Initial Interest Confusion in Metatags and Keywords Advertising

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Abstract. The essay elaborates on the development of the doctrine of initial interest confusion, especially its expanded application in the Internet era. It aims to argue that the presale confusion principle should not be applied in trademark cases concerning the use of metatags and keywords advertising.

Keywords: Initial interest confusion, Presale confusion, Trademark infringement, Metatags, Keywords advertising

1 Introduction

Section 32 of the Lanham Act entitles a trademark holder to seek remedies from any entities that illegally uses the registered trademark in the course of commerce, where "such use is likely to cause confusion". And in the case Polaroid Corp. v Polarad Elecs. Corp. (1961), the court established the Polaroid test for likelihood of confusion evaluation [1] [2]. This test has been welcomed and followed in latter cases, becoming the fundamental test in deciding whether likelihood of confusion exists [3]. The critical step in establishing trademark infringement is to prove likelihood of confusion between the registered mark and the infringing mark. The previous version of the Lanham Act confirmed that such confusion should be explained as the confusion of the origins of the products at the time of purchase. In 1962, the Lanham Act was amended by deleting the word "purchaser". which implies that likelihood of confusion could be established before the point of time of purchase [2]. The implication was to declare the likelihood of confusion being established before the time of purchase [2], signaling the recognition of initial interest of confusion (also called presale confusion) [4].

The principle of the presale (initial interest) confusion concerns the condition where potential consumers are confused about the products' origins before their purchase [6]. In such situations, their attention has been captured by the unauthorized use of the registered trademark. The traditional confusion occurs when consumers are lured into purchasing certain products or service while finding hard to distinguish the origins of such products [5]. Therefore, whether unauthorized use of a registered trademark triggers consumers' initial interests in the product is the most important element in the establishment of initial interest confusion [6]. The court firstly recognized initial interest confusion in the case Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v Steinway &

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Sons (1975) [4] [7]. In this case, the plaintiff claimed that its corporate name and mark did not infringe the defendants' trademark and sought for declaration of using the mark in question without others' intervention. The court ruled in favor of the defendants that consumers were likely to believe initially that there was a certain connection between the two parties though they were no longer confused when purchasing piano and there was unnecessary to prove the likelihood of confusion at the time of purchase. But then many US courts stayed negative towards initial interest confusion and this principle were only cited in the amount of 10 cases before 1990 [8].

With a rapid growth of the Internet, the doctrine of presale confusion was found within internet consumption in addition to the classic purchasing of goods. The Internet, as an enormous library without a card catalogue [9], enables users to access vast amounts of information anytime anywhere. Internet users often applies internet search engines to accurately and efficiently look for information. Websites competing for online users' clicks usually employ search engine baiting to upgrade their ranking within the search engine results [2]. Thus, many websites use trademarks in how search engines work to attract potential consumers of their competitors. In such a situation, the issue of presale confusion may be caused. The doctrine of initial interest confusion was adopted in cases of trademark infringement in this regard. It played a crucial role particularly in cases involving domain names, metatags, and keyword advertising. For instance, the landmark case Brookfield Communications, Inc. v West Coast Entertainment Corp. (1999).

This article aims to discuss the application of initial interest confusion in online trademark disputes, paying specific attention to the cases concerning metatags and keyword advertising. In this article, Section 1 has briefly introduced the origins and development of the doctrine of initial interest confusion. Section 2 mainly concerns the application of initial interest confusion in trademark cases arisen from metatags and keyword advertising. Section 3 analyzed the rationality of applying initial interest confusion in metatags and keywords advertising trademark cases. Section 4 presents the conclusions of this article

2 Application of initial interest confusion in trademark cases concerning metatags and keywords advertising

2.1 Metatags

In internet consumptions for commercial purposes, the rank of search results became increasingly important as it leads the webpage to users through the search engine they use. Initially, a webpage is written in a hypertext markup language ("HTML"), and HTML can be read and interpreted by a browser [2]. Metatags refer to the codes buried in HTML; they are thus invisible to ordinary internet users [9]. Metatags can also describe corresponding website pages [10], including keywords metatags that specify key terms in the webpage and description metatags that are used to briefly describe the website [11]. More importantly, a search engine with its operation logic usually indexes and ranks relevant websites by matching the domain names, the web texts and/or the

metatags depending on its algorithm [2]. Therefore, website owners usually set as many relevant terms as possible, including registered trademarks, in the metatags in order to capture users' clicks.

In the case of Brookfield Communications, Inc. v West Coast Entertainment Corp. (1999), Brookfield Communications Inc. ("Brookfield") filed a motion against West Coast Entertainment Corporation ("West Coast") for a preliminary injunction preventing West Coast from using the term similar to Brookfield's trademark of "MovieBuff" [12]. Brookfield sold software that could professionally feature key information concerning the entertainment industry. They later expanded its service scope to non-professional consumer groups under the trademark of "MovieBuff" [12]. In 1996, Brookfield was informed by Network Solution Inc. ("NSI") that West Coast had registered the domain name when applying for domain name registration "moviebuff.com". Therefore, Brookfield determined to register "moviebuffonline.com" as its domain name, under which it sold software with the trademark "MovieBuff" [12]. In 1998, Brookfield got the federal trademark registration for the term "MovieBuff" from the Patent and Trademark Office ("PTO") for "providing data and information in the field of the motion and television industries" and of services "providing multiple user access to an on-line network database offering data and information in the field of the motion picture and television industries" [12]. Meanwhile, West Coast was a company having over 500 video rental stores in the US. Based on its registered federal service mark "The Movie Buff's Movie Store" in the fields of "retail store services featuring video cassettes and video game cartridges and rental of video cassettes and video game cartridges," West Coast registered the domain name "moviebuff.com" in 1996, under which West Coast later sold searchable database similar to Brookfield [12].

The critical issue related to metatags here concerned whether West Coast's use of "MovieBuff" and "moviebuff.com" in the metatags of its website would cause any confusion to the public [12]. The court ruled that West Coast's unauthorized use of "MovieBuff" and "moviebuff.com" in the metatags, was likely to cause initial interest confusion [12]. Because when consumers input the keyword "MovieBuff" into an Internet search engine, they can be diverted to West Coast website to find a similar database and they possibly reconsider to buy West Coast's comparable products instead, which means that West Coast in fact infringed Brookfield's acquired goodwill that had been developed through the use of its mark by capturing potential consumers' initial interest. Therefore, although without authorization, using a trademark in the buried metatags cannot be directly perceived by consumers, this kind of conduct may be determined to cause initial confusion.

2.2 Keywords advertising

Since many companies of search engine become aware that websites deliberately "mislead" search engines' operational mechanisms by using others' trademarks or brand names as metatags, they then diminish the influence of metatags in the ranking of the search results [13]. Another type of popular ranking mechanism employed by Internet search engines is keywords advertising, through which search engine companies can better control the ranking results. Keywords advertising in fact was developed from

banner advertising. Banner advertising is "the creative rectangular ad that is shown along the top, side, or bottom of a website in hopes that it will drive traffic to the advertiser's proprietary site, generate awareness, and overall brand consideration" [15]. Banner advertising can be triggered by selected keywords.

In the case Reed Executive Plc v Reed Business Information Ltd (2004), the claimants were recruitment agencies and one of them was the proprietor of the registered mark "REED" in Class 35 for "employment agency services" [16]. The defendants were journal and magazine publishers in the fields of business and science and had used the word "REED" in their business [16]. So, the claimant and the plaintiff in fact used the term "REED" in different sectors of market in the very beginning. However, in 1999 the defendants established the recruitment website called "totaljobs.com" which was the collection of the job advertisement in their published journals and magazines, where the defendant used the terms "Reed Elsevier" and "Reed Business Information" and the corresponding logos [16]. The defendants typed the word "REED" in the website metatags and bid the same word for banner advertising on the Yahoo search engine [16]. The court found that defendants' banner advertisement though referring to their website included no visible "REED" in the advertising content and held that since ordinary Internet users were very likely to have knowledge of banner advertising in respect of search engines thus it would be "fanciful" to consider that the search results of keyword "Reed" confuse online surfers in respect of the claimants and the defendants [16]. It was also controversial whether the invisible use of the keyword "REED" sufficiently accounted for "use in the course of trade".

Due to inherited convenience and effectiveness, many business entities love keyword advertising plan, while many trademark owners dislike keywords advertising that helps competitors or inferior producers benefit from their goodwill more easily [6]. Furthermore, the current keywords advertising is far more sophisticated and becomes hard to perceive. So, it is often the case that companies selling similar products or services bid for the same or similar keyword in the promotion. To capture consumers' attention, a seller of normal leather shoes may bid for general keywords like "leather shoes" and branded and trademarked keywords like "Sam Edelman" though selling no Sam Edelman product. And usually, there is no visible word Sam Edelman in the title, the description, and the domain name of the seller's content. Therefore, consumers seldom perceive that this result content is a type of advertising, which may confuse. Therefore, some argues that this kind of keyword advertising may constitute presale confusion and should be limited.

3 Re-consideration of the application of initial interest confusion in the Internet cases

Firstly, confusion is an abstract concept without a clear boundary. It is an essential issue in defining the application scope of the presale doctrine and whether there is any actual confusion among consumers in cases involving the use of metatags and keyword advertising. Since metatags can only be read by search engines, it can be not directly seen or perceived by online consumers. A search engine simply generates searching results

with corresponding website addresses available for online users to click with their own discretion [18]. In this regard, online users usually look at the description and website address presented in the results. If the content presented does not include the keyword they are searching for, few of them will continue to log in that web page and even if they enter that website, there is no confusion during the whole period because there is no other means of the use of a trademark that is likely to cause any confusion. This explanation is accordance to the first hypothetical scenario if West Coast used the website address "westcoastvideo.com" in the case Brookfield Communications, Inc. v West Coast Entertainment Corp. (1999). The court ruled that it was less likely to confuse consumers under this circumstance since the domain name implied the source [12]. But the court changed its opinion in the second scenario, which was the exact condition, where West Coast used the domain name "moviebuff.com", which was confusing itself. In this regard, an online user may be lured to access to the web page, whose short description or domain name or both consisting of the keyword, because such use of key terms is supposed to imply certain connection. Though metatags are used in both scenarios, it is apparent that the key in deciding the possibility to lure people to open a website is whether the keyword being searched present in its short description or domain name, which are all visible content to online users [19]. Therefore, metatags are merely a tool used to divert users' attention to a website, which does not cause any confusion. Different from confusion, diversion emphasizes stimulating consumers interest to visit their content by providing more available choices without causing any actual source confusion. In contrast, confusion stresses confusing people about the source between similar products or services. In short, an "invisible" metatag itself is not likely to confuse consumers, so the doctrine of initial interest confusion is not appropriate to be applied in trademark cases involving metatags provided that no keyword is included in the visible parts of a web page. Additionally, keyword advertising is very similar to metatags since metatags are buried in code and the keywords bidden for promotion are usually invisible for users. Hence, the use of trademarked terms in metatags and keyword advertising itself is not likely to confuse but more likely to divert consumers' attention by offering an additional choice and diversion is not sufficient to constitute confusion. Thus, there is no initial interest confusion in the case involving use of metatags and keyword advertising.

Secondly, the diversion brought by using metatags and keywords advertising may indeed benefit consumers. Initially, it is important to recall the essence of the doctrine of initial interest confusion. An interesting hypothetical case discussed in Brookfield Communications, Inc. v West Coast Entertainment Corp. (1999) reveals the meaning of presale confusion. The court supposed that "using another's trademark in one's metatags is much like posting a sign with another's trademark in front of one's store" [12]. Hence, if consumers, driving on a highway and looking for West Coast's store, see a billboard saying that West Coast's store is at Exit 7, they will put off at Exit 7 to find it. However, in fact, Blockbuster's store is at Exit 7 while is West Coast's store is at Exit 8 [12]. Though consumers will not be confused when they come in front of Blockbuster's store, they may give up seeking West Coast's store [12]. So, there is no confusion in the time of purchase. However, "there is only initial consumer confusion does not alter the fact that Blockbuster would be misappropriating West Coast's acquired

goodwill" [12]. The hypothetical case implies that the legal interest in initial interest confusion sought for protection is in accordance with that in traditional likelihood of confusion. And it could be concluded that trademark protection mainly serves for two goals. Firstly, to protect consumers from confusion reducing the costs for searching and purchase products, and secondly to protect trademark holder's efforts and investment in developing a mark and its accompanying goodwill [18]. However, the application of initial interest confusion in the metatags and keywords advertising cases can be regarded as the expansion of the trademark protection, which to some extent contradicts the goal of trademark law. It is a common rule that those empowered to a maintain monopoly will gain benefit through exploiting their monopoly power [20]. And there is no doubt that such expansion protects trademark holders' rights, but it ignores consumers' interests, which is the utmost goal of trademark protection. As discussed above, the use of metatags and/or keyword advertising indeed provides online consumers with more available choices. Since online searching is easy and convenient to access, offering more choices, which may be more cost-effective or suitable than the one consumer wants to purchase in the very beginning, to consumers at one time, does not cost them anything and even helps them save time and money in searching for similar products for comparison, resulting in positive outcomes for consumers. Furthermore, such use of metatags and keywords in promotion is in line with the fact that some online users purposely manipulate the mechanism of metatags or keyword advertising to search for more appropriate products or services by using alternative brand or trademarked terms. For instance, if people want to purchase certain types of products, they may just search trademarks of similar products in order to get products in similar categories or even similar prices for comparison. Therefore, the application of initial interest confusion doctrine in cases involving metatags or keyword advertising may betray the aim to protecting consumers' interests.

4 Conclusions

Initial interest confusion originates from the amendment of the Lanham Act and was first recognized in the case Helfferich, Schulz, Th. Steinweg Nachf. v Steinway & Sons (1975). The doctrine has been adopted in some Internet cases concerning metatags and keywords advertising. However, this article demonstrates that presale confusion should be applied in trademark cases because the use of metatags and keyword advertising which only cause diversion. This is not sufficed to be claimed as confusion, and such use indeed benefits consumers by cost-effectively providing more choices.

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