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### **This Is Not An Intellectual Exercise**

By: Jim Astrachan

I ran into an old chum at the Bar Convention a few weeks back and we spoke of many things over some wine. He shared with me that he enjoyed these columns, but added they "aren't intellectual and can't be cited as authority."

"Well, yes," I responded, a bit perplexed at this bright lawyer's failure to understand what these columns are about. I explained that each column tries to treat a legal issue related to intellectual property in about 1,000 words and introduce readers to that subject. If a reader wants to delve further, he or she can, or maybe the reader is simply alerted to a new issue and tucks it away for future use. Or perhaps the reader just enjoys the column.

I asked him how much he knew about sponsored links. "Google," I said, "allows its users to reach natural search results and it will not accept money to improve a site's ranking or include it in a search result. But sponsored links are a bird of a different feather, described by Google as 'targeted relevant advertising next to our search results.'" It's that left column, right column thing. The right column is clearly labeled as sponsored links and Google earns plenty of money by listing sites as sponsored links.

I said it works like this. Sponsored link advertisers bid on or purchase key words from Google, some of which are trademarks owned by other persons. Each time a searcher clicks on a sponsored link, Google gets paid. "Nice work," I said, "if you can get it." So for example, an electronics mail order store will purchase the key word GARMIN from Google and be listed in the right column as a sponsored link. Anyone searching on Google using the key word GARMIN will land on a search page with two columns. The left column will contain, among others, the legitimate GARMIN site; the right column will list sponsored links and among them will be the electronics mail order store, who may or may not sell GARMIN or even use the GARMIN mark in its description of what it sells.

But here's the rub. A person searching for GARMIN will be brought to the mail order site and may stay or leave. If interested in the site, the searcher will click on the sponsored link to see if GARMIN is sold and how much it will cost. The searcher may buy a GARMIN GPS or another brand. Or an unrelated electronic device. If the searcher only buys a stereo Google and the mail order site will make money off of the GARMIN mark and GARMIN does not. And sometimes the products sold by a sponsored link are not even remotely related to GARMIN, but being a sponsored link, these sites will surface in the search results for GARMIN.

No surprise, then, that the sponsored link practice has drawn trademark and false advertising suits. No surprise either that the rulings are a mixed bag. Both search engines and advertisers have been sued. One ground for claims against the search engines has been that they contribute to trademark infringement and dilution by knowingly encouraging advertisers to use a plaintiff's mark in headings or text in a way that is likely to confuse consumers.

I told my chum, as intellectually as I could muster, that more suits have been brought against advertisers than search engines. This is because the search engines have enormous resources to defend these suits and advertisers often do not. Some of the courts that have ruled have focused on whether this sort of trademark use should be considered use in commerce as is required under the Lanham Act to be actionable as trademark infringement. Some courts have found these uses to be uses in commerce and other courts have not. This, I said, was not surprising considering the newness of these suits.

For example, a Second Circuit decision holds:

"...the marks are used only in the sense that a competitor user's search of the keyword ZOCOR will trigger the display of the sponsored links to defendant's websites. This internal use of the keyword ZOCOR is not use of the mark in the trademark sense...The sponsored link marketing strategy is the electronic equivalent of product placement in a retail store."

Even when a court has held that use of another's mark in a sponsored link is use in commerce, the plaintiff still needs to establish a likelihood of confusion. This may be difficult to do when the sponsored link site makes no mention of the mark, merely using the mark to lure the searcher. It will be even more difficult where the site legitimately sells the product associated with the mark. When a court gets so far as to consider whether there is a likelihood of confusion, it should apply the standard numerous factor test adopted in similar fashion by every federal circuit.

I don't want to sound intellectual for to do so would really be out of character, but if I was to take a stab at how Justice Alex Kozinsky, a thoughtful Ninth Circuit jurist, and frequent critic of bad decisions relating to intellectual property, would react to these cases, I suspect he would need to be convinced by compelling evidence that the defendant's use was drawing the plaintiff's customers by trickery or deceit and that plaintiff was losing its goodwill to the defendant. He was, after all, the jurist who wrote to the effect that trademarks are finding their way into the everyday lexicon and that "no one will tell me I can't put a BAND-AIDE on a problem."

I finished my wine and ambled off, considering whether tomorrow would bring rain or sun, and if sun, should I wear shorts to the convention. Pretty heady stuff.

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*James B. Astrachan is the author of The Law of Advertising, published by Matthew Bender-Lexis/Nexis.*