GOOGLE THIS: SEARCH ENGINE RESULTS WEAVE A WEB FOR TRADEMARK INFRINGEMENT ACTIONS ON THE INTERNET

I. INTRODUCTION

A curious executive from an established fitness company, Body Solutions, runs a search for his company's web site[1] on Google's search engine by inputting the term "Body Solutions" into the query box on the Google search page.[2] One click later, this executive is dismayed to learn that his company's website, http://www.bodysolutions.com, is not at the top of the list.[3] In fact, his established company ranks third in the results,

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1. This Note intends to explore search engine liability for trademark infringement by using a recently filed case as a hypothetical basis. The actual suit, Mark Nutritionals v. AltaVista, was filed in U.S. District Court in San Antonio, TX, No. Sao2CV86 (D. Tex. Jan. 28, 2002), *available at* http://www.txwd.uscourts.gov/pacer/pacer.htm (electronically available through the Texas PACER system and copies on file with author). *See generally* Adlaw By Request, *Pay-for-Play Search Engines Named in Trademark Suit*, *at* http://www.adlawbyrequest.com (Feb. 11, 2002) (copy on file with author); Christopher Saunders, *Weight Loss Company Sues Search Engines*, *at* http://www.internetnews.com (Feb. 1, 2002) (copy on file with author). Because this Note is more broad-based than the Mark Nutritionals suit, only the underlying issue implicating pay-for-play search engines in trademark actions is the same. All references to other engines, factual scenarios and broader causes of action explored herein are posited only for the author's goal in discussing the issue and are completely separate from the Mark Nutritionals suit.

For cross-cultural references purposes, it is illustrative to note that a similar suit has been filed in France. In the suit Louis Vuitton SA of France, a unit of LVMH Moet Hennessy Louis Vuitton SA of France, filed a suit against Google alleging that Google's pay-for-placement service amounts to trademark infringement. Wall Street Journal News Roundup, *Google to Purchase Primedia Ad Unit*, WALL ST. J., Oct. 27, 2003, *available in* Westlaw, 2003 WL-WSJ 3983809. Louis Vuitton argues that Google's practice of returning search results based on which companies and organizations have paid for certain keywords is trademark infringement when those keywords are trademarks belonging to other entities. *Id.* This case had not yet been decided at the time of publication of this Note. See also *infra* notes 3 and 5 for further explanation of the Internet and pay-for-placement programs.

2. Specifically, the author chose Google as an example because it is the most popular search engine with 150 million searches a day. Jefferson Lankford, *Search Engine Shootout*, 39 ARIZ. ATTY. 12 (2003). Additionally, Google operates one of the most popular pay-for-placement programs. *See* Google Adwords, *at* http://adwords.google.com/select (last visited Sept. 28, 2003).

3. For resolution of all contemporary trademark infringement actions resulting from activity on the Internet, it is necessary to understand the precise parameters of Internet and World Wide Web basics, these claims, and the Internet activity at issue. *See generally* Brookfield Communications, Inc. v. West Coast Entm't, 174 F.3d 1036, 1044-45 (9th Cir. 1999). First, the Internet itself is a global network of computers that allows individuals, businesses and other organizations to communicate and share information, thus enabling many other activities, including commerce. Due to the vast commercial opportunities on the Internet, many users (such as individuals, companies, and other organizations) have been quick to stake out personal places on the Internet, or their own personal web pages. These web pages compile information relating to that particular user and are identifiable on the World Wide Web through a domain name address. *Id.* at 1044. An example of a domain name common to many users might be "http://www.yahoo.com." A domain name consists of a second level

after one smaller and less competitive fitness company and one unrelated company that services an industry other than fitness. After some exploratory conversations with his website designer, marketing team and lawyer, this executive learns that Body Solutions, a registered trademark in use by his company since 1988,[4] has fallen prey to a new economic model in use by search engines: pay-for-placement.

Pay-for-placement is an economic model for competitive Internet search systems whereby a company pays for its website to be included in the search results for particular search terms.[5] As the economics of making money on the internet become increasingly difficult to master, search engines must employ more aggressive tactics, such as charging for the

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identifier (e.g., "Yahoo") followed by a top-level domain (e.g., ".com" or ".edu") which describes the purpose or nature of that particular domain (consider, for example, that ".com" refers to commercial enterprises and ".edu" refers to educational institutions). *Id*.

Individual users can connect or "surf" on the World Wide Web through their own personal computers. When looking for a specific webpage, these users can either attempt to guess the domain name of the page (i.e. when looking for the Nike homepage, a user who does not know the domain address may guess by simply typing in "http://www.nike.com" and hope that the resulting page is truly that of Nike) or users may opt to use a search engine, such as Google. When a user enters a keyword in the search box on Google, "the search engine processes it through a self-created index of web sites to generate a (sometimes long) list relating to the entered keyword." *Id.* at 1045. In order to generate this list, the search engine will use a powerful and sophisticated algorithmic system to scour the Internet looking for "keywords in places such as domain names, actual text on the web page, and metatags." *Id.* Metatags are identifiers written in HTML code (Hypertext Markup Language, or the language of the Internet) that are invisible to the human eye but can be read by search engines. 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 25:69 (4th ed. 1998). Description and keyword metatags, in particular, are utilized by web site operators to trigger attention to that particular site when a user types in specific terms (i.e. to use a broad example, Nike may embed metatags such as "basketball shoes" in its site in order to be picked up by a search engine when a user inputs the search term "basketball shoes"). A preponderance of descriptive and keyword metatags increases a web site's likelihood of being detected by a search engine because, when the results are based on relevancy, "[t]he more often a term appears in the metatags and in the text of the web page, the more likely it is that the web page will be 'hit' in a search for that keyword and the higher on the list of 'hits' the web page will appear[,]". *Brookfield*, 174 F.3d at 1045 (citing Niton Corp. v. Radiation Monitoring Devices, Inc., 27 F. Supp. 2d 102, 104 (D. Mass. 1998). Abuse of metatags on a website may qualify as "cyberstuffing," a term used to describe the art of '"stuffing"' the background of one's website in order to increase one's showing in a search engine's relevancy results. J. Thomas McCarthy, *Trademarks, Cybersquatters and Domain Names*, 10 DEPAUL-LCA J. ART & ENT. L. & POL'Y 231 (2000). *See infra* notes 22, 29-32, 35 and accompanying text for discussions of metatag use on websites.

4. U.S. Trademark No. 2551134 (renewed Mar. 19, 2002), *at* http://tess.uspto.gov/bin/showfield?f=doc&state=lmvqi2.3.1 (last visited Nov. 7, 2003).

5. *See generally* Google Adwords, *supra* note 1; Overture Advertiser Center, *at* http://www.overture.com/d/USm/adcenter/index.jhtml (last visited Oct. 12, 2002). *See also* Saul Hansell, *Paid Placement is Catching on in Web Searches*, N.Y. TIMES, June 4, 2001, *available at* http://www.nytimes.com/2001/06/04/technology/04GOTO.html (copy on file with author). Hansell provides the example of a florist who purchases the word "roses" from http://www.goto.com, in order to be included when a user conducts a search for that term. *Id.* As Hansell found, the higher the fee paid for the search term, the higher that florist's website would appear in the search results. *Id*.

actual term, to ensure a profit. Although brokering trademarked terms to competitors may seem facially unfair, search engines claim no foul play because if an engine learns it has sold a trademarked keyword, it will simply remove the infringing material.[6]

Pay-for-placement search engine listings challenge common perceptions of results lists by returning results primarily based on who has paid for a listing rather than on relevance.[7] To that end, these economic models have garnered suspicion and criticism from trademark owners, search engine monitors, lawyers and the Federal Trade Commission.[8]

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6. *See* Stephanie Olsen, *Web Sites Prey on Rivals' Stores*, *at* http://news.com.com/2102-1023_3-271196.html?tag=st_util_print (Aug. 7, 2001) (copy on file with author). Olsen writes: "Excite@Home sells advertising space 'keyed' to trademark company names, but said 'if there are objections (from owners of that name), we take the ad down,' according to John Sullivan, associate general counsel at Excite@Home." *Id.* Although potential infringement incited by the actions of a search engine or other Internet Service Provider (ISP) can easily be rectified by removing the infringing materials, consider how such censorship implicates a socially unacceptable level of chilling across the board. SIVA VAIDHYANATHAN, COPYRIGHTS AND COPYWRONGS: THE RISE OF INTELLECTUAL PROPERTY AND HOW IT THREATENS CREATIVITY 27, 38 (2001). In the context of copyrighted materials where an ISP responded to a cease-and-desist letter by removing all of the potentially infringing materials, including those protected under fair use laws, Vaidhyanathan suggests that cease-and-desist letters wield a vast amount of social control and can effectively chill or completely censor the free expression of ideas, *Id*.

Overture claims to police the problem before it materializes by only selling trademarked keywords to advertisers that (a) "refer[] to the trademark or its owner or related product in a permissible nominative manner without creating a likelihood of consumer confusion," or (b) "use[] the term in a generic or merely descriptive manner." *Overture—Information on Trademarks as Search Terms*, *at* http://www.overture.com/d/USm/about/company/trademarkinfo.jhtml (last visited Feb. 23, 2002).

7. *See* GoTo.com v. Walt Disney Co., 202 F.3d 1199, 1203 (9th Cir. 2000). In that case, GoTo operated a web site containing a "pay-for-placement search engine, which allow[ed] consumers to locate items on the Web using a search algorithm weighted in favor of those advertisers who have [had] to have their products given a priority by the engine." *Id*. Under a traditional search engine set-up, the engine would provide results generated from an algorithm focused on relevancy. *See supra* note 3.

8. This Note will explore the concerns of valid trademark holders who consider their trademark rights at risk due to the sales agendas of search engine operators who sell trademarked terms to junior users and competitors for commercial use. There are other criticisms of pay-for-placement beyond the scope of this Note. *See generally* http://www.searchenginewatch.com (last visited Oct. 12, 2002). Danny Sullivan, editor of SearchEngineWatch.com, suggests that the pay-for-placement model of search engines has suffered challenges from those who consider paid results to be less useful and ethical than those results lists traditionally based on relevancy algorithms. *Id*. *See also* Saul Hansell, *Paid Placement is Catching on in Web Searches*, *supra* note 5. In fact, these complaints inspired Commercial Alert, an online consumer protection organization, to file a deceptive advertising complaint with the Federal Trade Commission (FTC). Commercial Alert, *Commercial Alert Files Complaint Against Search Engines for Deceptive Ads*, *at* http://www.commercialalert.org (July 16, 2001) (copy on file with author). The complaint asserted that the inclusion of paid advertisements in search results makes the advertisements "look like information from an objective database selected by an objective algorithm[]" when "really they are paid ads in disguise." *Id*. Commercial Alert argued that pay-for-placement is a consumer protection issue because failure to disclose that an advertisement is an advertisement will influence consumers' purchasing decisions. *Id*. This argument likens search engines' use of pay-for-placement to infomercials that pose as in-depth, objective programming, which

This Note focuses on search engines' potential liability for trademark infringement, including: (1) direct trademark infringement,[9] (2) contributory trademark infringement,[10] and (3) tortious interference with prospective economic advantage.[11] In Part II, this Note presents the history of trademark infringement relevant to an Internet dispute. In Part III, this Note analyzes the history to predict the most viable claims for a company such as Body Solutions. In Part IV, this Note provides a concrete proposal utilizing that analysis. This Note argues that (1) because a search engine is not the vehicle for direct trademark infringement, it cannot be held liable for publishing potentially infringing results nor for the initial interest confusion generated from those listings; (2) when a search engine sells a trademarked search term to one whom it knows will use it in an infringing manner, the search engine may be held liable for contributory trademark infringement; and (3) because it is unlikely that an Internet plaintiff can prove a likelihood of potential business relationships with consumers who might be deterred through improper publishing of the plaintiff's trademark, a search engine will not be found liable for tortious interference with prospective economic advantage.

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the FTC has taken action against in the past. *See* Michael S. Levey et al., Proposed Consent Agreement with Analysis to Aid Public Comment, 58 Fed. Reg. 38764-03 (July 20, 1993). The Commercial Alert letter concluded by asking the FTC to investigate whether specific search engines were violating Section 5 of the Federal Trade Commission Act ("FTC Act"). Commercial Alert, *supra*. The FTC Act prohibits unfair or deceptive advertising that impedes commerce by misleading reasonable consumers. 15 U.S.C. § 45a(1) (1994). Professor McCarthy also asserts that "a user can no longer trust the objectivity of the rankings presented by such search engines." 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 25:70.1, at 25-166 (4th ed. 1998). The FTC's Bureau of Consumer Protection responded to the Commercial Alert complaint by issuing a letter to eight search engines recommending that these sites more appropriately conform to FTC regulations by putting consumers on notice as to the advertisements in the search results, conspicuously explaining the use of paid advertising in search results and not making any affirmative statements likely to mislead consumers as to the basis of a search result. *Letter from the FTC to Eight Search Engines*, *at* http://www.ftc.gov/os/closings/staff/commercialalertattach.htm (June 27, 2002).

9. *See infra* §§ II(A)(a) and III(A) (discussion of direct trademark infringement actions involving search engines and the Internet).

10. *See infra* notes 43-48 and accompanying text (defining the fundamental terms of contributory trademark infringement).

11. *See infra* note 68 and accompanying text (explaining the rule for tortious interference with prospective economic advantage). Increasingly, courts may be resorting to traditional causes of action to instill further protection of intellectual property on the Internet. Bruce P. Keller, *Condemned to Repeat the Past: the Reemergence of Misappropriation and Other Common Law Theories of Intellectual Property*, 11 HARV. J.L. & TECH. 401 (1997). Keller suggests: "[r]esort to common law theories for protection of developing technologies is not a new phenomenon, but has occurred throughout the twentieth century at times when technology outpaced the development of the law." *Id*. at 406.

II. HISTORY

A. Trademark Infringement on the Internet

Advances in technology, including but not limited to the Internet, have challenged and expanded traditional notions of trademark protection.[12] Although the law of protection for trademark owners may be evolving with the advances in technology, the underlying policy goals behind protection remain very much the same.[13] As the forum for potential trademark infringement changes, the court is entitled to create new remedies to match the needs of the new situation.[14]

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12. Consider the basic roots of intellectual property protection: "the rules of unfair competition are based, not alone upon the protection of a property right existing in the complainants, but also upon the right of the public to protection from fraud and deceit." Am. Philatelic Soc'y v. Claibourne, 46 P.2d 135, 140 (Cal. 1935) (citing Ely-Norris Safe Co. v. Mosler Safe Co., 7 F.2d 603 (2d Cir. 1925)). In the Internet context, trademark infringement can take many forms, including when two independent enterprises each obtain their own web sites and soon begin to compete. Eventually, one of the competitors may claim trademark infringement through unfair use of the mark on the Internet. Often these claims have been between competing domain names. JANE GINSBURG, DAVID GOLDBERG, & ARTHUR GREENBAUM, TRADEMARKS AND UNFAIR COMPETITION 799-806 (Foundation Press) (1991). However, the pay-for-placement scheme poses a new set of issues for the courtroom. As the *Niton* court opined: "[t]his is a classic illustration of a new kind of litigation for which nothing in past experience comes even close to preparing trial judges and the advocates appearing before them." 27 F. Supp. 2d at 103, *supra* note 3.

13. The absolute purpose of trademark law has remained unaltered: "[i]dentification of the manufacturer or sponsor of a good or the provider of a service." New Kids On the Block v. News Am. Publ'g, Inc., 971 F.2d 302, 305 (9th Cir. 1992). The *New Kids* court further notes that Lanham Act protection has remained faithfully committed to the underlying notion that an infringer of a trademark should not be allowed to unfairly compete by "capitaliz[ing] on the investment of time, money and resources of his competitor." *Id.* The court found that trademark law both engenders and protects competition by "guard[ing] against the overuse of resources while also providing incentives for the creation of new combinations of resources." *Id.* at 306 n.3.

A 1996 amendment to Section 43 of the Lanham Act changed some of the goals of trademark protection with regard to the dilution of famous marks. The amendment, the Federal Trademark Dilution Act, does not require proof of a traditional likelihood of confusion test for famous marks, instead allowing for a cause of action when a famous mark has been *diluted*. 15 U.S.C.A. § 1125(c)(1) (1996). Dilution of a famous or distinctive mark under the Act occurs when there is "a sufficient similarity of marks to evoke in consumers a mental association of the two" and that similarity "causes actual harm to the senior marks' economic value as a product-identifying and advertising agent." Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah, 170 F.3d 449, 453 (4th Cir. 1999) (internal numbering omitted).

14. *American Philatelic*, 46 P.2d at 140. The Court succinctly posits:

> When a scheme is evolved which on its face violates the fundamental rules of honesty and fair dealing, a court of equity is not impotent to frustrate its consummation because the scheme is an original one. There is a maxim as old as law that there can be no right without a remedy, and in searching for a precise precedent, an equity court must not lose sight, not only of its power, but of its duty to arrive at a just solution of the problem.

Id. See also Brookfield, 174 F.3d at 1054 ("[w]e must be acutely aware of excessive rigidity when applying the law in the Internet context; emerging technologies require a flexible approach").

1. *Direct Trademark Infringement*

Traditionally, trademark infringement exists when improper use of a trademark results in likelihood of confusion for consumers.[15] In an early decision exploring the potential for trademark infringement in the Internet setting, the court in *Lockheed Martin Corp. v. Network Solutions, Inc.* held that a domain name registrar could not be held liable for infringement when it published a list of registered domain names.[16] The court reasoned that the registrar's involvement with the trademarks did not qualify as trademark infringement because the published "list is not the instrument or forum for infringement."[17]

In the search engine context, trademark infringement actions have traditionally focused on whether or not a search engine's use of trademarked terms in its search results constitutes trademark

15. At common law, this test requires the infringing mark to "be identical with or confusingly similar to the [plaintiff's] trade name." *See* RESTATEMENT (FIRST) OF TORTS § 717 (1938). As codified in federal law at § 32 of the Lanham Act, infringing conduct occurs when the defendant uses "any reproduction, counterfeit, copy, or colorable imitation" of the plaintiff's registered mark in sale of the defendant's goods, when "such use is likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C.A § 1114 (1946). *See also* AMF, Inc. v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979). In a decision that has since been widely adopted, the Ninth Circuit elucidated on the standard "likelihood of confusion" analysis used in trademark infringement actions by introducing eight factors that the Court considered relevant in determining whether likelihood of confusion exists between related goods: (1) the strength of the mark, (2) the proximity of the goods, (3) similarity of the marks, (4) evidence of actual confusion, (5) the marketing channels used, (6) the type of goods and the degree of care likely to be exercised by a purchaser, (7) the alleged infringer's intent in selecting the mark, and (8) the likelihood of expansion of the product lines. *Id*. at 348-49.

16. 985 F. Supp. 949 (C.D. Cal. 1997), *aff'd* 194 F.3d 980 (9th Cir. 1999) The court found that a registrar of Internet domain names could not be held liable for trademark infringement or contributory trademark infringement as a printer or publisher of the trademark. The court held that the registrar did not use the mark in connection with the sale of goods nor did the registrar know or have reason to know that the mark was being infringed by similar domain names. *Id*. at 960-62.

17. *Id.* at 958. The Ninth Circuit's holding with regard to registrar liability is consistent with prior courts' handling of vanity telephone numbers; that mere possession of a particular phone number or domain name, without more, cannot be trademark infringement. *Id*. *See* Holiday Inns, Inc. v. 800 Reservation, Inc., 86 F.3d 619 (6th Cir. 1996). The Sixth Circuit found that although telephone numbers can be registered as trademarks and a competitor's use of a confusingly similar telephone number may be enjoined, the defendant would have to *do more*; that is, promote the number in conjunction with the trademark in order to amount to an infringement. *Id*. at 624. In *Holiday Inns*, the court held that the defendant used the number only as a telephone number and not as a trademark. *Id*. at 625-26. *But cf.* Century 21 Real Estate Corp. v. R.M. Post, Inc., 8 U.S.P.Q.2d 1614 (N.D. Ill. 1988). The *Century 21* court found that the actions of a yellow pages publisher were enjoinable under the Lanham Act when the publisher allegedly printed an infringing trademark. *Id*. at 1617. The *Lockheed* court distinguished its decision by noting that the yellow pages publisher supplied the actual material that incited the likelihood of confusion whereas registering domain names, as Network Solutions did, does not itself infringe on a mark. *Lockheed*, 985 F. Supp. at 957 (citing *Century 21*, 8 U.S.P.Q.2d at 1617).

infringement.[18] However, these actions have turned on the "fair use" defense classically elucidated by *New Kids On the Block v. News America Publishing, Inc.*, whereby a defendant cannot be held liable when he is not using the plaintiff's mark as his own trademark,[19] as would be the case when the defendant is returning the term in a results list.[20] Moreover, if the term is otherwise part of the English language, the defendant may have a valid reason for using it.[21]

A vast number of recent trademark infringement cases resulting from Internet activity have arisen due to the defendant's use of the plaintiff's trademarked terms in the metatags of the defendant's web page.[22] Rather

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18. *See, e.g.*, Playboy Enters. v. Excite, No. SACV 99-320 AHS EEX, 2000 WL 1308815 (C.D. Cal. 2000). Playboy claimed that the Defendant, search engine "Excite," infringed on Playboy's trademarks by returning Playboy's trademarked terms in search results, thus using the terms in commerce in such a way as to cause a likelihood of confusion as to the source of the goods or products. *Id*. at *1. The court resolved this issue in favor of Excite, citing a fair-use defense. *Id*. *See infra* note 19.

19. New Kids on the Block v. News Am. Publ'g, 971 F.2d 302, 307 (9th Cir. 1992). The *New Kids* court held that if a trademark owner were granted "exclusive rights" in the use of the trademarked words, "the language would be depleted in much the same way as if generic words were protectable." *Id.* at 306. Granting such exclusive rights would, essentially, entitle trademark owners to appropriate words from use by society at large. *Id*. In order to protect the interests of society in word usage and the interests of the trademark owner, courts will generally balance competing interests by holding that "[w]hen a trademark comes to describe a class of goods rather than an individual product, . . . as a matter of law that use of that mark does not imply sponsorship or endorsement of the product by the original holder." *Id.* In fact, it would be virtually impossible to describe certain classes of goods for comparative, critical or referential purposes without using the trademarked terms. *Id.* Other courts have adopted this test in the Internet context to find that "nominative use" of the trademarked term simply cannot compel a finding of liability. *See supra* note 18 and accompanying text. *See also* Playboy Enters. v. Welles, 279 F.3d 796, 802 (9th Cir. 2002). The district court in *Welles* rightly found that Welles' use of the trademarked term "Playmate of the Year 1981" on her personal webpage should be excepted from liability:

> [T]here is no other way that Ms. Welles can identify or describe herself and her services without venturing into absurd descriptive phrases. To describe herself as "the nude model selected by Mr. Hefner's magazine as its number-one prototypical woman for the year 1981" would be impractical as well as ineffectual in identifying Terri Welles to the public.

Id. (quoting PEI v. Welles, 78 F. Supp. 2d 1066, 1079 (S.D. Cal. 1999).

20. *See* Playboy Enters. v. Excite, 2000 WL 1308815 at *1. The court found that in the search results "[d]efendants do not use PEII's trademarks *qua* trademarks. Although PEII uses its trademarks to identify its goods and services, defendants do not." *Id*.

21. *See* Playboy Enters. v. Netscape Communications Corp., 55 F. Supp. 2d 1070, 1074 (C.D. Cal. 1999) ("The holder of a trademark may not remove a word from the English language merely by acquiring trademark rights to it.") (citing Brookfield, 174 F.3d at 1065; Bada Co. v. Montgomery Ward & Co., 426 F.2d 8 (9th Cir. 1970)):

> The law is that a word which is in its primary meaning merely descriptive of the goods to which it is applied may not be appropriated as the exclusive trademark of a single seller, since one competitor will not be permitted to impoverish the language of commerce by preventing his fellows from fairly describing their own goods.

22. *Id*. at 11. *See* Niton Corp. v. Radiation Monitoring Devices, Inc., 27 F. Supp. 2d 102, 104 (D. Mass. 1998). *See also supra* note 3 for a discussion of metatags and their purposes. In *Niton*, the

than finding infringement based on a proven likelihood of confusion, in *Brookfield Communications, Inc. v. West Coast Entertainment Co.*, the Ninth Circuit actually stopped short of the likelihood of confusion test, holding that the defendant's use of the plaintiff's trademark in its web pages will result in "initial interest confusion."[23] That is, the test for trademark infringement may be met when "'potential consumers initially are attracted to the junior user's mark by virtue of its similarity to the senior user's mark, even though these consumers are not actually confused at the time of purchase.'"[24] Courts adopting this doctrine require that the defendant have used allegedly infringing metatags with *intent* to divert users seeking information on the Internet.[25] Notably, courts are willing to measure a defendant's intent by the profit he makes from using the trademark terms, a qualifier suggesting that the defendant "inten[ded] to capitalize on the plaintiff['s] mark . . . ."[26] Although any potential user will immediately realize that he is not at the plaintiff's site (where he intended to go) and thus, there is no likelihood of *actual* confusion, the trademark infringement still enables the defendant to at least initially divert the user, thereby impeding Internet traffic to the plaintiff's site.[27]

Initial interest confusion analysis has suffered sharp criticism by courts more reluctant to apply it to the Internet setting.[28] At least one district

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plaintiff successfully showed that the defendant was unfairly embedding the plaintiff's trademarks in metatags on the defendant's web site, in order to increase the defendant's likelihood of a high listing in a return of search results generated by a search engine, thus contravening plaintiff's business. *Niton*, 27 F. Supp. 2d at 104. Some courts have concluded that the defendant's bad faith in using the plaintiff's trademark in the defendant's metatags is probative of likelihood of confusion. *See* New York State Soc'y of Certified Pub. Accountants v. Eric Louis Assocs., Inc., 79 F. Supp. 2d 331, 341 (S.D.N.Y. 1999). "Likelihood of confusion" is the standard trademark infringement test, measured by a variety of factors. *See generally* Sleekcraft Boats, *supra* note 15.

23. 174 F.3d 1036, 1062 (9th Cir. 1999); *see also supra* note 3.

24. *Id.* at 1064 (quoting Jordache Enters., Inc. v. Levi Strauss & Co., 841 F. Supp. 506, 514-15 (S.D.N.Y. 1993)). *See also* Eli Lilly & Co. v. Natural Answers, Inc., 233 F.3d 456, 464 (7th Cir. 2000) (Initial interest confusion is actionable under Lanham Act § 43(a) when a "consumer is lured to a product by its similarity to a known mark, even though the consumer realizes the true identity and origin of the product before consummating a purchase"); J.K. Harris & Co. v. Kassel, 253 F. Supp. 2d 1120, 1124 (N.D. Cal. 2003) ("Although HTML code is not visible to consumers and, therefore, is not likely to cause customer confusion, the use of trademarked terms in a website's hidden code 'will still result in what is known as initial interest confusion.'") (quoting Brookfield, 174 F.3d at 1062).

25. *Eli Lilly*, 233 F.3d at 465. In fact, when search engines use trademarked terms in their search results, it is critical to note that, often, those engines "do *not* use these words to identify any goods or services and have no intent to do so, much less an intent to confuse consumers." Playboy Enters., Inc. v. Netscape Communications, Corp., 55 F. Supp. 2d 1070, 1085 (C.D Cal. 1999).

26. Toho Co. v. Sears, Roebuck & Co., 645 F.2d 788, 791 n.2 (9th Cir. 1981) (quoting Universal City Studios, Inc. v Montgomery Ward & Co., 207 U.S.P.Q. 852 (N.D. Ill. 1980)) (brackets in original).

27. *See Harris*, 253 F. Supp. 2d at 1125.

28. *See, e.g.*, Bihari v. Gross, 119 F. Supp. 2d 309 (S.D.N.Y. 2000) In part, the court found that

court has found that the policy issues guiding adoption of initial interest confusion[29] simply are not at play in the Internet context, when the defendant embeds the plaintiff's trademarks in metatags on the defendant's site to divert traffic from the plaintiff's site.[30] The *Bihari v. Gross* court notes that on the information superhighway, rather than the physical highway that the *Brookfield* court offers in its analysis, it is relatively simple "[w]ith one click of the mouse and a few seconds delay, a viewr can return to the search engine's results and resume searching for the original website."[31] The lack of time delay, argues the court, serves as a buffer protecting the defendant's fair use of the allegedly infringing metatags and, further, allows the user to maintain personal efficiency in his Internet searches.[32]

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when the defendant embedded the plaintiff's trademark in metatags on the defendant's site in order to divert traffic from the plaintiff's site, there was no likelihood of confusion. *Id*. at 318-19.

29. For a discussion of the various policy concerns prevalent in cases of this nature, see *Brookfield*, where the court considered the loss of efficiency a user suffers when his web searches are unnecessarily diverted. 174 F.3d at 1064. Additionally, the court found that a defendant who uses a competitor's trademarks in his metatags "misappropriat[es] [the plaintiff's] acquired good will." *Id*. *See also* Promatek Indus. v. Equitrac Corp., 300 F.3d 808, 812 (7th Cir. 2002) ("by Equitrac's placing the term Copitrack in its metatag, consumers are diverted to its website and Equitrac reaps the goodwill Promatek developed in the Copitrak mark"); William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J.L. & ECON. 265, 270 (1987) ("If the law does not prevent it, free riding will eventually destroy the information capital embodied in a trademark, and the prospect of free riding may therefore eliminate the incentive to develop a valuable trademark in the first place").

30. *Bihari*, 119 F. Supp. 2d at 320. In *Brookfield*, the court posited a hypothetical metaphor to explain the harms of initial interest confusion in cyberspace. 174 F.3d at 1064. In this metaphor featuring a highway with users as the drivers of cars, a user might pass a billboard featuring an advertisement for "Company A" (the plaintiff) and get off the highway intending to visit Company A's store. *Id.* However, when the user pulls off the highway at the exit, he cannot find Company A's store anywhere, but he does see a store for "Company B" (the defendant). *Id.* Although the user understands that he is not at the store of Company A, where he intended to go, he very well might just visit Company B instead, assuming the two companies provide a similar product or service. *Id.* In the *Brookfield* hypothetical, the two competing enterprises were both video stores. *Id*. The *Brookfield* court used this example to illustrate the overriding policy concerns of efficiency and economy. *Id.* Due to the time it would take to get back on the highway and find Company A's store, the user simply may choose to rent or purchase from Company B. *Id.* As a result, Company A suffers even though no actual confusion resulted from the scenario. *Id.*

31. *Bihari*, 119 F. Supp. 2d at 320 n.15. Unlike the physical highway example, the *Bihari* court continues, inserting the plaintiff's trademarked term in the metatags of the defendant's web site is "not akin to a misleading 'billboard[]'" and does not "'misappropriat[e] [plaintiff's] acquired goodwill.'" *Id.* at 320. (quoting *Brookfield*, 174 F.3d at 1064). *See also* Jonathon H. Blavin & I. Glenn Cohen, Note, *Gore, Gibson and Goldsmith: The Evolution of Internet Metaphors in Law and Commentary*, 16 HARV. J.L. & TECH. 265, 274 (2002) ("The information superhighway is not like a regular highway. Its links are not like roads signs, for that conception ignores the instantaneity of the Internet . . . .").

32. *Bihari*, 119 F. Supp. 2d at 320. The court cautions that "[a] broad rule prohibiting the use of [trademark in] metatags . . . would effectively foreclose all discourse and comment . . . including fair comment." *Id.* at 323.

Court holdings that allow defendants to use trademarked terms in their web site's metatags and on the actual web site serve two interests. First, these decisions protect those individuals who seek to criticize or compare services with a well-known trademark holder.[33] Second, these decisions protect defendants for whom no other language exists to describe their services except a well-known trademark, thus preventing trademark holders from monopolizing certain words.[34] However, in all cases, the decision protecting metatag use of trademark terms has been extremely fact-specific.[35] The favorable protection for trademarks in metatags has been limited to those situations when the search engines return results based on algorithmic relevancy, which would qualify as nominative use under the *New Kids* test.[36]

Although pay-for-placement has not been heavily litigated,[37] one of the few cases raising the issue in peripheral terms, *Nissan Motor Co. v. Nissan Computer Corp.* ("*Nissan II*"), held that the plaintiff could purchase a trademarked search term from a search engine or embed the trademarked terms in the metatags of its site if (1) the plaintiff had a legitimate commercial interest in the trademarked term, and (2) the plaintiff and defendant were not in direct competition.[38] The court found that despite

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33. *See supra* note 24. T.K. Harris & Co. v. Kassel, 253 F. Supp. 2d 1120, 1126 (N.D. Cal. 2003) (citing Playboy Enters. v. Welles, 279 F.3d 796, 804 (9th Cir. 2002)). For a discussion of policy interests in allowing competitors to use trademarked terms outside the Internet context, see also Smith v. Chanel, Inc., 402 F.2d 562, 566 (9th Cir. 1968) (where the court found that use of trademark terms in a competitor's advertising was necessary in order to stimulate competition and protect the consumer's interest in being able to make comparative purchasing decisions).

34. *See supra* note 19 and accompanying text.

35. *See, e.g.*, *Welles*, 279 F.3d at 804 (the "decision might differ if the metatags listed the trademarked term so repeatedly that Welles' site would regularly appear above PEI's in searches for one of the trademarked terms").

36. *See Welles*, 279 F.3d 796, *supra* note 18; Playboy Enters. v. Excite, 2000 WL 1308815 (C.D. Cal. 2000). For a discussion of the *New Kids* test and fair or nominative use standards, see *supra* notes 18-19 and accompanying text. For an explanation of the methods used by search engines to return search results, see *supra* note 3.

37. *See generally* TRADEMARK LAW & THE INTERNET 359 (Lisa E. Cristal & Neal S. Greenfield, eds., International Trademark Association 2d ed. 2001) (with most cases on search engines' sale of keywords settled out of court, "[t]rademark attorneys eagerly await a final decision on the keyword issue"). *See also supra* note 5 (explaning of the pay-for-placement model adopted by many successful search engines).

38. 204 F.R.D. 460 (C.D. Cal. 2001) [hereinafter *Nissan II*]. The *Nissan II* court dealt with an issue of first impression: whether or not a plaintiff's purchase of its own trademark attached to a ".com" identifier as a search term for the sheer purpose of manipulating a search engine's results was tortious when the defendant, in fact, owned the rights to the domain name bearing the trademarked term. *Id.* To clarify, Uzi Nissan has owned a computer retailing store known as "Nissan Computer Corporation" since 1991 and has used his surname in connection with a variety of businesses since 1980. Nissan Motor Co. v. Nissan Computer Corp. ("Nissen I"), 89 F. Supp. 2d 1154, 1157 (C.D. Cal. 2000), *aff'd* Nissan Motor Co. v. Nissan Computer Corp., 246 F.3d 675 (9th Cir. 2000). As per his

having registered the sites and maintaining proprietary control over the sites' content, the defendant did not have exclusive rights to the terms "nissan.com" and "nissan.net" because "the purpose[] of intellectual property law is to determine 'not only what is protected, but also what is free for all to use.'"[39] To that end, the court affirmed the notion that simply registering a website does not trump traditional trademark law.[40] In very important dicta however, the *Nissan II* court suggested that there should be liability for trademark infringement when a competitor improperly purchases a trademarked search term for purposes of manipulating search results when in direct competition with the trademark holder.[41]

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commercial interests, Mr. Nissan registered the domain names "http://www.nissan.com" and "http://www.nissan.net." *Id.* In an earlier civil action, Mr. Nissan was found to have a legitimate commercial interest in the domain names but some of his more unfair tactics, such as displaying a computer logo allegedly extremely similar to the plaintiff's trademarked logo for its line of automobiles, were ordered removed from the websites. *Id*. at 1162-65. Additionally, the court ordered Mr. Nissan to post an identifying caption at the top of his pages, directing potential Nissan Motors customers to the Nissan Motors website, "http://www.nissandriven.com." *Id*. at 1165. Nissan Motors filed the *Nissan II* suit alleging trademark dilution, trademark infringement, domain name piracy, false designation of origin and state law unfair competition. *Nissan II*, 204 F.R.D. at 461. Mr. Nissan counter-claimed, alleging, among other things, reverse domain name hijacking, interference with prospective economic advantage, unfair competition and unjust enrichment, on account of the plaintiff having purchased the terms "nissan.com" and "nissan.net" from various Internet search engine operators. *Id*. at 461-62. The hard-hitting effect of the plaintiff's move to purchase these terms was the successful manipulation of search results: by buying specific terms from search engines, Nissan Motors guaranteed itself a higher listing in the search results, thus potentially contravening Nissan Computer traffic from "nissan.com" and redirecting users to "nissandriven.com." Mr. Nissan claimed these tactics "wrongfully re-directed" users, that users would believe Nissan Computers was insolvent and that "Nissan Computer will lose customers and suffer irreparable damage to its goodwill." *Id*. at 463-64 (citing Proposed SAA ¶¶ 136-37). To buttress his position, Mr. Nissan gave an example from the search engine GoTo (http://www.goto.com), where the search results returned a "quick hit" touting Nissan North America (an offshoot of Plaintiff's Nissan Motors Corporation) as the *official* "nissan.com" website. *Id.* at 464 (citing Def's Supplemental Br. Re: Search Terms at 2:25-3:1).

39. *Nissan II*, 304 F.R.D. at 465 (quoting Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 151 (1989)). The *Nissan II* court drew authority from scholarly sources as well, finding that "[i]ntellectual property is a deliberate, government-sponsored departure from the principles of free competition, designed to subsidize creators and therefore to induce more creation." *Id.* (quoting Mark A. Lemley, *Beyond Preemption: The Law & Policy of Intellectual Property Licensing*, 87 CAL. L. REV. 111, 170 (1999)).

40. *Id.* at 465 (quoting *Brookfield*, 174 F.3d at 1066).

41. *Id.* at 466. On the facts of *Nissan II*, such a holding would undermine the plaintiff's valid and protectable interest in the terms "nissan.com" and "nissan.net." *Id.* The court draws authority from a line of cases holding that improper use of metatags to manipulate search results compelled a finding of liability for trademark infringement. *Id.* (citing *Brookfield*, 174 F.3d at 1066-67; Nettis Envtl. Ltd. v. IWI, Inc., 46 F. Supp. 2d 722, 724 (N.D. Ohio 1999); Niton Corp. v. Radiation Monitoring Devices, Inc., 27 F. Supp. 2d 102, 105 (Mass. 1998)). *See also supra* notes 2 and 21 and accompanying text (discussing metatag use, both proper and improper).

2. *Contributory Trademark Infringement*

The prevailing standard for determining when contributory infringement has occurred in instances of manufacturer or distributor trademark infringement requires one of two threshold levels established in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.* ("*Inwood III*") to be met.[42] It either a manufacturer or distributor (1) "intentionally induces another to infringe a trademark," or (2) "continues to supply its product to one whom it *knows or has reason to know* is engaging in trademark infringement," a court is entitled to find the manufacturer or distributor liable for contributory trademark infringement.[43] In this landmark decision, Justice O'Connor's majority opinion broadly construed prior limitations on trademark infringement liability by noting that a manufacturer who "does not directly control others in the chain of distribution[]" can still be held liable for the actions of those further down the line.[44] However, the Court was explicit in noting that its finding of contributory infringement was fact-specific.[45] The Court found that the legal test for contributory infringement, as inferred from § 32 of the Lanham Act[46] and refined by the First Circuit,[47] had been met when the

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42. 456 U.S. 854, 858 (1982) The Supreme Court reversed the appellate court's finding of a violation of the Lanham Act § 32, noting that the appellate court erred in setting aside findings of fact that were not clearly erroneous. *Id.* at 858. For a comparison of the various findings of the district and appellate courts in this case, see *infra* note 48.

43. *Inwood III*, 456 U.S. at 854 (emphasis added).

44. *Id.* at 853-54. For a discussion of the standard test used in direct trademark infringement issues, see *supra* note 15.

45. *Inwood III*, 456 U.S. at 854. The court found a manufacturer liable for contributory infringement only "under certain circumstances." *Id.*

46. The Lanham Act imposes liability on any person who shall:

> reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.

15 U.S.C.A. § 1114(1)(b) (1946) (amended 1988). *See also* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 26(2), at Reporter's Note, cmt. a (citing 15 U.S.C.A. § 1114(1)(b)). *But cf.* John T. Cross, *Contributory Infringement and Related Theories of Secondary Liability for Trademark Infringement*, 80 IOWA L. REV. 101. Cross suggests:

> Contributory infringement clearly falls outside the explicit wording of the Lanham Act. Because both § 32, 15 U.S.C. § 1114 (1988 & Supp. V 1993), and § 43(a), 15 U.S.C. § 1125(a) (1988 & Supp. V 1993), only apply to those who use the plaintiff's mark, they cannot, by definition, apply to a defendant who did not use the mark.

Id. at 110 n.33.

Arguably, because § 32 of the Lanham Act has no built-in contributory infringment standard, Justice O'Connor's majority opinion may have created room for contributory trademark infringement petitioners continued to enable the sales of a product when they "knew or had reason to know" infringing practices were occurring.[48] The Court cautioned that obviously intentional trademark infringement subverts the

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by way of analogy to the *statutory* contributory infringement standard in *patent* law. *See* 35 U.S.C.A. § 271(c) (1952) ("Whoever offers to sell . . . a component of a patented machine . . . knowing the same to be especially made or especially adapted for use in an infringement of such patent . . . shall be liable as a contributory infringer.").

47. *See* Coca-Cola Co. v. Snow Crest Beverages, Inc., 64 F. Supp. 980 (Mass. 1946), *aff'd* 162 F.2d 280 (1st Cir. 1947). The court found that "[b]efore he can himself be held as a wrongdoer or contributory infringer one who supplies another with the instruments by which that other commits a tort, must be shown to have knowledge that the other will or can reasonably be expected to commit a tort with the supplied instrument." *Id*. at 989.

48. *Inwood III*, 456 U.S. at 851-52. *See* RESTATEMENT (SECOND) OF TORTS § 12 (1963-64) ("Reason to known" means that "the actor has information from which a person of reasonable intelligence or of the superior intelligence of the actor would infer that the fact in question exists, or that such person would govern his conduct upon the assumption that such fact exists.").

With this standard, Justice O'Connor's majority asserts that it does not adopt what Justice White's concurring opinion calls a "watered down" version of contributory liability. *Inwood III*, at 854 n.13, 859. In his concurrence, Justice White argues that the majority "silently acquiesce[s]" to a standard ostensibly adopted by the court of appeals in *Inwood II* (638 F.2d 538 (2d Cir. 1981)) when, in reality, the appellate court erroneously dismissed the district court's factual findings in *Ives Labs., Inc. v. Darby Drug Co.* ("*Inwood I*") (455 F. Supp. 939 (E.D.N.Y. 1978), *aff'd* Ives Labs., Inc. v. Darby Drug Co., 601 F.2d 631 (2d Cir. 1979)) and inappropriately expanded the doctrine of contributory infringement allowable under § 32 of the Lanham Act. *Inwood III*, 456 U.S. at 859-60 (White, J., concurring).

See also Inwood II, 638 F.2d at 543 (failing to "reasonably anticipate" illegal substitution constitutes contributory infringement); *Inwood I*, 455 F. Supp. at 939 (setting forth the governing legal principles used in the Supreme Court's analysis in *Inwood III*).

Justice White opines that *mere anticipation* that some level of infringement may occur down the line by an unknown retailer "should not by itself be a predicate for contributory liability." *Inwood III*, 456 U.S. at 861 (emphasis added) (citing 2 J. MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 25:2 (1973)). Justice White stamps his concurrence with a careful nod to the general policies guiding contributory infringement law: disable the passing or palming off of another's goods, discourage unfair competition and protect consumers. *Id.* at 861. *See also* Perfect 10, Inc. v. Cybernet Ventures, Inc., 213 F. Supp. 2d 1146, 1187-88 (C.D. Cal. 2002) (where the court suggests that, in addition to policy concerns such as consumer deception, false designation of origin and misappropriation of goodwill, infringement of a mark "by unauthorized users can lead to the public's belief that the mark's owner sponsors or otherwise approves of the use of the trademark").

Justice O'Connor distinguishes her opinion from Justice White's concern in his concurring opinion that the appellate court relied on a weak standard whereby drug manufacturers could be found contributorily liable if they "could reasonably anticipate" illegal drug substitution further down the chain. *Id.* at 854 n.13 (quoting *Inwood II*, 638 F.2d at 543). Instead, Justice O'Connor posits that the appellate court only used that language to "buttress [its] conclusion that the legal test for contributory infringement . . . had been met." *Id*.

Due to the ultimate similarity between Justice White's and the majority's goals, it follows that Justice White's arguments can be reconciled with the majority by finding contributory infringement *only* in cases where an actor proceeds intentionally when he knows or has reason to know that trademark infringement may occur down the line, rather than merely requiring the actor to *anticipate* unforeseeable future infringement.

legislative goals of the Lanham Act by trading on another's goodwill[49] and robbing consumers of the capacity to discern competing goods.[50]

As the doctrine of contributory infringement has gained a following post-*Inwood III*, courts have successfully interpreted the decision to justify imposition of liability in settings other than manufacturer-distributor, including landlord-tenant.[51] This application marks a powerful extension of contributory infringement liability beyond the scope anticipated by the Supreme Court in *Inwood III*.[52] Finding liability for contributory infringement in this setting requires a critical analysis of the defendant's relationship to the goods being advertised and sold on the defendant's premises.[53] Thus, the defendant will be contributorily liable for the trademark infringement of a third party if he knows or has reason to know of such violations, even though the defendant may lack actual knowledge of the sales of counterfeit goods.[54] In spite of the Seventh Circuit's objective to broaden the scope of contributory trademark infringement in its *Hard Rock Cafe v. Concession Services, Inc.* decision, the court was

49. *Inwood III*, 456 U.S. at 854 n.14 (citing S. REP. NO. 1333 (1946).

50. *Id.* (citing H.R. REP. NO. 944 (1939)).

51. *See* Hard Rock Cafe Licensing Corp. v. Concession Servs., Inc., 955 F.2d 1143 (7th Cir. 1992) (holding that *Inwoood III* applied to the owner of flea markets); Fonovisa, Inc. v. Cherry Auction, Inc., 76 F.3d 259, 265 (9th Cir. 1996) ("a swap meet can not disregard its vendors' blatant trademark infringements with impunity"). *See also* Brian D. Kaiser, *Contributory Trademark Infringement by Internet Service Providers: An Argument for Limitation*, 7 SPG J. TECH. L. & POL'Y 4, *18 (2002) (asserting that *Hard Rock* represents an extension of the *Inwood* doctrine).

52. In its unprecedented holding, the Seventh Circuit found reason to apply the *Inwood III* test to the landlord setting if it could affirmatively conclude that the operator of a flea market is akin to a manufacturer of a mislabeled good, for example, the drug manufacturers in the *Inwood* cases. *Hard Rock*, 955 F.2d at 1148. Additionally, in applying *Hard Rock*, the 9th Circuit found that "*Inwood* . . . laid down no limiting principle that would require defendant to be a manufacturer or distributor." *Fonovisa*, 76 F.3d at 265.

53. *Hard Rock*, 955 F.2d at 1148-49. Contrary to the arguments advanced by both sides, the court found it ultimately irrelevant whether the defendant's relationship to the actual infringer is that of landlord or licensor. *Id.* The court noted that the defendant is "responsible for the torts of those it permits on its premises 'knowing or having reason to know that the other is acting or will act tortiously'" and concluded that common law "imposes the same duty on landlords and licensors that the Supreme Court has imposed on manufacturers and distributors." *Id.* at 1149 (quoting RESTATEMENT (SECOND) OF TORTS § 877(c), cmt. d (1979)).

54. *Hard Rock*, 955 F.2d at 1149. The court predicated its finding of actual knowledge on the establishment of "willful blindness" by the district court, holding that willful blindness "is a sufficient basis for a finding of violation of the Lanham Act." *Id.* at 1148 (quoting Louis Vuitton S.A. v. Lee, 875 F.2d 584, 590 (7th Cir. 1989)). In *Lee*, the court suggested that a failure to investigate probable trademark infringement for fear of what such an investigation may reveal constitutes willful blindness. *Lee*, 875 F.2d at 590. The *Hard Rock* court did distinguish "willful blindness" from "reason to know" by emphasizing that "willful blindness" requires a subjective analysis of what that particular defendant knew whereas "reason to know" objectively queries whether a reasonably prudent man in the defendant's position would have suspected counterfeiting. *Hard Rock*, 955 F.2d at 1151.

careful to exclude mere negligence from the prevailing standard.[55] Moreover, the court found that a potential defendant in a contributory infringement action has no affirmative duty to prevent counterfeiting, concluding that the "reason to know" standard advanced in *Inwood III* requires a landlord, licensor or any attached agents to "understand what a reasonably prudent person would understand," but in no sense does it "impose any duty to seek out and prevent violations."[56] In the second part of its opinion, the Seventh Circuit considered the potential for joint tortfeasor liability for trademark infringement[57] and vicarious liability under copyright law.[58]

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55. 955 F.2d at 1151 (*vacating* Hard Rock Cafe Licensing Corp. v. Parvez, No. 89 C 6966, 1990 WL 139141 (N.D. Ill. 1990)).

56. *Id.* at 1149 (citing RESTATEMENT (SECOND) OF TORTS § 12(1), cmt. a (1965)).

57. *Id.* at 1150. *See also* David Berg & Co. v. Gatto Int'l Trading Co., 884 F.2d 306, 310-11 (7th Cir. 1989). In *David Berg*, the Seventh Circuit held that a meat distributor could not be found liable for contributory infringement when he lacked the requisite intent and knowledge of wrongful activities further down the line. *Id.* at 311 (citing *Inwood III*, 456 U.S. at 853-54). The court also held that the distributor could not be found liable for infringement on a joint-tortfeasor theory due to lack of partnership. *Id.* The Seventh Circuit found that joint tortfeasor liability exists in trademark infringement and unfair competition actions, noting that "[e]very person actively partaking in, lending aid to, or ratifying and adopting such acts is liable equally with the party itself performing these acts." *Id.* (citing Smithkline Beckman Corp. v. Pennex Products Co., 103 F.R.D. 539 (E.D. Pa. 1984)). Although the Seventh Circuit does not explicitly define a partnership for joint tortfeasor liability, the court does establish factors relevant to the partnership inquiry: evidence of an agreement; any acts whereby two separate entities hold themselves out to the public as partners; authority on one to bind the other in transactions with a third party; or the exercise of joint ownership or control over products to be distributed. *Id.* On the facts of this case, the court did not find any evidence of a partnership agreement between the plaintiff and defendant, either tacit or express. *Id.*

58. Due to the factual limitations of the *Hard Rock* case, the court could not find any application of joint tortfeasor liability but considered the more expansive theory of vicarious liability under copyright law at the behest of the petitioner. 955 F.2d at 1150. *See generally* Shapiro, Bernstein & Co. v. H.L. Green Co., 316 F.2d 304, 307 (2d Cir. 1963) (holding that in spite of lack of intent, a defendant is vicariously liable for copyright infringement "[w]hen the right and ability to supervise coalesce with an obvious and direct financial interest in the exploitation of copyrighted materials"); Gershwin Publ'g Corp. v. Columbia Artists Mgmt., 443 F.2d 1159, 1162 (2d Cir. 1971) (finding defendant vicariously liable for copyright infringement when he benefited financially and when he "with knowledge of the infringing activity, induce[d], cause[d] or materially contribute[d] to the infringing conduct of another").

The *Hard Rock* court refused to apply the expansive copyright doctrine, finding that trademark law requires much more narrow rules than copyright law could possibly provide. *Hard Rock*, 955 F.2d at 1150 (citing Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417 (1984)). *See Sony Corp.*, 464 U.S. at 439 n.19 (declaring that copyright and trademark are not naturally "identical twins, and [the Court] exercise[s] the caution which [the Court] ha[s] expressed in the past in applying doctrine formulated in one area to the other"). However, in language auxiliary to the *Hard Rock* decision, the court did actually consider copyright principles, finding that they supported the defendant on the facts of the case. *Hard Rock*, 955 F.2d at 1150 n.4. In particular, the Court drew authority from copyright decisions that focused on the direct financial benefit the defendant may have derived from the alleged infringement. *Id.* (citing Dreamland Ball Room, Inc. v. Shapiro, Bernstein & Co., 36 F.2d 354, 355 (7th Cir. 1929)) (finding defendant did not hire the alleged infringer for entertainment purposes); Shapiro, Bernstein & Co. v. H.L. Green Co., 316 F.2d 304, 306 (2d Cir. 1963) (finding defendant did

The most contemporary extension of the *Inwood* contributory infringement theory to engage this objectively reasonable test has moved from the physical landlord/tenant setting to the Internet-based Domain Name registrar/website operator setting.[59] Citing the traditional *Inwood III* test[60] and finding that the domain name registrar clearly did not intentionally induce another to infringe a trademark, the *Lockheed* court focused on the knowledge prong of the test: whether the registrar (NSI) continued to supply its product with knowledge that another was using it for purposes of trademark infringement.[61] The court relied on its holding that, because the published list is not the instrument for direct trademark infringement,[62] it cannot be the instrument for contributory trademark infringement.[63] First, the court suggested that because NSI did not exert enough control over the content of the domain pages it listed, it would be unreasonable to expect NSI to monitor the entire Internet for infringing activity.[64] Second, the court found that NSI's relationship to the potentially infringing use of the domain name was too remote to find the requisite knowledge under the *Inwood III* test.[65] Most importantly, the court refused to extend the doctrine of contributory liability to a situation where there

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not take a percentage of the alleged infringer's sales); *Gershwin*, 443 F.2d at 1161 (finding defendant took no percentage of the alleged infringer's performance fees)).

59. Lockheed Martin Corp. v. Network Solutions, Inc., 985 F. Supp. 949 (C.D. Cal. 1997). The *Lockheed* court provides a relevant history of the contributory trademark infringement test. *Id.* at 960. Noting that all instances of contributory infringement are fact-specific, the court cited the evolution of the doctrine over time: the manufacturer/distributor setting (*Inwood III*, *supra* notes 42-44 and accompanying text); the landlord/tenant setting (*Hard Rock* and *Fonovisa*, *supra* notes 51-52 and accompanying text); the franchisor/franchisee setting (Mini Maid Servs. Co. v. Maid Brigade Sys., Inc., 967 F.2d 1516, 1521 (11th Cir. 1992); and, here to there, the domain name registrar/registrant setting. *Id*. at 961.

60. *See supra* notes 43, 54 and accompanying text.

61. *Lockheed*, 985 F. Supp. at 960.

62. *See supra* notes 16-17 and accompanying text.

63. *Lockheed*, 985 F. Supp. at 961 ("[Network Solutions] is involved only in the registration of domain names, not in the use of domain names in connection with goods and services on the Internet").

64. *Id*. at 961-62. The court distinguished its holding from *Hard Rock* and *Fonovisa*, noting that "[w]hile the landlord of a flea market might reasonably be expected to monitor the merchandise sold on his premises" it would be unreasonable to require the same of a domain name registrar. *Id*. at 962. There are a variety of factors influencing Network Solution's lack of control over the content of the Internet, including the lack of a centralized storage location or communications channel for the Internet and the technical infeasibility of accessing all of the information shared over the Internet. *Id.* (quoting American Civil Liberties Union of Georgia v. Reno, 929 F. Supp. 824, 832 (E.D. Pa. 1996), *aff'd*, 521 U.S. 844 (1997)). *See also Perfect 10*, 213 F. Supp. 2d 1146, 1188 (C.D. Cal. 2002) ("courts must consider the extent of control exercised by a defendant over a third-party's means of infringement" when considering the knowledge prong of the contributory infringement test). The *Perfect 10* court required "direct control and monitoring of the instrumentality used by a third party to infringe the plaintiff's mark" in order to infer contributory liability by the defendant publisher. *Id.*

65. *Lockheed*, 985 F. Supp. at 962-63.

was no certainty that actual trademark infringement even occurred.[66] The court concluded that the lack of an affirmative duty to police the Internet for potentially infringing behavior precluded a finding of contributory liability.[67]

B. Tortious Interference with Prospective Economic Advantage

An example of a state tort claim that can bring further life to a trademark infringement action is that of "intentional interference with prospective economic advantage." Establishing this claim requires the plaintiff to show a prima facie case of: (1) the existence of a specific prospective economic relationship between the plaintiff and some third party with a probability of future economic benefit; (2) the defendant's knowledge of the probability of such a future economic relationship; (3) the defendant's intentional acts to disturb that relationship; (4) proof of actual interference with that relationship; and (5) damages the defendant's international acts proximately caused.[68] In the Internet arena, the guiding doctrine has not changed, but its application has become more focused on the prior relationship that the potential plaintiff had with any third parties who did not consummate commercial dealings with the plaintiff due to the defendant's behavior.[69] When there is no evidence of any "reasonable

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66. *Id.* at 965. The court opined that a finding of contributory infringement would "require the Court to impute knowledge of infringement to NSI in circumstances where the use of the term . . . in a domain name may or may not be infringing." *Id.* The court suggested that any finding of contributory liability against NSI would improperly extend Lockheed's "right[s] in gross to control all uses of [the term] in domain names." *Id.*

67. *Id.* at 967.

68. *See* Panavision Int'l, L.P. v. Toeppen, 945 F. Supp. 1296, 1305 (C.D. Cal. 1996) ("establish[] a specific economic relationship containing the probability of future economic benefit between it and any customer or prospective customer"); IDS Life Ins. Co. v. Sunamerica, Inc., 958 F. Supp. 1258, 1280 (N.D. Ill. 1997) (plaintiff's cause of action is contingent on "circumstances indicat[ing] unfair competition or an unprivileged interference with prospective advantage"); Seidl v. Greentree Mortgage Co., 30 F. Supp. 2d 1292, 1302 (D. Col. 1998) ("a protected relationship exists only if there is a reasonable likelihood or probability that a contract would have resulted; there must be something beyond a mere hope") (citing Tose v. First Penn. Bank, 648 F.2d 879, 898 (3d Cir. 1981)); SNA, Inc. v. Array, 51 F. Supp. 2d 554, 567 (E.D. Penn. 1999) (holding there must be a reasonable probability of prospective relations with an anticipated customer); Palmer v. Gotta Have it Golf Collectibles, Inc., 106 F. Supp. 2d 1289, 1302 (S.D. Fla. 2000) (finding an action of this nature requires a "business relationship evidenced by an actual and identifiable understanding or agreement which in all probability would have been completed if the defendant had not interfered") (quoting Ethan Allen, Inc. v. Georgetown Manor, Inc., 647 So.2d 812, 815 (Fla. 1994)); Sebastian Int'l, Inc. v. Russolillo, 128 F. Supp. 2d 630, 636-37 (C.D. Cal. 2001) (requiring evidence of defendant's wrongful conduct to be objectively based to prove intentional interference).

69. *See, e.g.*, *Seidl*, 30 F. Supp. 2d at 1302. The registrant of an Internet domain name who brought suit alleging that the defendant had used his domain name as an email identifier failed to establish the requisite prior relationship with those targeted from the defendant's allegedly tortious

probability that a contract will be realized with [a] hypothetical internet user," there is no prima facie case for this tort.[70] Courts have steadfastly embraced the notion that a plaintiff will not be successful on this claim if he only has a "mere hope" of some future business relations with a prospective third party.[71]

III. ANALYSIS

A. Direct Trademark Infringement

Search engines are not the vehicles for direct trademark infringement and therefore should not be held liable for publishing potentially infringing results nor for the initial interest confusion resulting from those listings.[72] Notably, a search engine's results are not the "instrument or forum for infringement."[73] Further, even under a lenient standard that would impose infringement on a publisher,[74] a search engine would still have to be on notice as to the infringing nature of the published material.[75] Body Solutions' best chance of success in this case would require a showing that the targeted search engines were on notice as to the nature of all of the posted material generated by search results.[76] However, because

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email correspondence. *Id*.

70. SNA, Inc., 51 F. Supp. 2d at 568.

71. *See, e.g., Seidl*, 30 F. Supp. at 1302; Fredrick v. Simmons Airlines, Inc., 144 F.3d 500, 505 (7th Cir. 1998) ("mere hope of obtaining employment is not a protected expectancy"); First Health Group Corp. v. Nat'l Prescription Adm'rs, Inc., 155 F. Supp. 2d 194, 232 (M.D. Pa. 2001) ("something less than a contractual right, [but] something more than a mere hope . . .") (quoting Thompson Coal Co. v. Pike Coal Co., 412 A.2d 466, 471 (1979)); *In re* Baseball Bat Antitrust Litig., 75 F. Supp. 2d 1189, 1203 (D. Kan. 1999) (requiring an allegation of more than "mere hope for a future business opportunity or the innate optimism of the salesman").

72. An infringer is innocent if he is engaged solely in the business of printing the mark for others." *See* 15 U.S.C.A. § 1114(2)(A) (1946) (amended 1988).

73. *See supra* notes 16-17 and accompanying text. A search engine such as Yahoo! does not directly connect users to an infringing file, "but rather to a website that provides the infringing file, thus adding an extra step." Aric Jacover, Note, *I Want My MP3! Creating a Legal and Practical Scheme to Combat Copyright Infringement on Peer-to-Peer Internet Applications*, 90 GEO. L.J. 2207, 2242 n.197 (2002).

74. *See generally supra* note 17, Century 21 Real Estate Corp. v. R.M. Pest, Inc., 8 U.S.P.G.2d 1614 (where Ameritech Yellow Pages was found not to be an innocent publisher when it printed an advertisement generated by an infringing company).

75. NBA Properties Untertainment Records LLC, No. 99 Civ. 2933 (H.B), 1999 WL 335146 (S.D.N.Y. 1999), at *14 (citing *Century 21* for the proposition that "actual notice" is required to overcome the innocent publisher defense). Generally, this cause of action will be brought as part of a contributory infringement claim rather than a direct trademark infringement claim. For an explanation of the contributory infringement hypothesis and analysis, see *supra* §§ II(A)(b) and III(B).

76. This rubric does not satisfy the position posited (and rarely questioned) in the *Lockhead* court, that a registrar cannot be held liable for trademark infringement because its involvement is

the language of the Lanham Act regarding printer liability expressly requires use "in connection with the sale,"[77] Body Solutions may have some success by proving that the search engine stands to gain some pecuniary benefit by including the infringing listings in its search results pages.[78] Moreover, under the *New Kids* test, search engines would have a viable fair-use defense because use of the trademarked term in search results is necessary to describe a class of goods for comparison or reference purposes.[79] Finding search engine liability in this context would adversely allow trademark owners to appropriate words from the English language and exert property rights over phrases that are otherwise necessary for descriptive purposes, thus unnecessarily chilling the open marketplace for which the Internet has long been lauded.[80]

Additionally, search engines should not be held liable for trademark infringement stemming from the metatags of the websites that they list.[81] It is unclear that a search engine has the bad faith necessary to augment likelihood of confusion analysis two-degrees separated from the actual infringement.[82] At best, Body Solutions could proffer the contract between the search engine and website operator for its pay-for-placement arrangement in order to argue that the search engine should be held liable for content on a website that it should have been monitoring according to the contract.[83]

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confined to registration rather than use of the infringing name in the sale of goods or services. 985 F. Supp. at 949. *Cf.* Gucci Am., Inc. v. Hall & Assocs., 135 F. Supp. 2d 409, 416 (S.D.N.Y. 2001) (holding that an Internet Service Provider (ISP) was liable for infringing material posted on a site that it hosted).

77. 15 U.S.C.A. § 1114(1)(A) (1946) (amended 1988).

78. Consider the implications for a search engine operator who is not only aware of his potential to deceive users but actually enters into a contract which sets the stage for such deception. *See generally* Anne Keaty, Roger J. Johns, & Lucy L. Henke, *Can Internet Service Providers and Other Secondary Parties be Held Liable for Deceptive Online Advertising?*, 58 BUS. LAW. 469, 516 (2002). Generally, this analysis will still fall under the contributory infringement standards in § III(B).

79. 971 F.2d at 302 (9th Cir. 1992); *see supra* note 19. This kind of use qualifies as nominative, because the search engines are not using the "trademarks *qua* trademarks." Playboy Enters. v. Excite, 2000 WL 1308815; *see supra* note 20. *See also* Playboy Enters. v. Welles, 279 F.3d 796, 802 (9th Cir. 2002) ("nominative use" of a trademarked term is justified when it is necessary to effectively describe a product or service "without venturing into absurd descriptive phrases") (quoting *Welles I*, 78 F. Supp. 2d 1066, 1079 (S.D. Cal. 1999)); Kelly v. Arriba Soft Corp., 280 F.3d 934, 940 (9th Cir. 2002) (recognizing in the copyright context, a fair-use defense for a search engine sued for displaying thumbnail images in its search results).

80. *See supra* notes 19, 21 and accompanying text. *See also* Reno v. ACLU, 521 U.S. 844, 868, 870, 880, 885 (1997) (describing the Internet as a "vast democratic forum" which has created a "new marketplace of ideas" benefiting the diversity of all human thought).

81. *See supra* notes 3 and 22.

82. *See generally supra* note 22, New York State Soc'y of Certified Pub. Accounts v. Eric Louis Assocs., Inc., 79 F. Supp. 2d 331 (S.D.N.Y. 1999).

83. This notion is more applicable in the contributory infringement context. *See infra* note 94 and

Body Solutions will claim that a search engine is liable for direct trademark infringement by asserting that the search engine is directly responsible for initial interest confusion.[84] This argument will fail because search engines have no *intent* to divert consumers from finding what they were looking for under the prevailing *Brookfield* analysis.[85] However, if the court measured a search engine's intent by the amount of profit it gains from using a trademarked term,[86] it would be possible to infer intent from the money a search engine makes on a cost-per-click system.[87] It is unlikely this theory would sway a court, due to the flexibility of Internet searching, as opposed to the more rigid structure posed in the *Brookfield* hypothetical.[88] Most importantly, simply displaying results to a query is not the instrument for trademark infringement in the sale of goods or services.[89] To that end, the real locus of liability should fall within the domain of contributory, rather than direct, trademark infringement.

B. Contributory Trademark Infringement

When a search engine sells a trademarked search term to one whom it knows will use the term in an infringing manner, the search engine should

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accompanying text. For a search engine to be found directly liable for trademark infringement, see the *Sleekcraft* test, *supra* note 15.

84. *See supra* note 24 (discussing "initial interest confusion").

85. 174 F.3d 1036, 1062 (9th Cir. 1999).

86. *See* Toho Co. v. Sears, Roebuck & Co., 645 F.2d 788, 791 (9th Cir. 1981); *see supra* note 26. Specifically, according to the Overture Terms and Conditions for its pay-for-placement program, an advertising website pays based on the number of clicks on his listings multiplied by the cost of each listing. *Overture–Advertiser Terms and Conditions*, *at* http://www.overture.com/d/Usm/about/advertisers/terms.jhtml (last visited Oct. 15, 2002).

87. Although this model is a less tenable mode of finding liability, it does pose an interesting theory. Considering the nature of the pay-for-placement economic model on search engines, see *supra* note 5, a search engine stands to make a great deal of money if a website operator pays it for every "click" of the website's link that the search results generate. That is, if a user inputs "body solutions" into the query box and, due to a pay-for-placement contract with a search engine, a competitor comes up ahead of the actual website bearing the Body Solutions trademark on the results page, the search engine may have contributed to the infringing conduct. As a matter of direct liability, if the search engine intended to profit by posting the results in that manner, which it would have if it negotiated a pay-per-click contract with a competitor for the term "body solutions," then a search engine would have the intent necessary to find responsibility for causing initial interest confusion, thereby imputing liability for trademark infringement.

88. For the *Brookfield* hypothetical involving a real-life highway, see *supra* note 30. As the court in *Bihari* found, the simplicity of Internet searching enables a user to rectify the initial interest confusion with just "one click of the mouse and a few seconds delay." 119 F. Supp. 2d 309, 320 (S.D.N.Y. 2000).

89. To that end, search engines are similar to *Lockhead*, supra note 17. *See also supra* note 73 (where Jacover suggests that an "extra step" is necessary to graft liability for trademark infringement onto a search engine).

be held liable for contributory trademark infringement.[90] First, a search engine would "know or ha[ve] reason to know"[91] of infringing conduct by those with whom it contracts if the contract specifies that the search engine maintain responsibility for monitoring the content of the listings on its site.[92] Responsibility for maintaining the advertising program which supports the infringing use would satisfy the knowledge test set forth in *Coca-Cola Co. v. Snow Crest Beverages, Inc.*, that the "other will or can reasonably be expected to commit a tort with the supplied instrument."[93] In this case, the pay-for-placement model is the direct instrument that might facilitate a cunning website operator's deviant attempt to lure consumers away from trademarked sites by enabling him to buy those trademarked terms from the search engine.[94]

Search engines take courts beyond the established doctrines of contributory liability to-date.[95] Because the *Inwood III* decision set forth no limiting principle on the doctrine,[96] courts can further advance the theory to account for the contributions to trademark infringement made in the search engine/advertiser context.[97] Further, under the Restatement, the domain of a search engine may constitute "premises" sufficient to expect responsibility for those who engage in tortious conduct, i.e. infringement at common law.[98] However, because mere negligence is not enough to impose liability and the search engine has no affirmative duty to prevent infringement,[99] it is crucial to consider the search engine's relationship to

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90. Consider the dicta suggested in *Nissan II*, *supra* note 41 and accompanying text.

91. This is the basic contributory infringement test proffered by the court in *Inwood III*, 456 U.S. 844, 854 (1982), *supra* notes 42-43 and accompanying text.

92. Specifically, the Google contract holds the advertising party responsible for the selection of its AdWords and for the content of the advertisements. However, Google retains the right to review, reject, modify or remove any advertisement on its site consistent with its stated policy objectives. *Google Adwords: Terms and Conditions*, *at* http://adwords.google.com/select/TranslatedTermsAndConditions.html (last visited Oct. 15, 2002). Those stated policies include adherence to intellectual property laws, including removing or disabling potentially infringing activity on its site. *See Google: Intellectual Property Policy*, *at* http://www.google.com/dmca.html (last visited Jan. 24, 2003).

93. 64 F. Supp. 980, 989 (Mass. 1946 (citation omitted), *supra* note 46 and accompanying text.

94. *See, e.g.*, *supra* notes 38, 41 and accompanying text.

95. Consider the evolution of the contributory infringement doctrine, beginning with manufacturer-distributor relationships in *Inwood III*, *supra* notes 42, 44, 47-49, graduating to the landlord-tenant relationship in *Hard Rock* and *Fonovisa*, *supra* notes 51-53, and, most recently, the domain name/registrar context in *Lockhead*, *supra* notes 59-67.

96. Fonovisa v. Cherry Auction, Inc., 76 F.3d 259, 265 (9th Cir. 1996).

97. Generally considering the evolution of this doctrine (*supra* note 95) and the lack of any concrete limiting language (*supra* note 97), it may be a logical extension for courts to apply the same theory to the search engine/advertiser setting.

98. *See* RESTATEMENT (SECOND) OF TORTS § 877(c), cmt. d.

99. Hard Rock Cafe Licensing Corp. v. Concession Servs., Inc., 955 F.2d 1143, 1151, *supra* note 56.

the goods being distributed via its advertising services.[100] If Body Solutions can demonstrate that the nature of a search engine's contract with an infringing advertiser is such that the search engine retains editorial privilege,[101] a court may impute liability based on a standard of reasonable expectation.[102]

It is unlikely that a court will find that a search engine is liable for trademark infringement under the joint partnership theory.[103] That is, without evidence of a partnership, or an agreement whereby the search engine and the website operator hold themselves out to the public as partners or have the authority to bind one another in control or ownership of products to be distributed, there is no joint enterprise.[104] In the Google and Overture contracts, the authority of a search engine to bind a website operator has not been commercially geared toward the website's product, but rather attached to the content provided by the website to the search engine, indicating no evidence of joint partnership.[105]

With no imposition on search engines to affirmatively prevent trademark infringement from occurring on its Partner sites, the doctrine of contributory liability is ambiguous in its power over this Internet-specific situation.[106] However, because the relationship between a search engine and a website operator that advertises on the search engine's website (a "partner") is far more direct than the relationship between a search engine and website operators generally, it is possible that a search engine acts with the requisite knowledge under the *Inwood III* test.[107]

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100. Consider the *Hard Rock* analysis that "actual knowledge" of the sale of counterfeit goods, as well as understanding what a "reasonably prudent person" would understand, are essential to a finding of contributory liability. *Id*. *See supra* note 54.

101. Danny Sullivan, *GoTo Speaks Out on FTC Complaint*, *at* http://www.searchenginewatch.com/sereport/article.php/2164131 (Sept. 4, 2001) (copy on file with author). Sullivan posits that in a pay-for-placement system, "there is a supposition of editorial criteria, one that the search engines who wish to position themselves as more than web Yellow Pages are supposed to protect." *Id*.

102. Consider the rules set forth by *Hard Rock* and *Fonovisa*, *supra* notes 51-58 and accompanying text.

103. *See supra* note 57 and accompanying text.

104. David Berg Co. v. Gatto Int'l Trading Co., 884 F.3d 306, 311 (7th Cir. 1989).

105. *See generally Google Adwords: Terms and Conditions*, p1, *supra* note 92. The Google agreement specifically limits the contract with its partners (or those websites owned by a third party with which Google has agreed to place AdWords Select ads) to the placement of advertisements through its program. *Id*.

106. In a landmark Internet infringement case, *Lockheed Martin v. Networking Solutions, Inc.*, the court found that it is unreasonable to expect a domain name registrar to police the entire Internet for potentially infringing behavior. 985 F. Supp. 949, 962 (C.D. Cal. 1997), *supra* note 66 and accompanying text.

107. The *Lockheed* court found that relationship between a registrar and website operator was too remote to impose contributory infringement liability. *Id.* A major distinguishing factor in these two cases may be that registration of domain names with NSI was free, whereas the relationship between a

C. Tortious Interference with Prospective Economic Advantage

Because it is unlikely that an Internet plaintiff can prove a likelihood of potential business relationships with consumers who might be deterred through improper publishing of the plaintiff's trademark, a search engine will not be held liable for tortious interference with prospective economic advantage. Of the five-pronged test promulgated by courts in this tort action,[108] Body Solutions would fail to satisfy the initial requirement of proving a "specific prospective economic relationship" endemic to the claim and thus would be unable to move forward with any of the other parts of the test.[109]

IV. PROPOSAL

Body Solutions' most viable claim will be that a search engine should be held liable for contributory infringement of its trademark. For success on the merits of this claim, Body Solutions will most likely satisfy the second prong of the *Inwood III* test, that the search engine "knows or has reason to know" that it is engaging in trademark infringement.[110] Body Solutions will evidence this knowledge by showing that (1) the search engine controlled the premises facilitating an advertiser's unlawful use of Body Solutions' trademark;[111] (2) the search engine failed to understand what a reasonably prudent person would have understood in the same situation;[112] and (3) the search engine exerted enough control over the content of its search results to prevent such infringement.[113]

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search engine and an advertiser/website operator is, by its very nature, pecuniary.

108. For a listing of the five-part test, see *supra* note 68 and accompanying text.

109. Based on the fluidity of the Internet and the ways in which users employ search engines, it is nearly impossible to prove (a) a specific commercial impact resulting from search results or (b) that any commercial impact could be precisely tied to the plaintiff as opposed to any other enterprise. It would not be viable to prove that a search engine intentionally disturbed a future economic relationship between a plaintiff and a search engine user because it is impossible to prove the probability that such a relationship even exists.

110. *See supra* note 48 and accompanying text.

111. *See supra* note 53 and accompanying text.

112. *See supra* note 54 and accompanying text.

113. *See supra* note 64 (giving an example of lack of control); *supra* note 101 (describing the level of control a search engine exercises in a pay-for-placement scheme). Consider also the pecuniary relationship between the search engine and the advertiser, suggesting a more direct controlling relationship. *See supra* note 86.

V. CONCLUSION

Pay-for-placement is an economic model that will allow search engines to remain viable in the midst of an otherwise anemic online advertising climate. However, pay-for-placement ushers in unlitigated issues in trademark infringement, including probable extension of the contributory infringement test. Companies such as Body Solutions will be most successful protecting their trademarks from infringement by diligent policing of the online community to ensure that search engines are not knowingly capitalizing by selling trademarks as keywords to companies in direct competition with the trademark holder.

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