

# The Law of Web Marketing- Not Just for Geeks Anymore

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# Points of View

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Users, Developers, Lawyers Viewing a  
Common Target

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# Who, What, Where, When, How, Why

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## Who

- Is using trade identity on the Internet?
- Who's perspective are you using?

## What is the nature of the usage?

## Where

- Are the manifestations of the trade identity usage at issue?
- Are the legal entities responsible physically located?

## When did the conduct

- Begin?
- End?

## How

- Does the technology work?
- Is the effect felt on your client?

## Why

- Are we analyzing this now?
- Is the party making the use doing what they are doing?

# Why are people using particular “words” on the Internet?

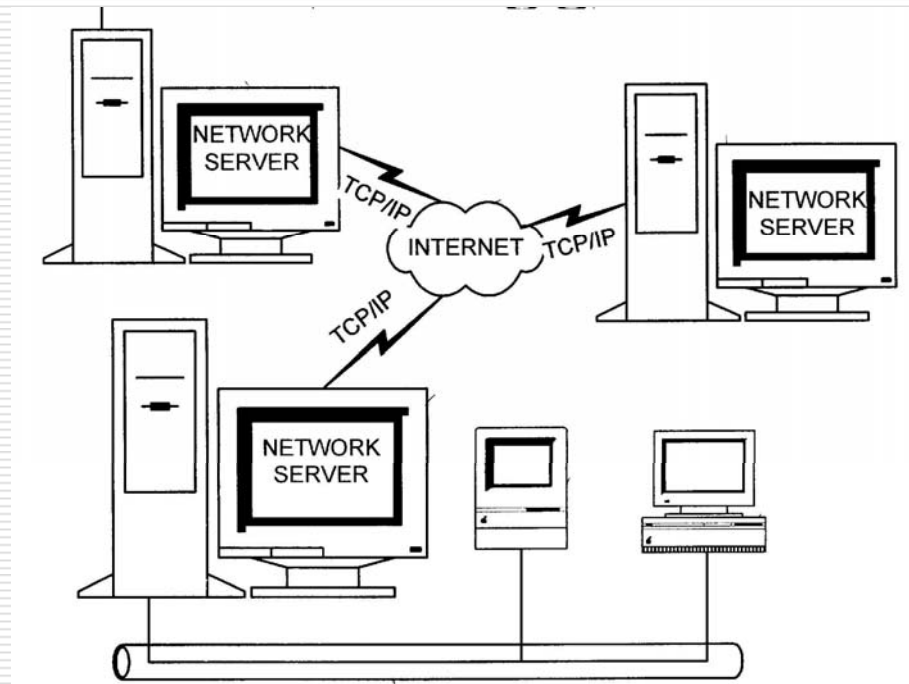
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- ❑ Traditional sellers, and sellers evolved from traditional sellers have traditional “branding”, “descriptive” and “address” needs
- ❑ Competitors, their own brands and common terms
- ❑ Intermediaries use to increase
  - Their Own Revenue By Using or Selling Words to Direct Traffic
  - Traffic to their own sites
  - Traffic to sellers
- ❑ Traffickers, Warehouseurs, Parkers, Squatters, Registrars

# How are “words” Used Commercially on the Internet

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- ❑ Domain names – addresses
- ❑ Links, Embedded Words, Metatags
- ❑ Search Engines Index and Search
- ❑ Users Type In
  - Search
  - Directly



# When Does The Usage Take Place?

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- Real Time
  - Communication
  - Sales
  - New -- Searches
- Stored Data
  - Typical "Data"
  - Search Engines
  - Web Page Updates
- Archives
  - "Wayback Machine"

# Where Does The Usage Take Place?

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- Whose Computer or Server?
- Real Time
  - Networks
  - Dynamic, Users, Moderators,
- Updates
  - Networks
  - Lists
- Backups
- It is always changing, but sometimes takes time



# What Usage Creates Legal Issues -- Comparison of Media

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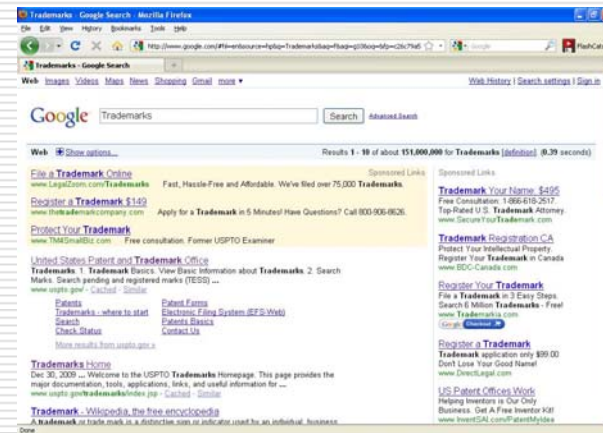
## □ Print

- Fixed
- Physical
- Facts, Art, Advertising



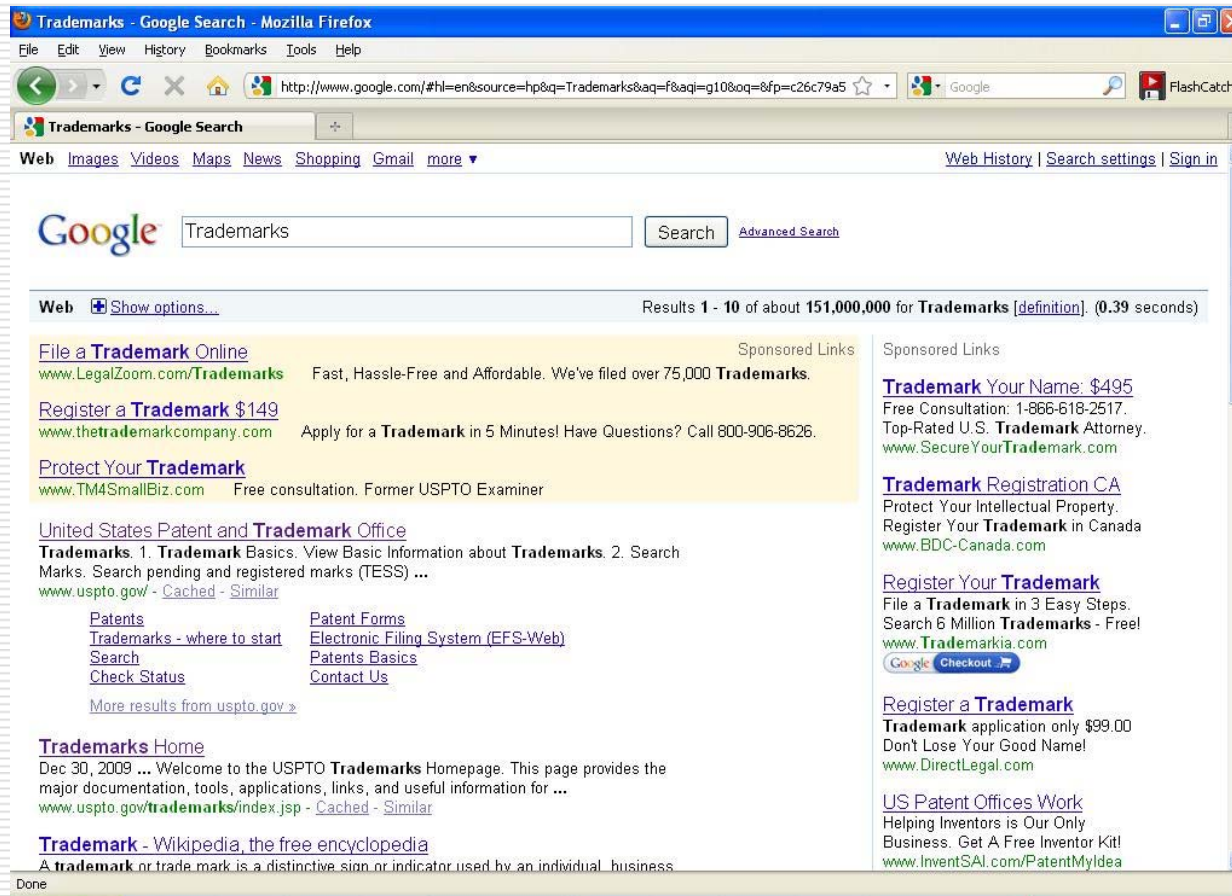
## □ Web

- Dynamic
- Portions Stored In Various Places
- What You See Is Not "There"

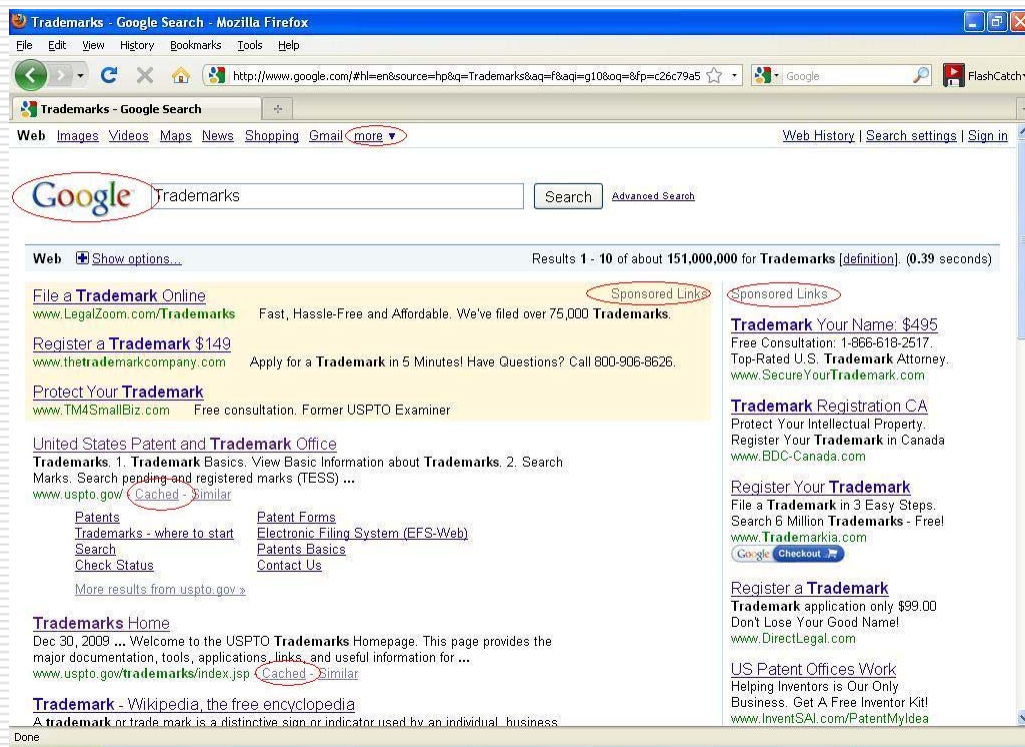




# This Content Is That Presented To You By The Search Engine

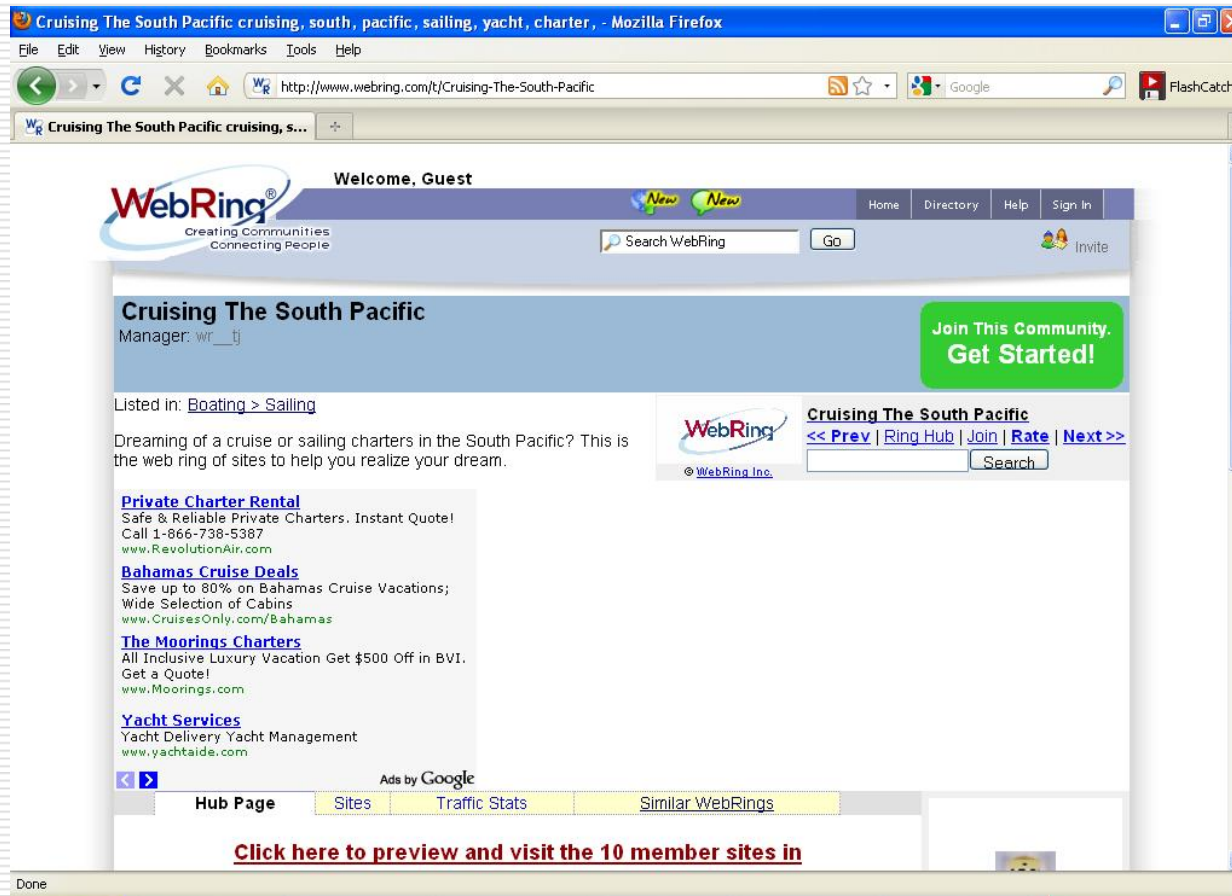


# Internet Marketing – Search Engines

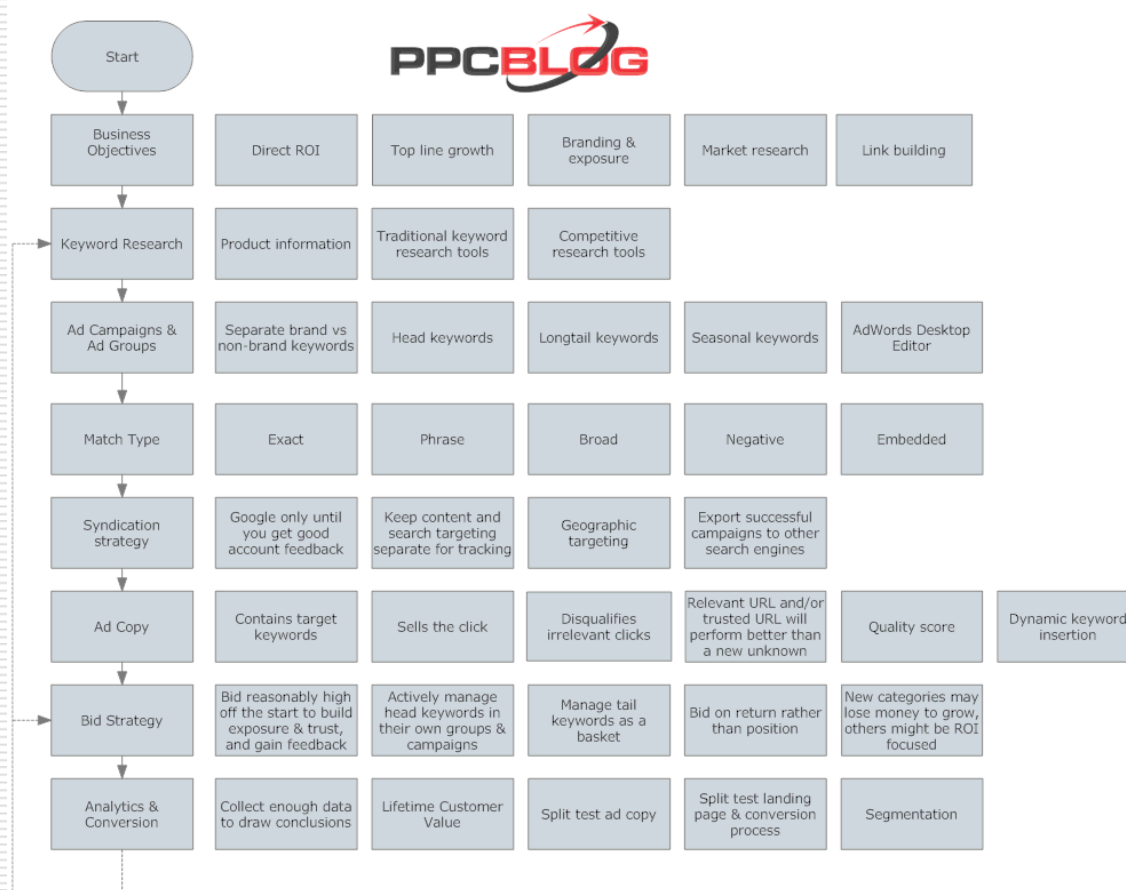


- ❑ Google Search
- ❑ Results From Their Algorithms
- ❑ Sponsored Links
- ❑ Graphics, Fonts, Colors

# What You See Is Not Always "There" – Frames, Ads, Links



# Pay Per Click Marketing – The New “Circulation” and “Impressions”?



# Residual Cash Forever!

The screenshot shows a web browser window with the URL <http://www.cashcounting101.com/>. The page features a large banner with the text "We Can Make It Happen!" and three columns comparing different work models. The left column is titled "Typical 9 to 5" and lists various drawbacks. The middle column is titled "Traditional Home Business" and lists its limitations. The right column is titled "Residual Cash Forever System" and lists its benefits. The page is decorated with images of money, including stacks of coins and a piggy bank.

**Typical 9 to 5**

- ★ Alarm Clocks
- ★ Early Mornings - Late Night
- ★ 18 Hours JOB
- ★ Hard Work For Minimum Pay
- ★ No Time For Fun
- ★ Short Weekends
- ★ Working For Someone Else Retirement
- ★ Stressful
- ★ 1 Week Vacation In 1 Year

**IS IT REALLY WORTH IT IN THE END?**

**Traditional Home Business**

- ★ Low Commissions
- ★ On The Computer & Phone All Day
- ★ No Security
- ★ No Real Training
- ★ Forces You To Be A Sales Person

**NOT GOOD ENOUGH FOR ME**

**Residual Cash Forever System**

- ★ Realistically \$5K to \$20K
- ★ \$100K Possible With Little More Effort
- ★ Your Income Increases Our Income, Which Create ZERO Competition
- ★ Excellent Support From The Top Earners In Cash Gifting Industry
- ★ Receiving Cash Directly To Your DOOR, Over & Over AGAIN

**MAKES MORE SENSE THAN EVER**

\* Not endorsed by this speaker

# Competing Interests

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## Freedom

- Free Competition
- Free Speech
- Entrepreneurship

## Brand Management

- Enforcement Against Unfair Competition
- Preservation
- Quality Control
- Avoid Dilution

# Who Is Responsible for What Content, Links?

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- Manufacturer
- Competitor
- Reseller
- Affiliate Advertiser
- Search Engine
- Other Commentator
- Consumer

# Web 1.0 Law

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- Cybersquatting and Other Domain Name Abuse
  - Anticybersquatting Consumer Protection Act, 15 U.S.C. § 1125(d)(1)
  - Bad Faith
- Free speech/Fair use = Not bad faith
  - Sux sites *Bihari v. Gross*, 56 USPQ2d 1489 (DC SNY 2000)
  - Not Always “Little Guys” *Southern Grouts & Mortars, Inc. v. 3M Co.*, 575 F.3d 1235 (11th Cir., 2009)



# Web 1.0 Law

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## □ Metatags

- Html Code: <META NAME = "Keywords" CONTENT= ...>
- Hidden "Text"
- Used to Fool Search Engines

## □ Likelihood of Confusion - Traditional Trademark Law

- Brookfield v. West Coast 174 F.3d 1036, 50 USPQ2d 1545 (9th Cir. 1999) Initial Interest Confusion
- Use of Descriptive terms
- Misleading Where Implying Authorized Dealer -- *Australian Gold v. Hatfield*, 77 USPQ2d 1968 (10<sup>th</sup> Cir 2006)
- Other Fair Use – Dealer of Replacement Parts -- *Bijur v. Devco*, 72 USPQ2d 1180 (DC NJ 2004)

# Forms of Confusion – The Brookfield List

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## Types

- Authenticity
- Ownership of Mark
- Licensed
- Sponsorship
- Buyout Or Related Companies

- Replacement Product

- Misapplied Goodwill

- Initial Interest

## Is There Likelihood Of Confusion, Of Whatever Type?

# Web 2.0 “Not Just for Geeks”

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- More Interactive
- Increased Commerce
- New and Different
  - Appearance
  - Operation
  - Consumer Sophistication

# Likelihood of Confusion -- What's New

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## □ Traditional

- Side by Side Comparison
- Products Proximate in the Marketplace
- *Roulo v. Russ Berrie & Co.* 886 F.2d 931, 937 (7th Cir 1989)

## □ World Wide Web

- Diversion without confusion not enough
- Ease of internet shopper reversing course
- *Hearts On Fire v. Blue Nile* 603 F.Supp.2 274(D. Mass., 2009)

# Keywords, Adwords, Sponsored Links

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- ❑ Metatags Were Put There by Site Owner
- ❑ Keywords, Adwords, Sponsored Links Sold To Anyone
- ❑ Is Seller Responsible?
- ❑ Evolving Environment
- ❑ Disclaimers, Explanations
- ❑ Context, Comparisons
- ❑ Who's Buying Them

# Keyword Debate

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## □ Sellers and Buyers

- Merely Advertising
- Consumers Have More Info, Choices
- Potential for Very Focused Data
- Policies and Practices
- Competition

## □ Trademark Owners

- Selling "My" Name
- Competitors Use to Mislead
- Misdirected Consumers = Lost Sales
- Brookfield Confusion

# Keywords

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- Major Search Engines Sell Them
  - Google AdWords
  - Yahoo! Search Marketing
  - Microsoft adCenter
- Nature of Keywords
  - Yellow Pages Inspired?
  - Most Terms Descriptive, Generic
  - Vast Volume of Terms
  - Elaborate Analytics – Not Just Single Words
- Private Trademark Policies

# Keywords Google Trademark Policy (2009)

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- Buyer Is Responsible
- "Courtesy To Trademark Owners"
- Descriptive Use Permitted
- Nominative Use Permitted
  - For Resale -- Actually Selling
  - Components, Replacement Parts Or Compatible Products – Actually Selling
- Informational, Not Use By Competitors to Sell



# Keywords -- Yahoo Trademark Policy (2006)

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- ❑ Yahoo! Permits advertisers to bid on keywords comprised of a third-party's trademark only if one of the following conditions is met:
  - (1) Reseller: The advertiser's site sells or facilitates the sale of the product or service bearing the trademark.
  - (2) Information Site, Not Competitive: The primary purpose of the advertiser's site is to provide substantial information about the trademark owner or products or services bearing the trademark, and does not sell or promote competing products or services.
- ❑ From: Yahoo Brief on Summary Judgment in *American Airlines v. Yahoo* (Settled, November 30, 2009)

# Keywords – Who Is Involved

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- ❑ Search Engines – Sellers
- ❑ Businesses are Keyword Buyers
- ❑ Keyword Business On Internet
  - “Affiliates”, “Partners”, “Publishers”
  - Pay Per Click
  - Pay Commission on Sales
  - Affiliates Bid on Keywords
- ❑ Sellers Have Common Affiliates

# Keyword Cases Against Search Engines

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- ❑ *Vulcan Golf, LLC v. Google Inc.*, 552 F.Supp.2d 752 (N.D. Ill., 2008) (Class Action)
- ❑ *Rescuecom Corp. v. Google Inc.* 562 F.3d 123 (2d Cir., 2009) (Use in Commerce)
- ❑ *Government Employees Insurance Co. v. Google Inc.*, 77 USPQ2d 1841 (E.D. Va. 2005) (Confusion unlikely)
- ❑ *1 800-Jr Cigar, Inc. v. Goto.Com, Inc.*, 437 F.Supp.2d 273 (D.N.J., 2006) (Summary Judgment on Use, Genuine Issue on Confusion)

# Keyword Cases Against Competitors

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- ❑ *Hearts On Fire Company, LLC v. Blue Nile, Inc.*, 603 F.Supp.2d 274 (D. Mass., 2009) (Mo. Dism. Denied)
- ❑ *Finance Exp. LLC v. Nowcom Corp.*, 564 F.Supp.2d 1160 (C.D. Cal., 2008) (Confusion, Banner)
- ❑ *Designer Skin LLC v. S & L Vitamins Inc.* 560 FSupp2d 811, 88 USPQ2d 1021 (D. Ariz. 2008) (No Deception)
- ❑ *Vail Associates Inc. v. Vend-Tel-Co. Ltd.*, 516 F3d 853, 85 USPQ2d 1971 (10th Cir. 2008) (No Confusion)

# Keyword Cases Against Affiliates

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# Confusion in Keyword Cases -- Principles

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- Keywords Unlike Metatags
  - More Information Upon Linking
  - Connection Not Hidden
- Ease of Internet Shopper Reversing Course
- Banner or Ad Should Clearly Identify
- Absence of Reference to Competitor's Trademark In Ads

# Keyword Bidding and Commerce

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- Trademark Use
  - Is It?
  - Does It Need to Be?
- Use in Commerce 15 U.S.C. § 1114(1)(a)
- In Commerce, US Const Art III
- Rescuecom – Keyword Sales and Resulting Advertisements Different Than Purely Automated Metatags, Therefore “Use in Commerce”

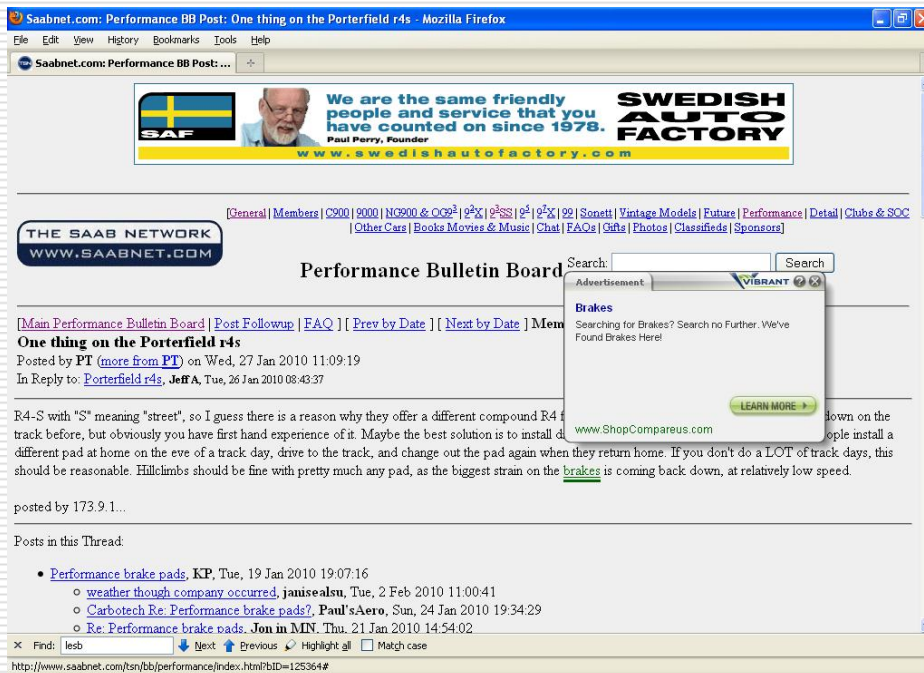
# Confusion in Keyword Cases -- Derived Confusion Factors

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- ❑ Overall Mechanics Of Web-browsing And Internet Navigation, In Which Consumer Can Easily Reverse Course
- ❑ Mechanics Of Specific Consumer Search At Issue
- ❑ Content Of Search Results Webpage That Was Displayed, Including Content Of The Sponsored Link Itself
- ❑ Downstream Content On The Defendant's Linked Website Likely To Compound Any Confusion
- ❑ Web-savvy And Sophistication Of The Plaintiff's Potential Customers
- ❑ Specific Context Of A Consumer Who Has Deliberately Searched For A Trademark Only To Find A Sponsored Link
- ❑ Duration Of Any Resulting Confusion
- ❑ Whether Plaintiff's Mark Mentioned, And If So In What, Context, E.G. "Compare To X" V. "X On Sale"



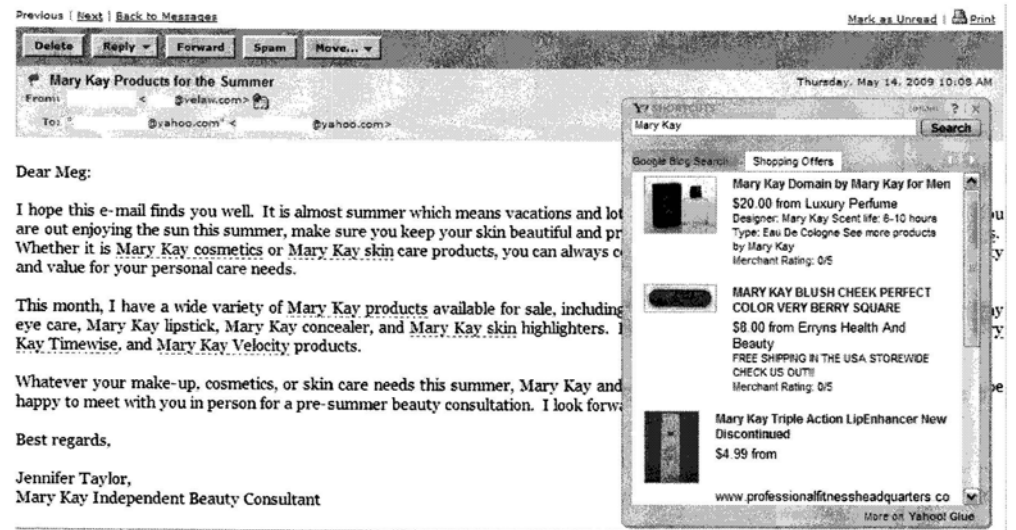
# Pop-up Advertising -- Browser



- ❑ Reactive or Intrusive
- ❑ Clear Identification as Ad?
- ❑ Confusion
- ❑ Function, Redirection

# Pop-up Advertising – E-mail

- ❑ E-mail Based
- ❑ Spam or Subscription
- ❑ Clearly Identified as Ad?
- ❑ Confusion
- ❑ Mary Kay v. Yahoo 09CV1278



# Pop-ups And Confusion

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- Dynamic Occurrence and Appearance
- Different Than Frames or Banners
  - *Wells Fargo & Co. v. Whenu.Com, Inc.*, 293 F.Supp.2d at 738-40, 743-46; 69 USPQ2d 1171 (E.D. Mich. 2003)
- “consumers diverted on the Internet can more readily get back on track”
  - *Savin Corp. v. Savin Group*, 391 F.3d 439 (2d Cir., 2004)

# Trademark Fair Use On The Internet

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- Free Speech Accommodated in Fair Use Under § 33 (15 U.S.C. § 1115 (b))
- Extra Protections
  - Special Fair Use Defense Against Dilution (15 U.S.C. § 1125 (c) (3) (a))
  - § 43 (d) Consideration of Noncommercial Use as Good Faith Factor in Cybersquatting (15 U.S.C. § 1125 (d))

# Trademark Fair Use Under § 33 (15 U.S.C. § 1115 (b) (4))

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- ❑ ... a use, otherwise than as a mark ...
- ❑ ... of a term or device which is descriptive of and used fairly and in good faith ...
- ❑ ... to describe the goods or services of such party ...
- ❑ (use of own name or geographic term are pretty clear)

# Fair Use “Describing”

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- ❑ Lanham Act Doesn't Say “Merely Descriptive” Here
- ❑ Non-Trademark Use is Non-Source-Indicating
- ❑ Comparative Advertising Line of Cases Turn On Fairness and Good Faith
- ❑ Ours is “Like” Brand X? “Compare to...”?

# Nominative Fair Use

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- Ninth Circuit Explanation for Their 1970s Comparative Fair Use Cases
- *Brother Records, Inc. v. Jardine*, 318 F. 3d 900, 904 (9th Cir. 2003)  
“... defendant uses a trademark to describe the plaintiff’s product, rather than its own ... a commercial user is entitled to a nominative fair use defense.”

# Nominative Fair Use Elements

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- “Nominative fair use has “three requirements:
  - First, the product ... must be one not readily identifiable without use of the trademark;
  - second, only so much of the mark ... may be used as is reasonably necessary to identify the product ...; and
  - third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.”
- *Yurman Studio, Inc. v. Castaneda*, 591 F.Supp.2d 471 (SDNY, 2008) citing *New Kids On The Block v. News Am. Pub.*, 971 F.2d 302, 307-308 (9th Cir. 1992)



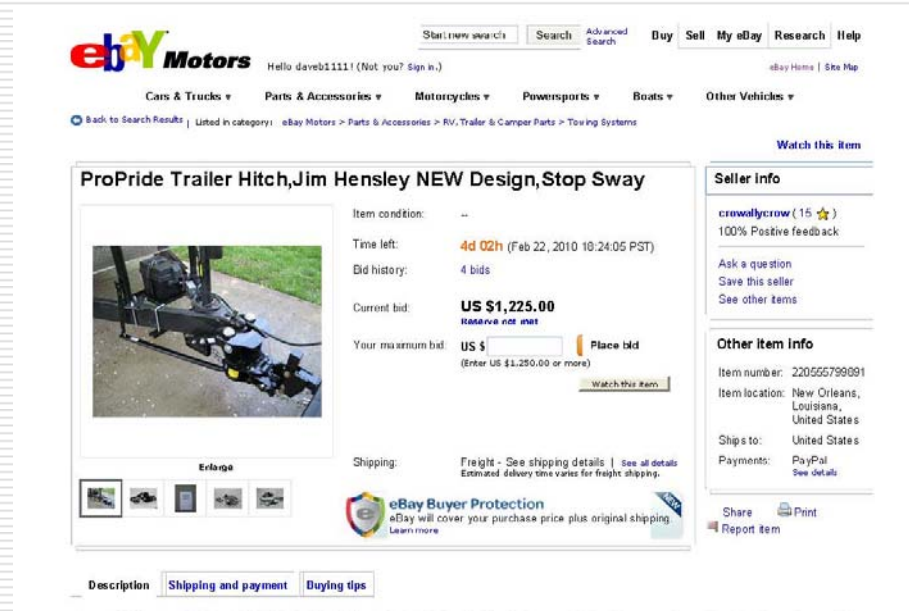
# Traditional and Nominative Fair Use

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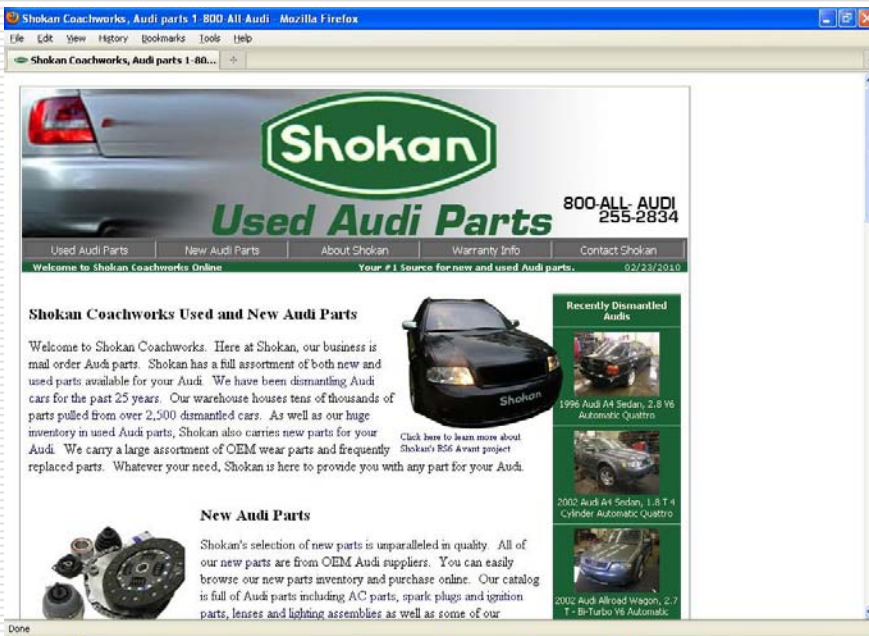
- ❑ Pitfall – Burden of Proof and Likelihood of Confusion
- ❑ *KP Permanent Make-up, Inc. v. Lasting Impression, Inc.*, 543 U.S. 111 (2004)
  - Trademark Registrant's Burden
  - Fair Use "Trumps" Confusion
- ❑ If Two Species of Statutory Fair Use, Then KP Controls

# Fair Use of Personal Name

- ❑ *Hensley Mfg. v. Propride, Inc.*, 579 F.3d 603 (6th Cir., 2009)
- ❑ Former owner
- ❑ Identified by name
- ❑ Origin with defendant clear



# Fair Use – Traditional Nominal?



- ❑ *Audi Ag v. Shokan Coachworks, Inc.*, 592 F.Supp.2d 246 (N.D. N.Y., 2008)
- ❑ “Describes” the Original Manufacturer of Used Parts
- ❑ “Describes” Defendant’s Parts as Used Parts of a Particular Type?
- ❑ Screen, On Left, Is Post Decision – Shokan’s Pre-suit Use of the Audi “Rings” Logo Took Too Much

# Other Issues

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- Evidence
- Intrusion
  - Email
  - Robots
  - Spyware
- Computer Fraud
  - Click Fraud
  - Computer Fraud and Abuse
    - Hacking
    - Exceeding Authorization
- Social Networking

# Evidence

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- ❑ It's On the Internet So It Must Be True?
- ❑ Authentication – Does The Exhibit Accurately Show What Was On the Internet?
- ❑ Relevance – If Authentic, Does It Tend To Make Something More Probable?
- ❑ Hearsay
  - What is “the matter asserted”?
  - Is The Exhibit Reliable?
  - How Can You Get It Admitted?

# Computer “Intrusion”

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- Unwanted Email
  - Trespass to Chattels if Commercial and Interference *Intel Corp. v. Hamidi*, 71 P.3d 296, 299–300 (Cal. 2003)
  - CAN-SPAM Requires True Source and Identification 15 U.S.C. § 7707(b)(1)
- Robot Software
  - *Register.Com, Inc. v. Verio, Inc.*, 356 F.3d 393 69 USPO2d 1545 (2d Cir 2004)
- Spyware
  - Consumer
    - *Sotelo v. Directrevenue, LLC*, 384 F. Supp. 2d 1219 (N.D. Ill. 2005)
  - FTC
    - *F.T.C. v. Seismic Entertainment Productions, Inc.*, 441 F.Supp.2d 349 (D.N.H., 2006)

# Social Networking

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- ❑ Exploding Phenomenon – Every Marketer's Doing It
- ❑ Direct Consumer Interface Managed (?) By Marketer
- ❑ Is Your Client Promoting Their Product on:
  - Facebook
  - Blogs
  - Chat Groups
  - Etc.?

# Specific Examples: Computer Fraud and Abuse Act ("CFAA") 18 USC 1030

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"(a) whoever"

"(2) intentionally accesses a computer without authorization or exceeds authorized access, and thereby obtains"

"(C) information from any protected computer if the conduct involved an interstate or foreign communication"

"(g) Any person who suffers damage or loss by reason of a violation of this section may maintain a civil action"



# Specific Examples – Federal Statutes

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## ❑ Without Authorization

### ❑ “Hackers” Or Electronic Trespassers

- possibly under CFAA
- Stored Wire and Electronic Communications Act ("SECA"), 18 U.S.C. § 2701, et seq.
- Legislative History to Protect Against Hackers

## ❑ Exceeds Authorized Access

- Employee Misconduct Under CFAA
- Some cases limit

# Social Networking Issues

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- Maintain Connection Between Trademark & Goodwill
- Risk of Genericide – Suppose Your Customers Use Your Mark As A Verb?
- Privacy
- Gripes, Complaints, Defamation & Disparagement
- Endorsement and Testimonials

# Any questions?

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