisements will confuse consumers into thinking that Defendants are somehow associated with plaintiff or that plaintiff has consented to their use of the pop-up advertisements.” In particular, the court focused on the similarity of plaintiff’s and defendant Vision Direct’s products and the likelihood that consumers would be unable to distinguish between plaintiff and the source of the pop-up advertisement. The court found that the advertisements created the mistaken impression that Vision Direct and 1-800 Contacts were related, which allowed the defendant to gain initial credibility with consumers by using plaintiff’s goodwill in the 1-800-CONTACTS mark.

The Second Circuit reversed on appeal, holding that the appearance of pop-up ads that did not bear the 1-800 CONTACTS mark did not constitute an unauthorized “use” of plaintiff’s mark required to maintain a claim for trademark infringement. The Second Circuit did not need to address initial interest confusion because it found that a necessary element of a finding of confusion—defendant’s actual use of the plaintiff’s mark or a

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111. 309 F. Supp. 2d 467 (S.D.N.Y. 2003), rev’d, 414 F.3d 400 (2d Cir. 2005).


113. See *1-800 Contacts*, 309 F. Supp. 2d at 476.

114. See id. at 494 (quoting *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 872 (2d Cir. 1986)).

115. See id. at 497-98.

116. See id. at 498 (“[B]y ‘piggy-backing’ on the good will and reputation of Plaintiff, Defendant’s pop-up advertisements might divert potential customers from Plaintiff.”).

confusingly similar variation thereof—was not present. Plaintiff could not claim that defendant's pop-up ads created confusion among Internet users where such advertisements did not use plaintiff's mark.

It remains to be seen whether other courts are persuaded by the district court's analysis in 1-800 Contacts and find initial interest confusion where the pop-up ads are unambiguously marked and do not use a mark identical or similar to the website owner's mark. When a consumer types in a mark as a domain name to access a trademark owner's website, there typically is a reasonable expectation that the content associated with that website is endorsed or authorized by the trademark owner. A competitor's advertisement that pops up in connection with the website may suggest to the consumer that the source of the advertisement is somehow related to the trademark owner.

Moreover, the Second Circuit's approach in 1-800 Contacts is consistent with the concepts set forth by the Ninth Circuit in Playboy Enterprises. When using a mark as a search engine keyword consumers expect to receive a range of results from which to choose. As with banner advertisements, the presence of competition in the form of pop-up advertisements does not necessarily give rise to actionable harm, as long as the consumer can make an informed choice between the trademark owner's content and that of its competitors. Actionable harm may result—to consumers, the trademark owner and the goodwill in the mark—where the pop-up advertisements do not clearly indicate that the source of such advertisements is unrelated to the trademark owner.

As with banner advertisements, not all pop-up advertisements cause actionable harm. Confusion is likelier where the trademark owner and the source of the pop-up advertisement compete in the marketplace. For example, an apple grower's pop-up advertisements would be unlikely to divert business from APPLE

118. Id. at *8 ("[t]he fatal flaw with [the district court's] holding is that WhenU's pop-up ads do not display the 1-800 trademark") (emphasis in original).

119. Id. at * 9 ("Indeed, it is routine for vendors to seek specific 'product placement' in retail stores specifically to capitalize on their competitors' name recognition . . . WhenU employs this same marketing strategy by informing [computer users] who have sought out a specific trademarked product about available coupons, discounts, or alternative products that may be of interest to them.").

120. The windows containing the pop-up advertisements in the 1-800 Contacts case, although appearing in the foreground of the computer screen, were smaller than the trademark owner's window. See 1-800 Contacts, 309 F. Supp. 2d at 501. Allowing the computer user to view the trademark owner's window in the background allowed the consumer to make an informed choice between the trademark owner's website and the pop-up advertisement. There may be a greater likelihood of initial interest confusion where there is no opportunity to make such an informed choice, such as where the pop-up advertisement completely obscures the trademark owner's website.
computer or confuse consumers. As recognized by the district court in *1-800 Contacts*, the traditional likelihood of confusion factors are adequate to analyze whether the parties are in such close competitive proximity that the unauthorized use of the trademark owner's mark in pop-up advertisements is likely to cause actionable harm. Further, any harm to the trademark owner could be alleviated through use of an adequate disclaimer in connection with the advertisement. As in the contexts of banner advertisements and metatags, there is no actionable harm to remedy where the consumer is aware in advance of a choice to be made between patronizing the trademark owner or its competitor.

IV. CONCLUSION

As courts have continued to analyze trademark infringement on the Internet, it has become clear that questions of initial interest confusion in that context should be resolved by focusing on the competitive harm to the trademark owner and the consumers' ability to make informed choices.

Competition between the parties or similarity of goods and services should be a prerequisite for a finding of initial interest confusion on the Internet. The actionable harm in such instances results from the possibility that consumers will purchase goods from the junior user's website instead of from the trademark owner. However, the diversion of consumer interest in a manner unlikely to result in diminished patronage of the trademark owner's goods and services should not compel a finding of initial interest confusion. Otherwise, every trademark, regardless of its distinctiveness or fame, would be granted dilution-like protection against unauthorized commercial uses of the mark on the

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121. See, e.g., *Nissan Motor Co. v. Nissan Computer Corp.*, 378 F.3d 1002 (9th Cir. 2004); *The Network Network v. CBS, Inc.*, 54 U.S.P.Q.2d 1150, 1179 (C.D. Cal. 2000) ("Dissimilarity of goods and services resolves the initial interest confusion question."); see also *BigStar Entm't, Inc. v. Next Big Star, Inc.*, 105 F. Supp. 2d 185, 209-10 (S.D.N.Y. 2000) (initial interest confusion "presumably would not arise, or would be minimized in circumstances where the products in question are used for substantially different purposes and therefore the merchants are not in close competitive proximity."); *Strick Corp. v. Strickland*, 162 F. Supp. 2d 372, 377 (E.D. Pa. 2001) ("[I]nitial interest confusion is of greatest concern when products are in competition with each other . . . [w]here companies are non-competitors, initial interest confusion does not have the same consequence.") (quoting *Chatam Int'l, Inc. v. Bodum, Inc.*, 157 F. Supp. 2d 549, 558 (E.D. Pa. 2001)).

122. See, e.g., *Nissan Motor Co.*, 378 F.3d at 1019; *Interstellar Starship Servs., Ltd. v. EPIX, Inc.*, 304 F.3d 936, 945 (9th Cir. 2002) (actionable initial interest confusion would result if "a rogue company adopts as its domain name a protected trademark and proceeds to sell goods similar to those offered by the trademark owner. [because] it necessarily free rides on the trademark owner's goodwill").
Internet. As the court observed in *The Network Network v. CBS, Inc.*, a case involving the dispute between the cable television channel The Nashville Network and a computer consulting company called The Network Network, "[u]nlikely indeed is the hapless Internet searcher who, unable to find information on the schedule of upcoming NASCAR broadcasts or 'Dukes of Hazzard' reruns, decides to give up and purchase a computer network maintenance seminar instead."

Irrespective of the parties' competitive proximity, consumers' ability to make informed decisions should be determinative. Internet users typically are unable to make such choices when a trademark owner's mark is incorporated in the domain name of a competing commercial website. As discussed above, actionable harm results in such instances from the unintended diversion of consumers to competitors' websites. However, the consumer typically is presented with a choice in the context of metatags, banner advertisements and pop-up advertisements. If the choice is not sufficiently well-informed, whether due to the absence of an adequate disclaimer, the confusing similarity of the marks at issue or otherwise, a finding of initial interest confusion is warranted. However, if a consumer chooses to proceed to a competitor's website fully aware that the website is not endorsed by or affiliated with the trademark owner, such diverted patronage should not provide the trademark owner with a remedy under infringement law.

To the extent that the trademark owner suffers competitive harm and to the extent the customer cannot make informed choices, then the traditional multifactor likelihood of confusion test, or a subset thereof, is adequate to remedy the harm to the trademark owner, the consumer and the goodwill of the mark. In the domain name context, where the traditional test for infringement is inapplicable, the FTDA is also available to protect famous marks; and where the mark is not famous, but registered in bad faith, the ACPA will suffice.

123. *See Interstellar Starship Servs., Ltd.*, 304 F.3d at 943 ("[A]s a matter of law, all uses of www.epix.com do not generate initial interest confusion with the EPIX mark."). Klein & Glazer, *supra* note 3, at 1042; *but see People for Ethical Treatment of Animals, Inc. v. Doughney*, 113 F. Supp. 2d 915, 919-20 (E.D. Va. 2000), aff'd, 263 F.3d 359 (4th Cir. 2001) (identically copying another's trademark as a domain name "creates a presumption of likelihood of confusion among [I]nternet users as a matter of law").


125. *Id.* at 1180; *see also Strick Corp. v. Strickland*, 162 F. Supp. 2d 372, 377 (E.D. Pa. 2001) ("Internet surfers are inured to the false starts and excursions awaiting them and are unlikely to be dissuaded or unnerved when, after taking a stab at what they think is the most likely domain name for a particular web site guess wrong and bring up another's web page.").