

Deregulating Relevancy: Consumer Confusion and the Internet
By Eric Goldman^{*}

INTRODUCTION.

As Internet search technologies become an essential part of our information society, they become a more tempting target for regulation by those who want to preserve its vitality. However, because the technologies are constantly evolving, they are a moving target for regulation. The associated searcher expectations and practices about conducting Internet searches adjust as well, but these adjustments do not occur instantly. Some courts and commentators see the adjustment period as a technological failure requiring their intervention to make the technology work better.

Determining trademark law's role as a regulatory tool has proven particularly divisive, especially when Internet publishers use third party trademarks to cause searchers to view their content. This association between content with search keywords (trademarked or not), referred to as "keyword association," is fundamental to all Internet search processes, including the domain name system ("DNS"), hypertext linking, search engines and online advertising. However, developing trademark rules applicable to keyword association requires the courts to simultaneously juggle the trademark owner's rights, the publisher's intent and the consumer's expectations.

This tripartite balancing act almost ensures inconsistent legal treatment, and there is no single widely-accepted approach to determine when keyword associations based on a third party trademark create consumer confusion. Some courts have methodically applied trademark law's traditional multi-factor likelihood of consumer confusion test (the "MFLOCC" test), even when

^{*} Eric Goldman (eric.goldman@marquette.edu) is an Assistant Professor at Marquette University Law School in Milwaukee, WI. His personal home page is located at http://eric_goldman.tripod.com. The author thanks Paul Krause for his research assistance.

the context makes its application silly.¹ Other courts have bypassed the MFLOCC test altogether,² in some cases relying upon a revitalized but amorphous doctrine of “initial interest confusion.” Yet other courts have tried to provide breathing room for keyword associations through expanded or invented trademark doctrines regarding fair use,³ disclaimers⁴ and the use of trademarked terms that are also dictionary words.⁵

This legal schizophrenia will persist until a better understanding emerges about what it means to misappropriate a trademark owner’s goodwill. Goodwill misappropriation occurs when a consumer’s good feelings towards a trademark are improperly extended to a junior user’s products. As keyword associations affect search behavior, some courts treat any attempt to form a keyword association using a third party trademark as goodwill misappropriation. Other courts see it differently.

Legally equating keyword associations and goodwill misappropriation reflects a fundamental misunderstanding about how searchers evaluate content. When a searcher reviews content presented in response to a keyword search, the searcher initially forms a cognitive linkage between the keyword and the content (in other words, the searcher forms a keyword association). Based on this linkage, the searcher attempts to judge the content’s relevance to the keyword. In some cases, the searcher cannot easily determine the relevance, in which case the searcher may investigate the relationship further. The investigatory process creates an opportunity for

¹ *E.g.*, *Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161, 1163 (C.D. Cal. 1998) (saying that the MFLOCC test applies only to related goods, but then applying the factors anyway).

² *E.g.*, *Brookfield Communications, Inc. v. West Coast Entm’t Corp.*, 174 F.3d 1036 (9th Cir. 1999) (MFLOCC test does not apply to metatags); *Playboy Enters., Inc. v. Welles*, 279 F.3d 796, 801 (9th Cir. 2002) (MFLOCC test does not apply when the defendant claims nominative fair use); *J.K. Harris & Co. v. Kassel*, 253 F. Supp. 2d 1120, 1126 (N.D. Cal. 2003) (following *Welles*).

³ *E.g.*, *Playboy Enters., Inc. v. Welles*, 279 F.3d 796 (9th Cir. 2002).

⁴ *E.g.*, *Bihari v. Gross*, 119 F. Supp. 2d 309 (S.D.N.Y. 2000).

⁵ *E.g.*, *Playboy Enters., Inc. v. Netscape Communications Corp.*, 55 F. Supp. 2d 1070 (C.D. Cal. 1999).

goodwill misappropriation, but it can also lead to socially-beneficial results if, in fact, the searcher finds what he or she was seeking.

This leads to the core legally unresolved question: precisely when does an Internet search become goodwill misappropriation? This is a question of some import, because without boundaries, goodwill misappropriation jeopardizes the Internet's utility as a tool to find relevant content. With the power to obtain legal redress based merely on the formation of keyword association, trademark owners can unduly control social perceptions about their brands, squelching product evaluations, criticism, parody and product/price comparisons. Trademark owners can also exercise unprecedented control over their channels of distribution, curtailing or eliminating after-market sales and service providers. Goodwill misappropriation can also inhibit innovation by search technology entrepreneurs, undermining the development of better tools for searchers to find relevant content.

By clarifying the actual harm arising from misdirected searches, this Article identifies where keyword association becomes goodwill misappropriation. With that distinction established, trademark owners' interests can be protected without sacrificing the Internet's vitality as a tool to find relevant content.

Part 1 discusses Internet technologies and consumer search practices. The Part specifically collapses the differences between domain names, metatags and other forms of keywords. This Part also explores the search costs and switching costs on the Internet. Part 2 examines existing trademark law applicable to consumer confusion, including the emergence of initial interest confusion. This Part then articulates a new way to examine consumer confusion by considering how search costs can affect a searcher and how publishers can arbitrage these search costs to misappropriate. Part 3 considers how the market, and in particular search engines, will improve

the delivery of relevant content, more so than legislators and courts can using trademark law.

Part 4 provides some concluding thoughts.

1. KEYWORDS AND INTERNET SEARCHING.

A. Search Methods.

Searchers use one of three primary ways to obtain content using the Internet: searching by keyword, navigating links and using domain names.

The first method is keyword searching. Major keyword-driven search engines include general purpose search engines like Google, Yahoo, AOL Search and MSN Search, but this Article equally applies to special purpose search engines operated by intermediaries like eBay and those operated by e-commerce websites.

Search engines build keyword-searchable databases in a variety of ways. Commonly, a search engine builds its database using automated robots or scripts to canvass the Internet for content, make copies of pages they find, and enter those copies into the database.⁶ Alternatively or in addition, some search engines allow publishers to submit “feeds” of content which are added, either automatically or after manual review, directly into the database.⁷ Databases also can be built manually.⁸ When a searcher conducts a keyword search in these searches, the search engine produces a set of editorially-produced search results.

⁶ Maureen O’Rourke, *Defining the Limits of Free-Riding in Cyberspace: Trademark Liability for Metatagging*, 33 GONZ. L. REV. 277, 283 (1998).

⁷ Feeds can contain the entire dataset incorporated into the database or a partial dataset that also instructs the search engine how to obtain the remaining data automatically (such as through a robot that collects information from publisher’s website in accordance with the instructions contained in the feed).

⁸ Many associate manually-built databases with Yahoo! and, to a lesser extent, LookSmart. However, today Yahoo!, LookSmart and other directories primarily rely upon publishers to submit feeds which are manually evaluated (usually for a fee) before being added to the database.

In some cases, keywords can also trigger advertisements.⁹ In the 1990s, some search engines delivered keyword-specific banner advertisements on the search results pages.¹⁰ This practice has largely given way to the more common practice of displaying keyword-specific text link ads in response to keyword searches, often referred to as “sponsored links” or “featured resources.” For example, Google currently displays its sponsored links in shaded areas at the top and on the right of search results pages.¹¹ Google, Overture and other paid search result providers also distribute keyword-triggered sponsored links to hundreds of websites who display the links in a variety of contexts and settings.¹² In these cases, the text-link ads can be either associated with a keyword in the site’s search engine or are otherwise manually associated with a keyword on a page.

A second way searchers find content is by navigating links to a destination. While these links can be graphics or pictures, many links are text. The text can be a single word (“More”) or it can be very explicit about what the searcher will find at the next page (“Click Here to Learn More About the Canon PowerShot A40 Digital Camera”). To structure text links into related categories, many e-commerce and other websites use a taxonomy, a multiple-level hierarchy of text links that permit the searcher to progressively see more specific choices.¹³

⁹ See generally Kurt M. Saunders, *Confusion is the Key: A Trademark Law Analysis of Keyword Banner Advertising*, 71 *FORDHAM L. REV.* 543 (2002).

¹⁰ See *Playboy Enters., Inc. v. Netscape Communications Corp.*, 55 F. Supp. 2d 1070 (C.D. Cal. 1999).

¹¹ See *Advertise With Us*, Google.com, at <http://www.google.com/ads/index.html> (last visited July 1, 2003).

¹² See, e.g., Stefanie Olsen, *All the Search That’s Fit to Print?*, CNET News.com, Feb. 15, 2003, at <http://news.com.com/2102-1023-984252.html> (discussing a range of news publishers who display listings from Google or Overture).

¹³ Consider this hypothetical four level taxonomy. The home page contains a text link called “Digital Cameras” (Level 1 of the taxonomy). On the subsequent page (Level 2), the searcher sees a list of digital camera manufacturers, including a text link called “Canon.” On the subsequent page (Level 3), the searcher sees a list of digital camera brands manufactured by Canon, including a text link called “PowerShot.” On the final page (Level 4), the searcher sees a list of different models of PowerShot-brand digital cameras, including the “A40.” Most but not all e-commerce website uses taxonomies. Some sites rely primarily or exclusively on search or non-hierarchical merchandising.

With respect to text links, link navigation differs little from keyword searching because the words used in the text links perform the same function as keywords. At some sites, a navigational link will, from a technical standpoint, trigger a search in the site's search engine, such that the content on the resulting page contains search results.

Domain names are a third method of finding content, enabling searchers to obtain content in at least three ways. First, the searcher can guess that a word, when used as a domain name, will lead to relevant content. Second, the searcher may already know the domain name and thus can type it into the web browser address bar directly. Third, if a searcher has already visited the web page, the searcher can use bookmarks or the browser's history to return to the page.

While courts and commentators routinely treat domain name searches, link navigation and keyword searches as legally distinguishable processes, these differences are exaggerated. All of the major Internet search processes fundamentally rely on keywords. For example, from a technical standpoint, a domain name acts as a mnemonic for the desired server's IP addresses. However, from a searcher's standpoint, the domain name has the same function as doing a keyword search.¹⁴ The searcher uses the domain name as a keyword just as the searcher would in a search engine.¹⁵ It is irrelevant whether the searcher types a keyword into a search box or the address bar or clicks on a keyword in a navigational link. In all cases, the searcher seeks content, uses a keyword that the searcher thinks will lead to relevant content, and receives and evaluates the content.

¹⁴ There are signs that the domain name system is more explicitly merging with keyword search processes. For example, in a May 2003 trial, visitors to all unregistered domain names in .biz and .us received a page with paid search results from LookSmart instead of an error page. Posting of Jeff Neuman, jeff.neuman@neustar.us, to tmtopics@lists.inta.org (May 23, 2003), *available at* <http://www.biglist.com/lists/lists.inta.org/tmtopics/archives/0305/msg00062.html>.

¹⁵ Expert Report of Milton Mueller, *Taubman Co. v. Webfeats*, Nos. 01-2648/01-2725 (E.D. Mich. 2002), *available at* <http://www.taubmansucks.com/Act108b.html> [hereinafter Mueller Report].

B. The Inability to Infer Search Objectives Based on a Keyword.

Even in situations where Internet searchers use the same keyword in the same search method (i.e., both enter search term “X” in Google), it is effectively impossible for anyone—a search engine, a web publisher, legislators or judges—to accurately infer the searcher’s objectives merely based on that keyword. Words have many meanings and can be used for a variety of purposes, and a keyword used as a search term does not provide enough context to signal the desired meaning and purpose.

For example, consider a searcher seeking information about the Canon PowerShot A40 digital camera. The searcher might use search keywords such as “Canon” or “PowerShot” or “A40,” or the searcher could combine terms to create keywords such as “PowerShot A40” or even “Canon PowerShot A40 digital camera.”

Searchers who choose more specific keywords or use advanced search techniques such as multi-word precise keywords and Boolean logic communicate their objectives a little more clearly. However, in practice, some searchers, as a matter of style, preference or personality, routinely do a poor job picking keywords. Searchers regularly use only one or two keywords in a keyword search,¹⁶ and searchers cannot be forced or expected to adopt better search techniques.¹⁷

Assume that a searcher uses a very specific keyword term, such as “Canon PowerShot A40 digital camera.” Even then, the range of possible search objectives make it impossible to infer any particular searcher’s objectives. In that case, the searcher could have any of the possible objectives:

¹⁶ Jakob Nielsen, Search: Visible and Simple, Useit.com, May 13, 2001, at <http://www.useit.com/alertbox/20010513.html> (citing a study that the average keyword length was 2.0 words and saying that “[m]ost users cannot use advanced search or Boolean query syntax”).

¹⁷ See generally Nielsen, *supra* note XX (suggesting that at some point better search techniques will need to be taught in schools).

- *Pre-Purchase Information.* The searcher may want more information to facilitate a purchasing decision, such as product specifications, marketing collateral, product reviews (positive or negative) or information about product warnings or recalls. The searcher may also want comparative information, such as comparative advertising or editorial reviews comparing multiple products. It is also possible that the searcher has already decided not to purchase a Canon digital camera but may be looking for competitive products serving the same niche.
- *Purchase Information.* The searcher may have already decided to purchase the camera but needs pricing and availability information. In most cases, the searcher will want to know about all vendors, including third party distributors and manufacturers who sell the product directly.¹⁸ Some searchers may want or be willing to obtain the product in used condition from retailers or previous customers.
- *Post-Purchase Information.* The searcher may have already purchased the camera and may be looking for post-purchase assistance, including customer support or repair or servicing information, from either the manufacturer or any third party vendors. The searcher could also want ancillary goods or services, such as training courses or after-market accessories that are compatible with the camera (camera bags, lenses, straps, tripods, etc.).
- *Community Information.* The searcher may be looking for other camera owners to share information or form enthusiast groups or fan clubs.

The challenge of inferring search objectives is compounded because searchers rarely use such precise search terms as “Canon PowerShot A40 digital camera” even when they are

¹⁸ Although the camera example makes it appropriate to discuss “manufacturers” and “products,” the discussion applies equally to “services” and “service providers.”

ultimately seeking such a specific product. When searchers use less specific keywords, the range of possible search objectives expands even further. Assume that the searcher was instead searching for “Canon.” In addition to all of the foregoing product-specific objectives (compounded across the hundreds or thousands of different items Canon, Inc. makes or distributes under the “Canon” brand), other possible objectives that may be sought based on the keyword “Canon”:

- *Employment-Related Information.* Searchers may be looking for employment opportunities with Canon, Inc., trying to find or organize unions associated with Canon, Inc., or trying to communicate with a Canon employee.
- *Investor/Financial Information.* Searchers may be looking to buy or sell stock in Canon, Inc. or for information about Canon’s financial performance (such as disclosure documents required by the Securities and Exchange Commission).
- *Supplier Information.* Searchers may be trying to establish a vendor relationship with Canon, Inc. or find out who Canon, Inc.’s vendors are.
- *News About Canon.* Searchers could be looking for information about Canon in the news; for example, a Canon product may be involved in a newsworthy event, and the searcher may want to know more about that.

All of the foregoing uses have some possible association with Canon, Inc., but other searches legitimately could have nothing to do with Canon, Inc., including the following:¹⁹

- *Trademark Uses by Third Parties.* Searchers may be looking for other parties that use the term “Canon” in their trademarks, including Canon Law Institute,²⁰ Canongate Golf

¹⁹ While some of these specific searches would be less likely to occur if the trademark were truly fanciful, all of the other possible objectives apply whether the term is fanciful or not.

²⁰ U.S. Trademark No. 2,682,057 (issued Jan. 28, 2003).

Clubs,²¹ Canons Regular of Daylesford Abbey,²² and Canon Communications LLC (a specialty publisher).

- *Dictionary Uses.* Searchers may be looking for information related to the use of the word “canon” as it appears in the dictionary. “Canon,” among other things, means a rule or law (especially in religious contexts) and a singing style. Cañon also means “canyon” in Spanish.
- *Place Names.* Searchers may be looking for information related to United States towns named Canon, including Canon, Georgia and Cañon City, Colorado, or the Canon Rivers in Washington or Minnesota.
- *Typographical Errors.* Some searchers may make a typographical error, intending instead to type a different term such as cannon.
- *Category Information.* Some searchers use a brand name as a proxy for the class of products that brand is associated with.²³

Because of the disparate objectives associated with a keyword search, no search process or technology can deliver perfectly relevant results to every single searcher when the keyword provides the only clue to their objective. New technologies, such as collaborative filtering and artificial intelligence, are being developed to mitigate this problem,²⁴ but the solutions are relatively crude today and will never be perfect.²⁵

²¹ U.S. Trademark No. 2,549,949 (issued Mar. 19, 2002).

²² U.S. Trademark No. 2,198,586 (issued Oct. 20, 1998).

²³ Stephen W. Feingold, *Trademark Means to Avoid Confusion, or Property Rights? Two Pending Cases Outline Dilemma*, N.Y.L.J., July 26, 1999, at S2 (“For example, one highly ethical and respected advertising executive specializing in the Internet, speaking off the record, believes that someone entering HONDA in a search engine is just as likely looking for information about Japanese cars as for information specifically about Honda.”).

²⁴ Lisa Guernsey, *Making Intelligence A Bit Less Artificial*, N.Y. TIMES, May 1, 2003, at G1, available at <http://query.nytimes.com/gst/abstract.html?res=FB0D12F934590C728CDDAC0894DB404482>.

²⁵ Consider the experience with word-based Internet filtering tools, pejoratively called “censorware.” Some of these tools use keywords to block content delivery, almost invariably overblocking because of the multiple meanings words may have. Classic examples include the words “breast,” which is an essential word to obtaining information

These challenges may be exacerbated by the Internet's unique attributes. Unlike most other search environments, the Internet uniquely enables searchers to conduct searches without any surrounding context to support inferences about their objectives—a “context-less search.” In contrast, physical space searches often have a context that facilitates inferences about a searcher's intent based on a single keyword.

For example, consider Landes and Posner's hypothetical about a customer who requests a “Sanka”²⁶ in a restaurant or grocery store.²⁷ In these retail environments, the range of realistic alternative search objectives are very narrow. If there is only one consumer product with that name distributed through those channels, the consumer is probably looking for the decaffeinated coffee brand to purchase.

The customer could have other objectives, such as wanting more information about the brand or wanting any brand of decaffeinated coffee. However, in those cases, it would be unusual for the customer to state his or her search request using just the single word “Sanka.” If the customer wanted more information, such a single-word request would, at minimum, be impolite. If the customer wanted any brand, the customer would likely be a little more explicit about his or her confusion (unlike Sanka was becoming generic, which raises other problems).

So while a customer requesting Sanka may be laconic, the context (including the rules of social engagement) provides other communicative information that, in total, provide sufficient support for an inference about the customer's search objective. Indeed, because these factors

about breast cancer, and “couples,” a word that can be used in sexual content, which in turn led to the blocking of an official White House website page containing the word. *See SurfWatch to Give Users More Control*, CNET News.com, May 2, 1996, at <http://news.com.com/2102-1023-211137.html>.

²⁶ Sanka is a brand of decaffeinated coffee made by General Foods (now part of Kraft Foods) and first trademarked in 1923. *See Decaffeination Process*, Kraft Foods, Inc., at <http://164.109.16.145/100/innovations/decaf.html> (last visited May 23, 2003).

²⁷ William M. Landes & Richard A. Posner, *Trademark Law: An Economic Perspective*, 30 J. L. & ECON. 265, 268-69 (1987).

point towards only a single search objective, it is both logical and efficient to legally assume that one search objective applies homogenously across all searchers.

This conclusion can be contrasted with the same search conducted in a different physical context. Consider, for example, if the customer said the single word “Sanka” to a bookstore employee. In this context, the range of supportable search objectives is broader, and less communicative information can be drawn from the context. The customer could have any of the following objectives:

- to purchase a cup of Sanka coffee from the bookstore (if the bookstore has a café)
- to learn where he or she could obtain the cup of coffee (at the bookstore or at some other retailer), or
- to purchase a book about Sanka

The request could also just be inane.

As with the bookstore, the Internet “context” also opens up the number of possible search objectives and decreases the amount of helpful communicative information that can be drawn from the surrounding environment. Thus, the search keyword *sanka* used in a general purpose Internet search process (such as a search engine or domain name) does not permit any inferences about the search objectives.

However, even a search in a special purpose Internet venue, such as a retail website that sells only coffee products, prevents a conclusive inference about a searcher’s objective. The customer may want to purchase Sanka-brand products, more information about the Sanka brand or more information about decaffeinated coffee generally. While the searcher having chosen to conduct the search in a special purpose venue allows an inference that the search relates to coffee, the

Internet's information-rich nature inhibits an accurate inference about search objectives even knowing that association.

C. Search Costs in Cyberspace.

Among search processes available to searchers, Internet-based searches uniquely keep search costs low. Attributes of the Internet that reduce search costs include the presentation of previewing information for searchers and the ease of correcting search mistakes.

First, Internet search results frequently display some "filtering content," information about the associated website that allows searchers to gauge the result's potential relevance before pursuing it. For example, Google's search results may include all of the following previewing information: the page title, redacted portions of the page, a description and category, a URL, a page size and the date.²⁸

When filtering content is accurate and clear, a searcher who proceeds to the associated website should have reasonably estimated the likelihood that the content there is relevant to the search. However, not all filtering content provides an accurate preview. For example, an unscrupulous publisher can engage in pagejacking,²⁹ where the publisher deliberately makes the filtering content look like the filtering content associated with a third party site.³⁰

But even where the searcher views inaccurate filtering content and accesses an unwanted website, the costs to correct the mistake are usually trivial. All the searcher needs to do is hit the back button, type a new web address into the address bar, or select a new bookmark—in any of these cases, taking the searcher only a moment or two to do so. Contrast these extrication costs

²⁸ How to Interpret Your Search Results, Google.com, at <http://www.google.com/help/interpret.html> (last visited May 28, 2003).

²⁹ Pagejacking occurs when a website copies and then displays the contents of a third party website to the search engine robots so that the filtering content in search engines will appear identical to the copied site. Pagejacking, Whatis.com, at http://whatis.techtarget.com/definition/0..sid9_gci213799.00.html (last visited June 18, 2003). See generally F. Gregory Lastowka, *Search Engines, HTML and Trademarks: What's the Meta For?*, 86 VA. L. REV. 835, 862-65 (2000), available at <http://www.chaihana.com/Metafor.pdf>.

³⁰ Note that even in that case, the domain names will be different and may still filter some searchers.

with situations where the searcher spends money upfront to obtain information or where the searcher spends non-trivial time trying to find alternative information sources (such as having to drive around town looking for vendors of a particular item).

Some unscrupulous publishers increase searchers' extrication costs using "mousetrapping," which involves opening lots of new windows when the searcher tries to leave or disabling the searcher's back button or ability to leave the web page.³¹ While these techniques are questionable, and have resulted in government enforcement actions for unfair trade practices,³² in practice these annoying techniques impose recognizable costs on searchers only in the most extreme cases.³³

D. Search Costs and Search Engines.

Search engines reduce search costs in two additional ways, in the way they "index" the contents of their databases and the way they sort search results.

Search engines can reduce search costs through the way they index (collect and organize) the content in their searchable database. A comprehensive search database reduces search costs by giving attention to additional websites, making them easier to find. Comprehensiveness also increases the odds that searchers with esoteric search objectives have a successful search. Because database size is so important, search engines compete on this basis.³⁴ Despite the efforts towards comprehensiveness, search engines do not display to searchers every possible

³¹ See Mousetrapping, Webopedia.com, at <http://www.webopedia.com/TERM/M/mousetrapping.html> (last visited June 3, 2003).

³² Federal Trade Comm'n v. Zuccarini, No. 01-CV-4854 (E.D. Pa. 2001), available at <http://www.ftc.gov/os/2001/10/cupcakepi.pdf>.

³³ Such as, perhaps, if the searcher is forced to restart his or her computer to evade the mousetrapping, potentially losing data and definitely losing minutes rather than seconds. *But see* Eun S. Bae, Note and Comment: *Pop-Up Advertising Online: Slaying the Hydra*, 29 RUTGERS COMPUTER & TECH. L.J. 139 (2003) (discussing various harms associated with mousetrapping).

³⁴ See Chris Sherman, SearchDay - FAST Sprints Past Google in Search Engine Size Wars, Searchenginewatch.com, June 17, 2002, at http://searchenginewatch.com/searchday/print.php/34711_2160141.

relevant result. Search engines truncate their listings of search results,³⁵ so lightly relevant publishers simply will not be displayed to searchers even if the publisher's web page contained the keyword being searched.

Search engines also reduce search costs by trying to read searchers' minds, by establishing keyword associations the searchers may not have thought of. One way search engines does this is by indexing "metadata," words not incorporated on a publisher's web page. For example, for a particular web page, Google also indexes words contained in the hypertext links (called "anchor text") established by third parties to that page.³⁶ Indexing metadata expands the likelihood that a match between searcher and publisher is made even if they did not use the same words.

Similarly, some search engines enable "concept searching," which expands a searcher's literal keywords to include other words or concepts, such as synonyms, common misspellings of the keyword or words that the search engine has editorially determined to have an association with the keyword. For example, a concept search on the keyword "Canon PowerShot A40" might automatically include search results generated from the keyword "digital camera." As with indexing metadata, concept searching tries to divine a searcher's intent by not interpreting their keyword search literally, thus increasing the likelihood that the search engine will provide what the searcher was actually looking for, even if the searcher did not say so expressly.

³⁵ For example, Google cuts off search results at 1,000. Chris Ridings & Mike Shishigin, PageRank Uncovered, September 2002, 7, at <http://www.supportforums.org/PageRank.pdf>. Truncation reduces the amount of computations a search engine needs to make in determining its search results order. *Id.*

³⁶ Google Blips: Search Not Always Right, CNN.com, Sept. 30, 2002, at <http://www.cnn.com/2002/TECH/internet/09/30/column.nettrends.reut/> (pointing out that a Google search for "go to Hell" listed Microsoft and AOL in the search results, and that Disney has been indexed under pornographic keywords due to links to Disney by pornographers as an option for users who claim not to be over 18); Linda Rosencrance, Google Search Leads to Gates of "Hell," Computerworld, Sept. 25, 2002, at <http://www.computerworld.com/printthis/2002/0,4814,74566,00.html>. The practice of deliberately putting words in links to third party websites as a way to create keyword associations in Google is sometimes called "Google bombing." Google Hit by Link Bombers, BBC News, Mar. 13, 2002, at <http://news.bbc.co.uk/1/hi/sci/tech/1868395.stm>.

The other primary way search engines can reduce search costs is by sorting the results in a way that improves the relevancy of the top listings. To do this, search engines display search results in an order determined by a proprietary methodology called a “relevancy algorithm.” Algorithms need not be sophisticated; for example, search engines can order results by date or alphabetically.³⁷ However, most search engine use complex formulas in an effort to improve the relevancy of the top listings. For example, Google’s algorithm purportedly considers 100 different factors,³⁸ including words in the page title, words on the page (including their placement in relationship to each other), the anchor text third parties have used to link to the page, and the page’s “PageRank,” a complex and data-intensive calculation that considers the number and quality of other websites linking to the page.³⁹

Search engines are constantly trying to improve the ordering of their search results, which in turn requires them to fend off publishers’ attempts to “game” the algorithms.⁴⁰ Recognizing the severe drop-off in attention and traffic publishers receive from being too low in the search results,⁴¹ publishers try lots of techniques—and tricks—to move up in the listings. In response, search engines keep their algorithms secret, so the publishers do not know the exact buttons to push. Search engines also frequently change their relevancy algorithms⁴² to create a moving target and to punish publisher tricks. Although publishers guess at what they can (and cannot)

³⁷ For example, search results in response to a keyword search in Nexis are, as a default, organized by date.

³⁸ Ridings & Shishigin, *supra* note XX, at 35.

³⁹ Ridings & Shishigin, *supra* note XX, at 8.

⁴⁰ See generally O’Rourke, *supra* note XX, at 286 (discussing search engine anti-gaming practices); Michael Totty & Mylene Mangalindan, *Web Sites Try Everything To Climb Google Rankings*, WALL ST. J., Feb. 26, 2003 (discussing the “arms races between big search engines” and search engine optimizers), available at http://online.wsj.com/article_email/0,,SB1046226160884963943,00.html.

⁴¹ At some point, usually after the top 10 or 20 search results, the number of visitors to a search result approach zero. Nielsen, *supra* note XX (“[U]sers almost never look beyond the second page of search results.”).

⁴² See Totty & Mangalindan, *supra* note XX (“Google frequently tweaks its search algorithm”); Ridings & Shishigin, *supra* note XX, at 35.

do to improve placement in search engine results, these efforts have uncertain efficacy—and, when the techniques fail, the consequences can be devastating.⁴³

Search engines often are portrayed as innocent passive conduits between publishers and searchers, and publishers are often portrayed as overzealous manipulators of search engines. While neither stereotype is wholly ungrounded, the reality is more nuanced. Publishers have far less control over their placement—both ranking and the words used to index them—than they want, and search engines do not blindly let publishers solely determine what content gets provided to searchers. As technologies and practices evolve, publishers and search engines are locked in a struggle over who predominantly controls the keyword associations made by searchers. Often, this struggle reaches a delicate balance where publishers and search engines share control, a stasis that can actually improve relevancy because control is both partially centralized in the search engines' hands and partially decentralized in the hands of millions of individual publishers.

Nowhere has this struggle between search engines and publishers been more explicit than in the controversy over keyword metatags. The keyword metatag controversy has caught the attention of courts and commentators, influencing dozens of lawsuits and spawning scads of law review articles. However, this abnormal attention is puzzling because keyword metatags' magical properties are far more rumored than actual.

The *Brookfield* court described metatags as follows:

⁴³ Search King Inc. v. Google Technology, Inc., 2003 WL 21464568 (W.D. Okla. 2003) (discussing the detrimental impact on a search engine optimizer's business when its Google PageRank was cut from 8 to 4, allegedly due to Search King's algorithm-manipulating link farm operations), available at <http://google.searchking.com/dismiss.htm>; Totty & Mangalindan, *supra* note XX (discussing how a clothing retailer's sales dropped 80% after its search results placement had been degraded in Google, presumably because of failed attempts to game Google's algorithm).

Metatags are HTML code intended to describe the contents of the web site. There are different types of metatags, but those of principal concern to us are the “description” and “keyword” metatags. The description metatags are intended to describe the web site; the keyword metatags, at least in theory, contain keywords relating to the contents of the web site.⁴⁴

The description metatag allows a publisher to instruct search engines about specific words to include in the filtering content. Thus, while the text in description metatags does not display when searchers visit the web page, they will have already seen it when reviewing the search results. In contrast, words in the keyword metatags are indexed by search engines but are not displayed in the filtering content or ordinarily viewable on the associated web page. Therefore, keyword metatags have a surreptitious nature, like a publisher is subliminally manipulating searchers’ attention, which might explain why keyword metatags have created so much angst.

However, the importance of keyword metatags’ surreptitiousness is overemphasized. Like every other word on a web page, keyword metatags enable a search engine to form a keyword association. Search engines are not required to form that association, and even if the association is formed, the web page still may never be displayed because it is in the truncated results.

Further, even when keyword metatags operate surreptitiously, they are just one of many aspects of search engine operations that searchers may not understand.⁴⁵ For example, searchers

⁴⁴ Brookfield Communications, Inc. v. West Coast Entm’t Corp, 174 F.3d 1036, 1045 (9th Cir. 1999). As the court suggests, there are dozens of other types of metatags. See A Dictionary of HTML META Tags, Apr. 4, 2003, at <http://vancouver-webpages.com/META/metatags.detail.html>. As with the description and keyword metatags, each metatag type’s “validity” depends on the degree to which web browsers and other websites recognize and adopt such usage. Some metatags have been incorporated into widely-recognized standards such as the specifications for HTML. Other metatags are recognized by only one or two search engines or other online services, which decreases the likelihood that web publishers will incorporate those metatags into their web pages.

⁴⁵ See Lucas D. Introna & Helen Nissenbaum, *Shaping the Web: Why the Politics of Search Engines Matter*, INFO. SOC’Y, Jul-Sept. 2000, at 169, available at <http://www.slis.indiana.edu/TIS/articles/introna163.html> (advocating that search engines should be more forthcoming about their operations to help searchers understand the search engine’s biases and limitations).

may have no idea that search engines are indexing metadata, enabling concept searching or truncating search results. Further, keyword metatags are not the only indexed keywords that are functionally invisible to searchers.⁴⁶ And because relevancy algorithms are kept secret, searchers do not know how search results are ranked. Therefore, searchers routinely do not know or understand how search engines aggregate or prioritize content, and keyword metatags are just one manifestation of that greater phenomenon.

So what makes keyword metatags magical? In the 1990s, several major search engines gave extra weight in their relevancy algorithms to words contained in the keyword metatags.⁴⁷ Using keyword metatags, publishers could boost their search results placement, gaining more visibility or, based on now-disfavored advertising industry practices of paying per impression, making more money from the page views of misdirected searchers.⁴⁸ With these benefits, some desperate publishers manipulated their keyword metatags to gain unwarranted attention or traffic, which in turn degraded the relevancy of search results.⁴⁹

However, not all search engines gave extra weight in their relevancy algorithms to keyword metatags, and those that did often realized that their results were being manipulated. As of Fall 2002, keyword metatags still received extra weight in the relevancy algorithms of only one major

⁴⁶ For example, some search engines index white text on a white background, text in a miniscule font size and text so far “below the fold” that few visitors realize it is there.

⁴⁷ Danny Sullivan, Death of a Meta Tag, Search Engine Report, Oct. 1, 2002, at http://www.searchenginewatch.com/sereport/print.php/34721_2165061 [hereinafter Sullivan, Metatag Death]. Sullivan says that Infoseek and AltaVista both started recognizing keyword metatags starting in early 1996, Inktomi starting in mid-1996 and Lycos starting in mid-1997.

⁴⁸ In the mid- and late-1990s, many advertisers paid for each ad impression delivered to a website visitor. Thus, a website able to attract searchers would increase its inventory of ad impressions and make more money, even if the searchers were misled about the relevance of the website to their search. See O’Rourke, *supra* note XX, at 284 and 302-03. Because these practices did not create real economic value for advertisers, they have largely moved away from paying solely based on the number of ad impressions, preferring to pay based on a website’s performance in generating qualified leads or actual sales. [cite] As a result, by 2003, the ability to obtain greater advertising revenues merely by tricking users to visit a website is effectively dead.

⁴⁹ Sullivan, Metatag Death, *supra* note XX.

search engine.⁵⁰ Because the positioning benefits of keyword metatag manipulation are now slight, and it is time-consuming and distracting for publishers to properly craft effective keyword metatags, some search engine industry analysts now advise publishers not to waste their time manipulating keyword metatags.⁵¹

Irrespective of the efficacy of keyword metatags, some disapprove of a publisher's seemingly bad intent when using keyword metatags, especially when the keywords are competitors' trademarks.⁵² Once again, this disapproval incorrectly singles out keyword metatags, which are just one of many possible techniques to manipulate search engine relevancy algorithms,⁵³ and not an especially effective technique at that. Furthermore, some websites may generate keyword metatags automatically based on web page contents, in which case the website's "intent" is not especially purposeful. Most crucially, to the extent that keyword metatags help searchers find relevant content, their effect is laudable irrespective of intent.

While it may never have been appropriate to craft special legal rules for keyword metatags, today such rules certainly are anachronistic. Keyword metatags have no special properties and

⁵⁰ Sullivan, *Metatag Death*, *supra* note XX. As of Fall 2002, Sullivan says Inktomi remains the only major search engine to recognize keyword metatags; Google, FAST, AltaVista and Lycos do not. According to Inktomi, "The meta keywords value is just one of many factors in our ranking equation, and we've never given too much weight to it." *Id*

⁵¹ Sullivan, *Metatag Death*, *supra* note XX; Andrew Goodman, *An End to Metatags (Enough Already, Part 1)*, Traffick.com, Sept 2., 2002, at <http://www.traffick.com/print.asp?aID=102>.

⁵² *Eli Lilly & Co. v. Natural Answers, Inc.*, 233 F. 3d 456, 465 (7th Cir. 2000); Chad J. Doellinger, *Trademarks, Metatags and Initial Interest Confusion: A Look to the Past to Reconceptualize the Future*, 41 IDEA 173, 220 (2001) ("the only reason a competitor would include the trademarks of another in the metatags of its web site would be to attempt to divert some of the trademark holder's potential customers"), available at http://www.idea.piercelaw.edu/articles/41/41_2/1.Doellinger.pdf; J. Thomas McCarthy, *Trademarks, Cybersquatters and Domain Names*, 10 J. ART. & ENT. LAW 231, 234 (2000) (calling competitive uses of keyword metatags "palming off"); O'Rourke, *supra* note XX, at 303 ("there seems to be general agreement that metatagging at best is an unfair way to compete and at worst is morally reprehensible").

⁵³ See generally *J.K. Harris & Co. v. Kassel*, 2002 WL 1303124 (N.D. Cal. 2002), *rev'd* 253 F. Supp. 2d 1120 (N.D. Cal. 2003) (discussing the various efforts the defendant, a critic of plaintiff, took to manipulate search results placement). Other techniques include keyword repetition (sometimes referred to as "search engine spamming," "spamdexing" or "word stuffing"), keyword placement (some search engines evaluate a keyword based its position on a page or proximity to other words), "cloaking" (displaying a different page to search engine robots than are shown to other visitors, sometimes referred to as using "doorway pages," "gateway pages" or "bridge pages") and participating in "link farms" (programs designed to establish reciprocal links to websites to make it appear that a large number of websites have deemed each of the participating websites important enough to link to).

do not necessarily increase search costs. One commentator has declared the death of keyword metatags from a marketing standpoint;⁵⁴ it is time to do so from a legal standpoint as well.

E. Search Costs and Domain Names.

Almost uniformly, domain names are perceived as a unique search technology completely distinguishable from other Internet search technologies. In turn, these perceived differences have led to the passage of domain name-specific laws.⁵⁵ This perception is not totally unsupported, as domain names do have some unique attributes as a search technology.⁵⁶ First, unlike a keyword-driven search at a search engine, domain names (by their technical architecture) deliver only a single search result (i.e., the website at the IP address associated with the domain name).⁵⁷ Second, a searcher does not preview any filtering content (other than the domain name itself) before accessing the content associated with a domain name.⁵⁸ However, these differences are not necessarily an advantage; in fact, they may just lead to higher search costs than other forms of Internet search.

⁵⁴ Sullivan, Metatag Death, *supra* note XX.

⁵⁵ Anticybersquatting Consumer Protection Act, Pub. L. No. 106-113 (1999), available at <http://mama-tech.com/antipiracy.html>; 18 U.S.C. §2252B (2003) (prohibiting the use of misleading domain names that lead to pornography); CAL. BUS. & PROF. CODE §§17525-17528 (prohibiting the bad faith registration, use or trafficking of another person's name as a domain name), available at <http://www.leginfo.ca.gov/cgi-bin/waisgate?WAIISdocID=42979623520+0+0+0&WAIISaction=retrieve>.

⁵⁶ In addition to their role in web publishing, domain names can be used for email addresses, raising other issues beyond this Article's scope.

⁵⁷ Various efforts have been taken to bypass the technical constraint of "one domain name, one result." For example, RealNames tried to deploy a keyword system where a searcher would type a keyword into their software and receive, in return, a list of websites that had all paid to be associated with that keyword. RealNames ultimately succumbed to the marketplace, perhaps because users migrated away from domain names and towards search engines like Google. See Ben Edelman, DNS as a Search Engine: A Quantitative Evaluation, July 1, 2002, at <http://cyber.law.harvard.edu/people/edelman/DNS-as-search/> (demonstrating that the relevance of RealNames' results were consistently lower than Google's).

Also, some domain names (such as scrabble.com, playtex.com and disc.com) resolve to a "gateway page" (sometimes referred to as a "shared page" or "intermediate page") which has the sole purpose of allowing multiple trademark owners or licensees to "share" the domain name through pointers on the page to their respective sites.

⁵⁸ While this lack of filtering content is inherent in the domain name architecture, search engines can replicate this feature if searchers find it desirable to bypass filtering content. Google's "I'm Feeling Lucky" feature is such an example. A Google searcher who presses this button will immediately be taken to Google's top search result without seeing any other search results or any filtering content. Google Web Search Features, <http://www.google.com/help/features.html#lucky> (last visited May 27, 2003).

In the past, some Internet searchers specifically used domain names as an information retrieval system, such as by guessing domain names expected to retrieve relevant content.⁵⁹ The desired content could have been the official site of a trademark owner (such as assuming that kodak.com was associated with Eastman Kodak Company) or just general information on a topic (such as assuming that pets.com would contain information about pets). In either case, the user used a keyword (in these examples, “Kodak” or “pets”) in the domain name “search” system to try to locate relevant content.

Unfortunately, the DNS was not designed to be a search tool,⁶⁰ and not surprisingly, it does a poor job when used that way.⁶¹ There are several reasons why the DNS fails as a search tool, especially when searchers try to guess domain names.⁶² First, the “relevancy algorithm” of many top level domains (TLDs) is a “first to register” system,⁶³ which does little to control relevancy. Second, without filtering content, searchers lack an expeditious way to preview the associated website to assess relevancy. Third, the “one website per domain name” architecture works well when a single party or idea is universally associated with the term (such as in the case of a well-known fanciful trademark) but very poorly with other terms. Finally, searchers can incur extra search costs, such as encountering mousetrapping or unwanted pornography, associated with

⁵⁹ Mueller Report, *supra* note XX, at <http://www.taubmansucks.com/Act108c.html> (asserting that domain name guessing was reasonably effective between 1994-97).

⁶⁰ Edelman, *supra* note XX; Mueller Report, *supra* note XX, at <http://www.taubmansucks.com/Act108b.html>.

⁶¹ See generally Edelman, *supra* note XX (comparing the relevance of results generated through domain name guessing, search engines, and the RealNames keyword system).

⁶² See generally Mueller Report, *supra* note XX, at <http://www.taubmansucks.com/Act108c.html> (giving reasons for the decline of domain name guessing).

⁶³ More recently, new TLDs have varied the first to register approach, using techniques like segmented registration periods where only registrants possessing a registered trademark in the domain name can register during the initial period.

using incorrect domain names by making a typing mistake⁶⁴ or encountering a domain name that has expired and been re-registered.⁶⁵

Because of the limits of domain names as a search tool, the role of domain names in the Internet information infrastructure is waning. Compared with the dot com bubble days, domain names are being registered at a lower rate,⁶⁶ fewer domain names are being fought over,⁶⁷ and domain names are being transferred at lower values.⁶⁸

More importantly, searchers are guessing domain names as an information retrieval process at a decreasing rate.⁶⁹ Instead, searchers choose search engines to find their objectives, *even when the searcher has enough information to easily guess the domain name.*

Consider the following top terms searched at various meta-search engines⁷⁰ in Summer 2002: Google (#1), Yahoo (#3), eBay (#7), Hotmail (#8), Hotmail.com (#9), Yahoo.com (#13),

⁶⁴ Domain name squatters who register typographical error versions of popular domain names are called “typosquatters.” *Shields v. Zuccarini*, 254 F.3d 476, 483 (3d Cir. 2001), *available at* <http://www.keytlaw.com/Cases/shields.htm>; *see also* *Electronics Boutique Holdings Corp. v. Zuccarini*, 2001 WL 83388 (E.D. Pa. 2001), *aff’d without comment*, 33 Fed. Appx. 647 (3d Cir. 2002). *See generally* Dara B. Gilwit, *Note, The Latest Cybersquatting Trend: Typosquatters, Their Changing Tactics, and How to Prevent Public Deception and Trademark Infringement*, 11 WASH U.J.L. & POL’Y 267 (2003), *available at* <http://law.wustl.edu/Journal/11/p267Gilwitnotebookpages.pdf>.

⁶⁵ This phenomenon is referred to as “porn napping” when the domain name is reregistered by pornographers. A recent ruckus occurred when a link from Sen. Orrin Hatch’s website was porn napped, leading some to wonder if Sen. Hatch endorsed pornography. *See* Robert Gehrke, *Hatch Removes Mistaken Link to Porn Site*, *Newsday.com*, June 20, 2003, *at* http://www.newsday.com/news/politics/wire/sns-ap-hatch-porn-site_0,1383585.story?coll=sns-ap-politics-headlines.

⁶⁶ Gwendolyn Mariano, *It’s a Smaller World Wide Web After All*, *CNET News.com*, Jan. 2, 2002, *at* <http://news.com.com/2100-1023-801088.html>. A different survey shows that total domain name registrations in US-centric top level domains declined over 10% from its peak in October 2001, although registrations started climbing again in Summer 2002. *History of gTLD Domain Name Growth*, *Zooknic*, *at* <http://www.zooknic.com/Domains/counts.html> (last visited June 21, 2003).

⁶⁷ Tamara Loomis, *Domain Name Disputes Decline as Internet Matures*, *New York Lawyer*, Feb. 6, 2003, *at* <http://www.nylawyer.com/news/03/02/020603c.html> (citing statistics that UDRP proceedings had dropped 50% in two years). *See generally* Milton Mueller, *Success by Default: A New Profile of Domain Name Trademark Disputes Under ICANN’s UDRP*, June 24, 2002, *at* <http://dcc.syr.edu/markle/markle-report-final.pdf>.

⁶⁸ Joanna Glasner, *Looking for the Beef (.com)*, *Wired News*, May 12, 2003, *at* <http://www.wired.com/news/print/0,1294,58763,00.html>; *see also* Loomis, *supra* note XX (citing a trademark lawyer’s assessment of the decline in value of domain names).

⁶⁹ *See* Mueller Report, *supra* note XX, *at* <http://www.taubmansucks.com/Act108c.html> (describing a 1999 non-scientific survey where almost no searchers relied on domain name guessing as a primary search tool, and search engines were considered significantly more helpful than domain name guessing).

www.hotmail.com (#15), Mapquest (#18) and www.yahoo.com (#20).⁷¹ Assuming that the searcher was actually looking for these websites, the searcher could have easily and accurately guessed the domain name and entered that information into their web browser address bar to find the desired site.

In the case of www.hotmail.com and www.yahoo.com, no guessing was required. The searcher already had the exact web address that could have been entered into the browser address bar, but instead searchers—enough of them to make these keywords among the top 20 most searched terms—chose a search in the search engines over typing in the address bar. Searchers using the terms www.hotmail.com or www.yahoo.com in a search engine are not using the most efficient process; at minimum, entering the term into their address bar would have saved an extra mouse click or two. So why did the searchers search on these terms instead?

One theory is that searchers have had a sufficient quantity of bad experiences guessing domain names (due to typosquatting, mousetrapping, accessing the wrong website, etc.) that these searchers start *every* search at a search engine. The process of conducting every search through a search engine can actually be an efficient search strategy if the search engine is consistently good enough—which many search engines now are⁷²—because a universal search process eliminates time and energy spent thinking about an optimal search strategy for each

⁷⁰ A meta-search engine allows a user to search multiple search engines with a single search query. Meta Search Engine, About.com, at <http://websearch.about.com/library/glossary/bldef-meta-search-engine.htm> (last visited July 1, 2003).

⁷¹ Top 500 Keyword Report, Wordtracker.com, July 24, 2002. at http://www.searchengineguide.com/wt/2002/0729_wt1.html.

⁷² Edelman, *supra* note XX (“alternative search engines, such as leading search engine Google, provide the content of interest with a greater accuracy and reliability than does the DNS”); Loomis, *supra* note XX (citing a trademark attorney who said domain name registrations were becoming less important as search engines combated manipulation and delivered highly relevant results); Mueller Report, *supra* note XX, at <http://www.taubmansucks.com/Act108c.html> (“Many users now report that search engines such as Google can reliably deliver the web site they want to the top of the search list based on a few keywords.”).

search. This would explain how keywords like www.hotmail.com or www.yahoo.com can become top 20 search terms.

While it is likely some searchers still domain name guess regularly, and other searchers guess domain names occasionally, the practice appears to be on the wane, in turn diminishing the centrality of domain names as *the* defining identity of a website. If anything, top search engine placement has eclipsed domain names as the prime “location” on the Internet.⁷³

2. DEFINING CONSUMER CONFUSION.

A. The Emergence of Initial Interest Confusion.

As the previous Part illustrated, all major Internet search processes are keyword-dependent, with some having lower search costs than other. Because keywords are the essential attribute to all of these technologies, the legal rules applied to keywords and keyword associations has significant consequences for how search processes are deployed and used. The core role of keywords in search processes makes keyword associations essential to the Internet’s operation. Overregulation, or inconsistent regulation, of keyword associations will interfere with these operations. Specifically, balkanized domain name- or keyword metatag-specific laws lead to inconsistent policy implications, and cannot be supported except based on historical notions of how these processes differed from others.

Instead, it is desirable, and perhaps essential, to develop an integrated “keyword law.” Trademark law is the primary legal regulation applicable to keyword associations, so it is necessary to explore the interaction between the two.

⁷³ See Dan Gillmor, ‘Google Effect’ Reduces Need for Many Domains, SiliconValley.com, Jan. 12, 2002, at http://www.bayarea.com/mld/siliconvalley/business/columnists/dan_gillmor/2531424.htm?template=contentModule/printstory.jsp (describing how the author let domain name registrations lapse because search engines have usurped the search and retrieval functions of domain names).

Trademark infringement occurs when there is a likelihood that consumers will be confused about the source and origin of goods and services in the marketplace.⁷⁴ To make this determination, courts usually use an MFLOCC test.⁷⁵ The MFLOCC tests attempts to protect both consumer expectations and producer's efforts to build goodwill, but these two interests can be at odds with each other. As a result, courts must constantly balance these interests. However, some situations make the MFLOCC test hard to apply, such as new technological contexts or where the claimed acts of infringement are so far removed from any purchasing decision that consumers may not be concerned about product source.

As a result, courts dealing with lawsuits over keyword associations have frequently turned to the initial interest confusion ("IIC") doctrine. Unfortunately, IIC is a poorly defined doctrine without a universally-accepted definition. The leading case, *Brookfield*, defines IIC as "the use of another's trademark in a manner reasonably calculated to capture initial consumer attention, even though no actual sale is finally completed as a result of the confusion."⁷⁶ Other cases have used more abbreviated definitions, such as "momentary" or "temporary" confusion.⁷⁷

⁷⁴ J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § ____ (4th ed. June 2003).

⁷⁵ The factors vary between federal circuits, but the tests have many factors in common. McCarthy provides a summary version of an MFLOCC test with the following factors:

- The degree of resemblance between the conflicting designations;
- The similarity of the marketing methods and channels of distribution;
- The characteristics of the prospective purchasers and the degree of care they exercise;
- The degree of distinctiveness of the senior user's mark;
- Where the goods or services are not competitive, the likelihood that prospective buyers would expect the senior user to expand into the field of the junior user;
- Where the goods or services are sold in different territories, the extent to which the senior user's designation is known in the junior user's territory;
- The intent of the junior user; and
- Evidence of actual confusion.

MCCARTHY, *supra* note XX, §24.29.

⁷⁶ *Brookfield Communications, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 1062 (9th Cir. 1999) (quotations and citations omitted); *see also* MCCARTHY, *supra* note XX, §23.6.

⁷⁷ *See, e.g., Westchester Media Co. v. PRL USA Holdings, Inc.*, 103 F. Supp. 2d 935 (S.D. Tex. 1999) ("fleeting perception" sufficient); *Westchester Media Co. v. PRL USA Holdings, Inc.*, 1999 U.S. Dist. LEXIS 12369 (S.D. Tex. 1999); *New York State Soc'y of Certified Public Accountants v. Eric Louis Assocs., Inc.*, 79 F. Supp. 2d 331 (S.D.N.Y. 1999) ("When [users] arrive at Defendant's web site, they cannot help being confused—even if momentarily."); *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176 (W.D.N.Y. 2000) ("When [users] arrive

Historically, IIC was a non-dispositive tool that some circuits used to analyze one or a couple of likelihood of consumer confusion factors,⁷⁸ including purchaser care,⁷⁹ consumer sophistication,⁸⁰ evidence of actual confusion⁸¹ and competitive proximity.⁸² The Seventh Circuit had a slightly more restrictive standard, limiting IIC to situations where the defendant initially passed off goods as those of a competitor in a bait-and-switch context.⁸³ The First Circuit did not recognize IIC at all.⁸⁴

In the cases where it was discussed, IIC has never received a thorough or clear explanation of the policy justifications supporting it,⁸⁵ nor has any case actually cited to empirical evidence

at Defendant's web site, they cannot help being confused—even if momentarily.”); *Simon Prop. Group L.P. v. mySimon, Inc.*, 104 F. Supp. 2d 1033 (S.D. Ind. June 7, 2000) (“[E]ven if the consumer immediately became aware of his or her mistake and immediately learned that mySimon is not affiliated with SPG, initial interest confusion still would have occurred.”); *Promatek Indus., Ltd. v. Equitrac Corp.*, 300 F.3d 808 (7th Cir. 2002) (“That consumers who are misled by Equitrac’s website are only briefly confused is of little or no consequence.”).

⁷⁸ *Davis & Boustani*, supra note XX.

⁷⁹ *Dr. Seuss Enters., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997).

⁸⁰ *See, e.g.*, *Grotrian, Helfferich, Schultz, Th. Steinweg Nachf. v. Steinway & Sons*, 365 F. Supp. 707 (S.D.N.Y. 1973), *aff’d*, 523 F.2d 1331 (2d Cir 1975); *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254 (2d Cir. 1987); *Rust Env’t & Infrastructure, Inc., v. Teunissen*, 131 F.3d 1210 (7th Cir. 1997).

⁸¹ *See, e.g.*, *Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188 (5th Cir. 1998).

⁸² *See, e.g.*, *Interstellar Starship Servs., Ltd. v. Epix Inc.*, 184 F.3d 1107 (9th Cir. 1999).

⁸³ *See* *Dorr-Oliver, Inc. v. Fluid-Quip, Inc.*, 94 F.3d 376, 382 (7th Cir. 1996). The Seventh Circuit’s attitude towards IIC has become unclear. In August 2002, in *Promatek*, the Seventh Circuit initially treated keyword association as actionable goodwill misappropriation, but then amended that ruling in October 2002 to add a requirement that consumers had to have been deceived into thinking that the defendants were the plaintiffs. *See* *Promatek Indus., Ltd. v. Equitrac Corp.*, 300 F.3d 808 (7th Cir. 2002). A subsequent ruling seems to reinforce that the Seventh Circuit requires some intent to pass off to find IIC. *AM Gen. Corp. v. DaimlerChrysler Corp.*, 311 F.3d 796 (7th Cir. 2002).

⁸⁴ *Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201, 1207 (1st Cir. 1983) (temporary confusion not recognizable).

⁸⁵ Even Prof. McCarthy does not offer a clear substantive justification for IIC. His treatise’s discussion about IIC recites several cases recognizing the doctrine and then offers up the following analogy to support it:

The analogy to trademark initial interest confusion is a job-seeker who misrepresents educational background on a resume, obtains an interview and at the interview explains that the inflated resume claim is a mistake or ‘typo.’ The misrepresentation has enabled the job-seeker to obtain a coveted interview, a clear advantage over others with the same background who honestly stated their educational achievements on their resumes. In such a situation, it is not possible to say that the misrepresentation caused no competitive damage.

MCCARTHY, supra note XX, §23.6. This analogy is perplexing because the job-seeker uses the trademark as a false “product” *attribute* (i.e., inflated credentials), not a confusing designation of the product *source* (the job seeker, not his degree-granting institution, supplies the “product”). Further, the job-seeker is not using the trademarks of other job-seekers, so the other job seekers would not have standing to sue for trademark infringement. Therefore, the “competitive damage” experienced by other job-seekers may be due to false advertising or misrepresentation, but not trademark infringement.

supporting the existence of initial interest confusion among consumers.⁸⁶ The seminal case, *Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*,⁸⁷ nicely illustrates this deficiency. That case involved two high-end piano manufacturers whose respective trademarks were partial homonyms (“Steinway” and “Grotrian-Steinweg,” with the latter word pronounced in German phonetically the same as Steinway). The court’s entire discussion of IIC consists of the following:

The harm to Steinway, rather, is the likelihood that a consumer, hearing the “Grotrian-Steinweg” name and thinking it had some connection with “Steinway,” would consider it on that basis. The “Grotrian-Steinweg” name therefore would attract potential customers based on the reputation built up by Steinway in this country for many years. The harm to Steinway in short is the likelihood that potential piano purchasers will think that there is some connection between the Grotrian-Steinweg and Steinway pianos.⁸⁸

What exactly was the harm? The dual references to “connection” are both ambiguous. Is the court talking about the customers transferring goodwill from the trademark owner to the junior user? Or is the court merely treating keyword association between the respective brands as the harm? In the latter case, the court hardly makes a compelling case to support that. The court does say the keyword association may trigger further investigation, but is that a harm?

For almost three decades, the policy deficiencies of *Grotrian-Steinweg* specifically and IIC generally were of limited consequence because the doctrine was relatively infrequently litigated.

⁸⁶ Mueller Report, *supra* note XX, at <http://www.taubmansucks.com/Act108c.html> (IIC “lacks an established corpus of social science research confirming its existence and defining its characteristics”).

⁸⁷ *Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 523 F.2d 1331 (2d Cir 1975).

⁸⁸ *Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 523 F.2d 1331, 1342 (2d Cir. 1975) (footnote omitted).

Then, in 1999, in *Brookfield Communications v. West Coast Entertainment Corp.*,⁸⁹ the Ninth Circuit tersely stated in a footnote that the MFLOCC test did not apply to keyword metatag cases,⁹⁰ and IIC was the proffered alternative.

Empowered by this footnote, some courts treat IIC as a full blown alternative to the MFLOCC test.⁹¹ Other courts have rejected such a broad application of IIC. Some courts have limited IIC to competitors,⁹² and occasionally courts have rejected IIC on other grounds.⁹³ Even the Ninth Circuit appeared to effectively reverse itself by merging IIC back into the MFLOCC test.⁹⁴ However, the Ninth Circuit continues to waffle about the standard, if any, it applies to IIC,⁹⁵ and with the IIC genie released from the bottle, other courts continue to think IIC is a standalone “test” for likelihood of consumer confusion even after the Ninth Circuit’s flip-flop.⁹⁶

When divorced from the MFLOCC test, the IIC doctrine lacks any rigorous evaluative standard, meaning defendants are almost invariably going to lose an IIC claim, at least when applied to the Internet. By its very definition, IIC applies to efforts to capture initial consumer

⁸⁹ *Brookfield Communications, Inc. v. West Coast Entm’t Corp.*, 174 F.3d 1036 (9th Cir. 1999).

⁹⁰ Specifically, the court said:

As a district court within our circuit recognized in a recent case involving a claim of trademark infringement via metatags usage, “[t]his case . . . is not a standard trademark case and does not lend itself to the systematic application of the eight factors.” *Playboy Enters. v. Welles*, 7 F. Supp. 2d 1098 (S.D. Cal. 1998). Because we agree that the traditional eight-factor test is not well-suited for analyzing the metatags issue, we do not attempt to fit our discussion into one of the Sleekcraft factors.

Brookfield Communications, Inc. v. West Coast Entm’t Corp., 174 F.3d 1036, 1062 n.24 (9th Cir. 1999).

⁹¹ See *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176 (W.D.N.Y. 2000); *Simon Prop. Group L.P. v. mySimon, Inc.*, 104 F. Supp. 2d 1033, 1049 (S.D. Ind. 2000); *Bihari v. Gross*, 119 F. Supp. 2d 309 (S.D.N.Y. 2000) (but finding no violation); *Key3Media Events, Inc. v. Convention Connection, Inc.*, 2002 U.S. Dist. LEXIS 4043 (D. Nev. 2002).

⁹² See *Checkpoint Sys. v. Check Point Software Techs., Inc.*, 269 F.3d 270 (3d Cir. 2001). See also *Abbott & Abbati*, 356-57 (arguing that non-competitiveness appears to be a defense to IIC)

⁹³ See *AM Gen. Corp. v. DaimlerChrysler Corp.*, 311 F.3d 796 (7th Cir. 2002) (saying no IIC in trade dress case where there was no “bait and switch”).

⁹⁴ See *Interstellar Starship Servs. v. Epix, Inc.*, 304 F.3d 936 (9th Cir. 2002).

⁹⁵ See *Horphag Research Ltd. v. Pellegrini*, 328 F.3d 1108 (9th Cir. 2003) (finding trademark infringement based solely on metatag usage without any MFLOCC analysis).

⁹⁶ E.g. *J.K. Harris & Co. v. Kassel*, 253 F. Supp. 2d 1120, 1124 n.2 (N.D. Cal. 2003) (IIC is “a distinct harm, separately actionable under the Lanham Act”).

attention, but every form of marketing is just that—an effort to attract consumer attention.⁹⁷

Furthermore, on the Internet, where every word on every page can be indexed by search engines, every word on every web page has the capacity to cause web publishers to receive attention through inclusion in search results listings.

As a result, broad application of IIC inevitably jeopardizes many web communications. Indeed, IIC has been reached normatively troublesome results including being used to curtail parodies,⁹⁸ criticism about the trademark owner,⁹⁹ directory information about used equipment dealers¹⁰⁰ and promotion by third party vendors of after-market servicing.¹⁰¹ With courts still applying IIC as a standalone test for trademark infringement, IIC poses significant risk to a robust marketplace of ideas.

B. Goodwill Misappropriation and Switching Cost Arbitrage.

As evidenced by this discussion, IIC creates chaotic and potentially draconian results because it cannot be used to distinguish between potentially inconsequential keyword association and damaging goodwill misappropriation. But there is a difference, and the two need to be distinguished.

⁹⁷ Cf. Yelena Dunaevsky, Comment, *Don't Confuse Metatags with Initial Interest Confusion*, 29 FORDHAM URB. L.J. 1349, 1376 (2002) (“what other purpose can a business owner have in setting up a website, if not to attract consumers?”).

⁹⁸ See *Dr. Seuss Enters., L.P. v. Penguin Books USA*, 109 F.3d 1394 (9th Cir. 1997); *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176 (W.D.N.Y. 2000).

⁹⁹ See *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176 (W.D.N.Y. 2000); *J.K. Harris & Co. v. Kassel*, 2002 WL 1303124 (N.D. Cal. 2002), *rev'd* 253 F. Supp. 2d 1120 (N.D. Cal. 2003).

¹⁰⁰ See *Caterpillar Inc. v. TeleScan Techs., L.L.C.*, 2002 U.S. Dist. LEXIS 3477 (C.D. Ill. 2002) (providing database of dealers of plaintiff's products); *PACCAR Inc. v. TeleScan Techs., L.L.C.*, 319 F.3d 243 (6th Cir. 2003) (providing information about accessories and dealers using the plaintiff's trademarks in the domain names).

¹⁰¹ See *Promatek Indus., Ltd. v. Equitrac Corp.*, 300 F.3d 808 (7th Cir. 2002). See generally Katherine Ivancevich, Case Notes & Comments, *Promatek Industries, Ltd. v. Equitrac Corporation: Perpetrating the Metatag Fallacy*, 12 J. ART & ENT. LAW 351 (2002) (discussing how trademark owners will feel competitive pressure to improve their products as a result); (criticizing the *Promatek* case for not recognizing the defendant's role as an after-market service provider)..

A potentially infringing keyword association occurs when a party keyword associates its product X with a third party trademark Y such that searchers make a cognitive link between X and Y. Based on this linkage, a searcher might reach any of the following understandings:

- X and Y are competitors
- X and Y are complements
- Y sponsors X
- X provides more information about Y
- X has nothing to do with Y

The linkage could also be indeterminate, requiring the searcher to do more investigation to understand the association between X and Y.

From this keyword association, goodwill misappropriation might follow. Goodwill misappropriation occurs when X derives some benefit because the searcher, having made a cognitive linkage between X and Y, mentally transfers to X some of his or her good sentiments about Y. With respect to word marks, a searcher must make a keyword association before goodwill can be misappropriated. However, a keyword association does not necessarily transfer good sentiments, and many do not, in which case the keyword association merely establishes a harmless cognitive linkage.

A brief discussion about parody illustrates this principle. For a trademark parody to work, the trademark must be used enough to conjure it up—in other words, to associate the parody with the subject trademark.¹⁰² Once the linkage is established, the parodist builds upon the association to make his or her point. The “conjuring up” process does not inherently transfer goodwill from the trademark owner to the parodist; rather, it merely creates a linkage.

¹⁰² MCCARTHY, *supra* note XX, §31:155; *see also* G. Gervaise Davis III & Eric B. Boustani, *Initial Interest Confusion and the Internet: A Confusion of Trademark Law Principles*, J. OF INTERNET L., Jan. 2002 (discussing IIC and parody).

Some courts, like *Grotrian-Steinweg*, appear to find keyword association intrinsically problematic, but it is not clear why. Keyword associations can cause a searcher to expand his or her consideration set, but neither the trademark owner or society generally automatically suffer a detriment as a result. The expanded consideration does not necessary lead to lost sales for the trademark owner, and where lost sales occur, it may be due to the junior user's more effective competition in the marketplace.¹⁰³

In addition, keyword associations can also increase overall sales for all players in the niche by reducing customer search costs.¹⁰⁴ The linkage may help a searcher to understand the competitive landscape, decide between alternatives and compare prices. To the extent the linkages reduce search costs compared to other search techniques, some transactions will become feasible that were previously foreclosed.

Despite these benefits, keyword association can lead to goodwill misappropriation by calling attention to a publisher. Once a searcher's attention has been captured, the publisher can abuse it to secure improper benefits by engaging in "switching cost arbitrage."

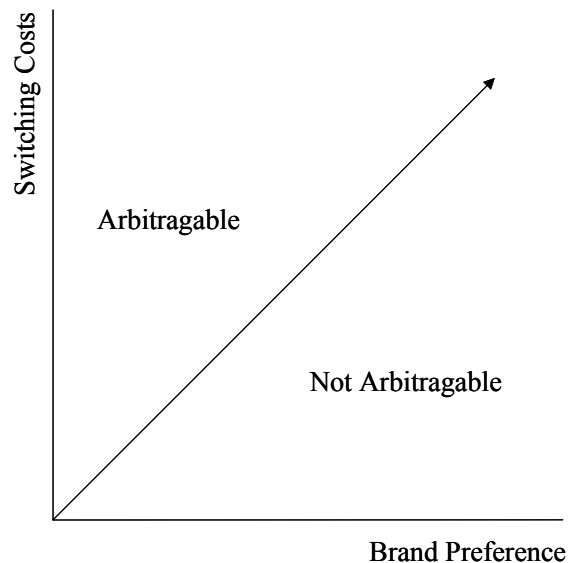
Switching costs are the search costs (time and money) that a searcher incurs from stopping one search and starting a new one. If the keyword association causes the searcher to find exactly the content the searcher was seeking, the searcher incurs no switching costs because no switch is desired. However, where a keyword association is ambiguous about the relationship between the keyword and the content, the searcher may expend additional time to understand the association. By doing further investigation, the searcher may clarify the ambiguity or confusion and realize that the searcher is currently dealing with a different party than initially intended, at which point

¹⁰³ See generally Ivancevich, *supra* note XX, at 383-84 (discussing how trademark owners will feel competitive pressure to improve their products as a result); Brian D. Kaiser, *Contributory Trademark Infringement by Internet Service Providers: An Argument for Limitations*, 7.1 J. TECH. L. & POL'Y 4 (2002) (same), available at <http://dogwood.circa.ufl.edu/~techlaw/vol7/Kaiser.htm>.

¹⁰⁴ See George J. Stigler, *The Economics of Information*, 69 J. OF POL. ECON. 213 (1961).

the searcher is faced with a choice: should the searcher continue on the same path or change paths?

With the searcher evaluating this choice, a publisher can exploit or benefit from the fact that marginal switching costs are greater than zero. Where the benefits of switching a search are less than the marginal switching costs, a rational searcher will stay with his or her current search. The “stickiness” created by these switching costs creates an arbitrage opportunity for publishers to use those switching costs to obtain more benefits than they deserve. Specifically, with respect to trademarks used to create keyword association, a searcher may decide to interact with the junior user because the switching costs to find and engage the trademark owner exceed the marginal benefits of doing so. The following chart illustrates the boundaries of the arbitrage opportunity:



As the chart indicates, searchers make trade-offs between brand preference and switching costs incurred to break off an existing search and find the trademark owner’s offering. The stronger a searcher’s brand preference, the more costs the searcher is willing to incur to find the trademark owner. Similarly, the higher the switching costs, the more they have to care about brand to

justify a switch. The line indicates there is some boundary where searchers will break off their search and continue on their current path. Although we cannot determine a universal border for all situations, the chart suggests that arbitrage opportunities are stronger when the junior user increases switching costs or vends commodity products.

In some cases, searchers will be attracted by the keyword association but, in the course of investigating, realize that the content they are seeing has nothing to do with the type of product initially sought. Nevertheless, a searcher may proceed because the searcher dynamically changes objectives to seek this new product. In this case, no arbitrage has occurred because there are no switching costs and no brand preferences. The fact that a keyword association initiated this chain of events does not matter; if the searcher is receiving content the searcher deems relevant to the search, trademark law must step aside.

The switching cost arbitrage model can help explain one of the seminal IIC cases, *Mobil Oil Corp. v. Pegasus Petroleum Corp.*,¹⁰⁵ which involved two companies in the oil business. Mobil Oil had a consumer-oriented retail petroleum business branded under its familiar Pegasus logo.¹⁰⁶ Mobil Oil also had a business-to-business bulk oil trading business that did not use the Pegasus logo. The junior user, Pegasus Petroleum, competed with Mobil Oil in the oil trading business but not the consumer business. The court observed that Pegasus Petroleum gained additional credibility in initial sales pitches because bulk oil customers might assume that, based on the name, Pegasus was associated with Mobil Oil.¹⁰⁷ On that basis, the court said that Pegasus Petroleum was misappropriating goodwill from Mobil Oil,¹⁰⁸ even though the bulk oil

¹⁰⁵ *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254 (2d Cir. 1987).



¹⁰⁷ *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 259 (2d Cir. 1987).

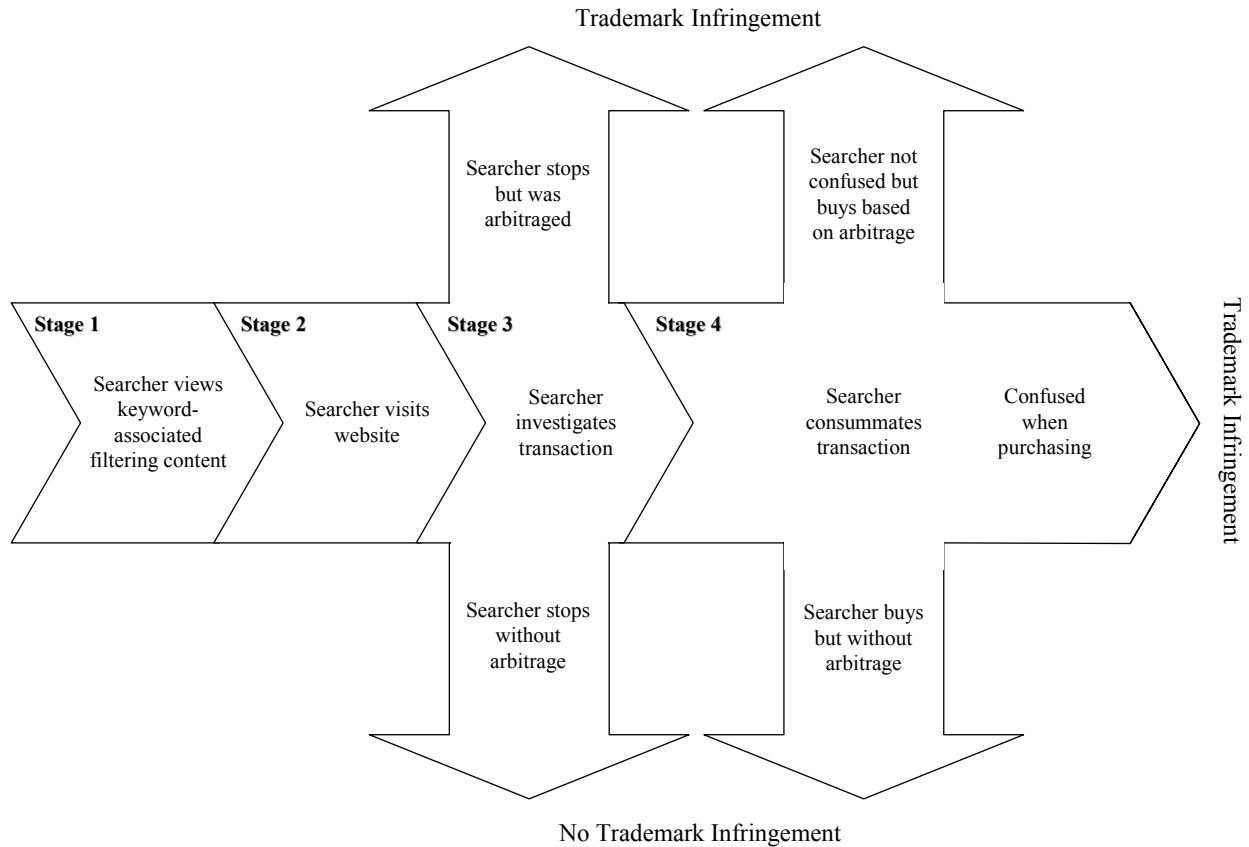
¹⁰⁸ Specifically, this initial confusion helped overcome the purchaser sophistication and the absence of any evidence of actual confusion.

transactions were multi-million dollar deals and ultimately customers understood that Pegasus and Mobil were not related prior to signing a contract.

Recharacterized in terms of search and switching costs, the *Pegasus* case involved the sale of commodity oil where price was a primary differentiator, not brand.¹⁰⁹ Furthermore, assuming the customer would incur the same overall transaction costs to close a deal with Mobil Oil or Pegasus, the longer a customer negotiated with Pegasus, the fewer remaining transaction costs the customer had to close a deal with Pegasus and the more transaction costs that would be incurred to reach an equivalent position with Mobil Oil. So once a customer learned that Pegasus was unaffiliated with Mobil Oil, the customer likely did not care about the brand and had to decide if the switching costs to find Mobil Oil were worthwhile, which they often would not be. Therefore, whether intentional or not, Pegasus arbitrated the switching costs of the commodity customers, thus supporting a finding of goodwill misappropriation.

The switching cost arbitrage model lends itself particularly well to the vexatious problems of keyword associations in Internet searches, which can be broken down into the four stages illustrated below:

¹⁰⁹ The brand may have made some difference initially by convincing the buyer that the seller could actually deliver as promised, so the credibility obtained by Pegasus from Mobil was helpful.



In Stage 1 (“Filtering Content”), a searcher initiates a keyword-based search in any of the search processes. Search engine users will see filtering content in the form of search results. Link navigators will see the filtering content of the text used to form the link, as well as the context in which that link was placed. Domain name users do not preview any filtering content (other than the domain name itself) and, as a result, skip this stage and immediately proceed to Stage 2. Regardless of whether the filtering content is clear, confusing or ambiguous, the filtering content does nothing more than establish a keyword association. Nor has the searcher incurred any switching costs. As a result, no trademark infringement should occur due to keyword association with Filtering Content.

In Stage 2 (“Initial Visit”), a searcher arrives at the publisher’s website that was keyword associated. At this point, the searcher obtains additional information to clarify the keyword

association, although the information may be unclear or misleading (which might induce the searcher to proceed to Stage 3). At the Initial Visit, the searcher has incurred *de minimis* search costs to view the website, and the searcher's switching costs to extricate from this page are also *de minimis* (the searcher merely has to hit the back button or select a new website).¹¹⁰ As a result, if the searcher terminates or transitions a search due to Initial Visit, the searcher has not incurred any real search or switching costs. Thus, no goodwill has been misappropriated from the trademark owner, and there should not be trademark infringement merely because the searcher was induced to view the publisher's content at the Initial Visit.

Stage 3 ("Investigation") occurs when a searcher, having seen the initial website page, further investigates the keyword association but has not yet consummated a transaction. During the Investigation, the searcher may invest sufficient time¹¹¹ in the search to be susceptible to switching cost arbitrage.

In Stage 4 ("Transaction"), a searcher consummates a transaction with the publisher. At this point, one of three outcomes has occurred:

- The searcher is no longer confused about the publisher's relationship with the trademark owner but transacts with the publisher because of arbitrage. In this case, much like the *Pegasus* case, the publisher has misappropriated the trademark owner's goodwill, and trademark infringement should attach.

¹¹⁰ One could imagine the publisher using sufficiently pernicious mousetrapping that it creates cognizable switching costs, but such activities should be significantly more extensive than a single pop-up window. As searchers become smarter about how to escape mousetrapping and technology controls mousetrapping better, over time switching costs created by mousetrapping should decrease. For example, a number of software vendors provide their customers with tools to reduce or eliminate pop-up windows. Christopher Saunders, EarthLink to Block Pop-Ups, Promote Tool in New Ads, Internetnews.com, Aug. 19, 2002, at <http://www.internetnews.com/IAR/print.php/1448771>.

¹¹¹ Although "invested time" is a sunk cost that does not affect decision-making under classical economic theory, here the reference is used as a proxy for the amount of time it would take the searcher to reach an equivalent point in the search with the trademark owner.

- The searcher is no longer confused about the publisher's relationship with the trademark owner but was never arbitrated because after the searcher dispelled the confusion, the searcher decided the benefits of switching were not supported by the costs. In this case, the searcher had sufficiently weak feelings for the trademark owner that no goodwill was misappropriated, and no trademark infringement should attach.
- The searcher remains confused about the relationship but transacts anyway. This fact could support either goodwill misappropriation or traditional consumer confusion.

While this discussion illustrates an individual searcher's process when conducting keyword searches, searchers will evaluate each stage differently. A judge evaluating goodwill misappropriation will need to carefully analyze the risk of switching cost arbitrage for multiple class of searchers. Invariably, this analysis will need to be done empirically. Often, when multiple classes of searchers are analyzed, some searchers will be arbitragable and others will not. Thus, the court must sensitively balance disparate groups' competing interests. However, it would be a mistake to find misappropriation when only a small searcher group is arbitragable while most searchers are not. Conversely, courts should be reluctant to shut down publishers who cater to a small but legitimate group of non-arbitragable searchers even though other searchers could be arbitragable.

The switching cost arbitrage model facilitates a critical examination of *Brookfield*, the seminal case regarding keyword metatags. In *Brookfield*, the junior user, West Coast Video, announced plans to launch a website at moviebuff.com and include the term "moviebuff.com" in the metatags. The website would contain, among other things, a searchable database of movie information. Brookfield had seniority on the term "moviebuff" in connection with high-end entertainment-related software and databases. The court found that West Coast's domain name

created a likelihood of confusion using a standard MFLOCC analysis and that the keyword metatags created IIC after concluding that the MFLOCC test did not apply to keyword metatags.

In rationalizing its decision about IIC, the court spent significant time trying to establish that IIC was a recognized doctrine, but the court offered only two explanations to support the harm from IIC. The first explanation was that because keyword metatags divert traffic from Brookfield to West Coast, West Coast “improperly benefits from the goodwill that Brookfield developed in its mark.”¹¹² As with the *Grotrian-Steinweg* discussion to the same effect, this statement is more conclusory than supportive. As the switching cost arbitrage model articulates, it is also wrong, because the court equates keyword association with goodwill misappropriation. This rationale is also defective because the court dwells on the special but phantom diversionary power of keyword metatags. Finally, the court ignores the heterogeneous search objectives of people searching for “moviebuff,” an especially problematic omission here because West Coast had legitimate and protectable trademark rights in the term “Movie Buff” in some contexts.

The court’s other explanation was its oft-discussed billboard analogy:

Using another’s trademark in one’s metatags is much like posting a sign with another’s trademark in front of one’s store. Suppose West Coast’s competitor (let’s call it “Blockbuster”) puts up a billboard on a highway reading – “West Coast Video: 2 miles ahead at Exit 7” – where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast’s store will pull off at Exit 7 and drive around looking for it. Unable to locate West Coast, but seeing the Blockbuster store right by the highway entrance, they may simply rent there. Even consumers who prefer West Coast may find it not worth the trouble to continue searching for West Coast since there is a Blockbuster right

¹¹² *Brookfield Communications, Inc. v. West Coast Entm’t Corp.*, 174 F.3d 1036, 1062 (9th Cir. 1999).

there. Customers are not confused in the narrow sense: they are fully aware that they are purchasing from Blockbuster and they have no reason to believe that Blockbuster is related to, or in any way sponsored by, West Coast. Nevertheless, the fact that there is only initial consumer confusion does not alter the fact that Blockbuster would be misappropriating West Coast's acquired goodwill. See *Blockbuster*, 869 F. Supp. at 513 (finding trademark infringement where the defendant, a video rental store, attracted customers' initial interest by using a sign confusingly to its competitor's even though confusion would end long before the point of sale or rental); see also *Dr. Seuss*, 109 F.3d at 1405; *Mobil Oil*, 818 F.2d at 260; *Green Prods.*, 992 F. Supp. at 1076.¹¹³

Restating this analogy in terms of the four stage Internet-specific switching cost arbitrage model helps to parse the analogy. The billboard acts as the filtering content in Stage 1. The court specifically made the filtering content false, although from the model's standpoint, this should not change the trademark infringement analysis. The billboard analogy lacks a Stage 2 (i.e., no simple step to obtain more information quickly). Stage 3 begins when the consumer exits the freeway searching for the vendor. Stage 4 occurs when the consumer settles for the competitor. The switching cost arbitrage occurs due to the searcher's time spent driving around looking for a non-existent vendor.

Analogizing cyberspace to physical space is always a dicey proposition, and it was executed inartfully here.¹¹⁴ First, for the same reasons discussed in the "Sanka" hypothetical, searchers

¹¹³ *Brookfield Communications, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 1044-45 (9th Cir. 1999).

¹¹⁴ Among other imprecisions, the court ignores unique attributes of video rentals. Searches for video stores do not occur randomly. If the searcher really wanted to rent a video, the searcher will need access to a video player. Thus, usually the searcher will enjoy a video at their house or a friend's house. Often, people will be familiar with the neighborhoods where they or their friends live. This limits the analogy to the extremely small number of people who drive around aimlessly looking for video rental stores or who decide, on the spur of the moment, to rent a video from a store they have never been to in an area they do not know.

responding to the billboard's call-to-action will have substantially more homogeneous search objectives than can be inferred from a single keyword in an Internet search.

Second, Stage 2, not present in the billboard analogy, is crucial to understanding why search processes are much less likely to proceed irresolutely on the Internet than in the billboard analogy. The search costs for an Internet searcher to progress from Stage 1 to Stage 2 is trivial (click on a link), so the Internet searcher quickly gets feedback on how well their search is progressing.¹¹⁵ In the billboard analogy, the video store searcher gets no feedback whatsoever on his or her search progress. The lack of virtually instantaneous feedback from Stage 2 potentially exposes the video store searcher to substantially greater search costs than an Internet searcher, making the lack of a Stage 2 a critical deficiency in the court's application of a physical space hypothetical to a cyberspace search.

Finally, in Stage 3, the switching costs associated with the billboard analogy are materially greater than the switching costs in cyberspace. The video store searcher expends a non-trivial amount of time driving around before they can determine their search is futile, and the marginal costs of obtaining additional information to guide the search may also be non-trivial.¹¹⁶ On the Internet, the amount of time required to determine a search is futile can often be substantially less (a few clicks of the mouse), and the marginal cost of getting additional information is very small (a couple more mouse clicks), so the switching costs should generally be lower—much lower—in cyberspace than in the billboard analogy.

Crucially, each product class and associated consumer group operate in a broader social context that underlies the search, and *Brookfield's* failure to consider this context necessarily ignores valuable “communication” about searchers' objectives that should have influenced the real search costs incurred by the applicable searchers.

¹¹⁵ Internet searchers may become conditioned to expect to helpful information at Stage 2, making them much more willing to take chances in their Internet searchers than they would be with a physical space search.

¹¹⁶ Davis & Boustani, *supra* note XX (discussing the transaction costs incurred by a retail store shopper lured by false advertising).

While the billboard analogy has been heavily criticized, the court's conclusion that the video store misappropriated goodwill is not necessarily wrong, at least based on the court's factual assumptions. Video store searchers are likely to have homogeneous search objectives, and searchers could experience switching cost arbitrage due to physical space switching costs and an apparently low brand preference.¹¹⁷ However, the *Brookfield* court, and those following it, have incorrectly believed this analogy applies to keyword metatag-influenced searches. The heterogeneous search objectives (and inability to infer objectives based on a single word), the low marginal costs of obtaining feedback on search progress and the lower switching costs all combine to make the billboard analogy inapplicable to Internet searches; and conclusions drawn from it questionable policy.

3. IMPROVING CONTENT RELEVANCY ON THE INTERNET.

A. Legal Attempts to Mandate Relevancy Will Fail.

As illustrated in this Article, trademark law coexists uneasily with efforts to disseminate relevant content. The MFLOCC test makes no mention of content relevancy in its factors, creating the possibility that a trademark use was both infringing yet relevant to some legitimate groups of searchers. As a result, trademark law has the capacity to cause a net social increase in search costs, as those looking for the trademark owner enjoy lowered search costs from the trademark while everyone else, foreclosed from obtaining content relevant to them when using the trademark in their search, incurs increased search costs.

¹¹⁷ The searcher's willingness to accept Blockbuster as a substitute for West Coast Video ignores any additional transaction costs that the searcher might incur due to renting from a new video rental store (filling out an application, establishing credit, learning a new store layout and policies, etc.). The *Brookfield* court also ignored the brand preferences between people searching for a high-end entertainment database and a run-of-the-mill video rental database. Some searchers seeking Brookfield's high-end database will not be satisfied with West Coast's garden-variety database.

With respect to keyword associations, there appears to be substantial concern that searchers using a trademark as a keyword will be overwhelmed with irrelevant information, which will frustrate the searchers, reduce the Internet's usefulness as a search tool and hinder commerce as trademark owners lose customers who were destined for them.¹¹⁸ These concerns have formed the basis for judges and legislators to use trademark law as the tool that, properly articulated, will improve content relevancy on the Internet.

These efforts will not succeed. Internet search practices and expectations evolve too rapidly for the legal system to keep pace. For example, consider Congress' regulation of how domain names act as keyword associators, a generally questionable effort given the DNS's inherent deficiency as a search tool. Even as searchers were moving away from domain names to better search processes, Congress passed the Anticybersquatting Consumer Protection Act in 1999 to improve upon the DNS's first-to-register "relevancy algorithm." Despite this law, searchers have not flocked to the DNS as a helpful tool for finding relevant content.¹¹⁹ 18 U.S.C. §2252B, Congress' most recent foray into DNS regulation just passed in 2003, tries to protect searchers who domain name guess despite the near-death of the practice.

But even if Internet search practices and expectations were stable, legal intervention in the content relevancy process will still likely fail. In any environment where searchers have heterogeneous but opaque search objectives, no legal regulation can mandate how search processes can consistently yield relevant results for all searchers.

¹¹⁸ Doellinger, *supra* note XX, at 211 ("If every shoe and athletic apparel company were allowed to include the 'Nike' trademark in the metatags of their web sites, it would make it much more difficult for some actually searching for the Nike web site. Moreover, if every web site for every major shoe company contained the trademarks of every other major shoe company in the metatags of their web sites, the ability of a web user to find any given web site would be greatly reduced."); Gerard N. Magliocca, *One and Inseparable: Dilution and Infringement in Trademark Law*, 85 MINN. L. REV. 949, 1028-32 (2002).

¹¹⁹ ACPA may have had other benefits other than the attempt to regulate content relevancy, such as enabling trademark owners to get the email addresses they want. It also effectively ended dot com bubble-era domain name speculation, although this practice may very well have waned nevertheless based on industry trends starting in 2000.

Consider, for example, the rudimentary efforts to base trademark infringement on relative search results placement.¹²⁰ A trademark owner will always believe it should be the top result on any search results list generated from a search using its trademark, or at the very minimum, above all junior users of the term. Any legal effort to codify or enforce this belief necessarily requires search providers to prioritize one class of search objectives over the others, with an uncertain net effect on social search costs. To the extent forced prioritization diverge from searcher expectations, searchers will view the search tool as less helpful, not more, in turn undercutting the regulated tool's perceived usefulness.

Aside from the potential inefficiency of a legally-mandated placement order, there is a fairly basic logistical problem.¹²¹ Search engines reindex their databases frequently (to reflect new sites added to the database and to make changes to the relevancy algorithms), so relative placement will change constantly. Should infringement occur if the junior user appears above the trademark owner once ever? "Often"? Always? Only if the junior user "intended to"? Further, search engines each use different relevancy algorithms, so relative placement varies from search engine to search engine. Does infringement occur only if the junior user appears above the trademark owner in "all" search engines? Any one search engine? Only the "major" ones?

¹²⁰ See *Playboy Enters., Inc. v. Welles*, 279 F.3d 796 (9th Cir. 2002) (indicating that it might have changed its ruling if Welles had successfully shown up higher than Playboy in the search engines); *J.K. Harris & Co. v. Kassel*, 2002 WL 1303124 (N.D. Cal. 2002), *rev'd* 253 F. Supp. 2d 1120 (N.D. Cal. 2003) (finding infringement based on the defendants' efforts to move up in the search results); see also Doellinger, *supra* note XX, at 205-09 (proposing a complicated system of liability based on the relative placement of the trademark owner's search results and an interloper's search results).

¹²¹ Doellinger raises but sidesteps the issue in a footnote. Doellinger, *supra* note XX, at 208 n.194.

B. Why the Market Will Do a Better Job Delivering Relevancy than the Law

Can.

Advocating for using legal regulation to improve content relevancy also implicitly reflects a vote-of-no-confidence for the market and technology to address the problem.

Certainly every new major media technology creates a window of opportunity for undesirable practices which some publishers exploit for a quick buck, and the Internet has been no exception. But those short-term abuses should not be confused with long-term failings of the technology, particularly when it comes to something as fundamental as Internet search. Billions of dollars are at stake for entrepreneurs who can solve the Internet search relevancy problem, and while the problem may not be solved instantly, it will not be overlooked either.¹²² Meanwhile, if generating relevant results is as hard a technical task as engineers say it is,¹²³ blunt legal regulations will have a hard time doing better.¹²⁴

Further, the market for relevant content does not exhibit any deficiencies that suggest it cannot self-correct serious problems. Instead, this market appears to have the indicia of a well-functioning market.

First, searchers face low switching costs between rival search solutions. If domain name guessing does not work, searchers can and do switch to other search processes, a switch that can be made at trivial costs. Specifically with the search engine environment, the switching costs are

¹²² Jim Hu & Mike Ricciuti, Search and Destroy: Microsoft, Google May Go Head-to-Head, CNET News.com, June 25, 2003, at http://news.com.com/2102-1032_3-1020641.html (discussing how Microsoft has launched a major new initiative targeting Internet search).

¹²³ Inrona & Nissenbaum, *supra* note XX (“Some researchers working on search technologies argue that relevancy ranking is currently the greater challenge facing search engines.”).

¹²⁴ *Cf.* Jon H. Oram, Case Note, *The Costs of Confusion in Cyberspace*, 107 YALE L.J. 869, 874 (1997) (“Technological solutions often will do a better job of solving intellectual property problems than legal institutions could ever hope to do.”).

also very low.¹²⁵ Unlike many other computer technologies, where proprietary user interfaces can have an anti-competitive lock-in effect,¹²⁶ virtually all search engines use the same basic user interface object: a white search box.¹²⁷ Therefore, searchers can readily transfer their basic search skills across many search engines without a significant learning curve. Meanwhile, a searcher can move from one search engine to another with a mouse click or a few keystrokes, and some searchers try a second search engine if their first stop fails them.¹²⁸

Second, Internet search technologies are being rapidly innovated. TLD operators are trying new ways to allocate domain names. Entrepreneurs are trying alternative technologies to domain names, such as the failed RealNames experiment. Search engines are constantly rolling out new relevancy algorithms,¹²⁹ new product features¹³⁰ broader coverage of Internet sites and countermeasures against manipulative efforts to degrade relevant search results, all in an attempt to improve the user experience and deliver relevant results more consistently.

With its low switching costs and rapid innovation, the market for Internet search tools appears to be working just fine. Searchers reward search tools that solve their needs by providing relevant content and punish search tools that disappoint by providing poorly-relevant

¹²⁵ Introna and Nissenbaum argue that search engines do not disclose enough information about their practices, hindering searchers from making informed choices between search engines. Introna & Nissenbaum, *supra* note XX. While search engines do withhold crucial information about their coverage and algorithms to prevent search results manipulation, that information may be irrelevant to searchers so long as the searchers subjectively feel like they are getting good results.

¹²⁶ Mark A. Lemley & David McGowan, *Legal Implications of Network Economic Effects*, 86 CALIF. L. REV. 479 (1998).

¹²⁷ Nielsen, *supra* note XX (“As we’ve seen in recent studies, [searchers] typically scan the home page looking for, ‘the little box where I can type.’”) (emphasis in original).

¹²⁸ See Danny Sullivan, NPD Search and Portal Site Study, Searchenginewatch.com, July 6, 2000, at http://searchenginewatch.com/sereport/print.php/34721_2162791 [hereinafter Sullivan, Search & Portal Study] (noting that approximately 20% of searchers who have a failed search try a different search engine).

¹²⁹ Simon Sharwood, Microsoft Brains Take on Google Brawn, CNET News.com, July 9, 2003, at http://news.com.com/2102-1032_3-1024038.html?tag=ni_print (discussing how Microsoft is hiring top scientists to develop relevancy algorithms that can compete with Google’s).

¹³⁰ Google has a laboratory that describes new innovations it is working on, including Google Webquotes, which, as part of the filtering content, shows searchers the anchor text and more of third party sites linking to a target site, and Google Viewer, which, as part of the filtering content, provides a scrolling visual frame showing each site in the search results set). Google Labs, at <http://labs.google.com/> (last visited June 18, 2003).

searches.¹³¹ In turn, the leading search players have exhibited high turnover,¹³² in part due to searcher migration to the best-functioning tools. There is no way for legal regulations to be as fast or as precise in producing search relevancy as fickle searchers looking for the best results.

C. Preserving Marketplace Solutions to the Relevancy Problem.

If any legal regulation is needed to encourage relevant content, it would clarify—and preferably reduce—the liability of search engines for trademark infringement. Domain name registrars already have relatively strong immunity from liability for establishing and maintaining domain name registrations,¹³³ but no equivalent safe harbor exists for search engines.

Although very few cases have substantively reached search engine liability for trademark infringement,¹³⁴ without a safe harbor, search engines face some risk of liability. Search engines

¹³¹ Although empirical data is a little hard to find with respect to general purpose search engines, this phenomenon is well-documented with respect to e-commerce website's search engines. See Ann Badnarz, *Staples Switches Web Search Tools*, NETWORKWORLD/FUSION, Apr. 28, 2003 ("People were abandoning Staples' consumer and small-business Web site when their searches yielded poor results"), available at <http://www.nwfusion.com/news/2003/0428staples.html>; Robert D. Hof, Commentary: Desperately Seeking Search Technology, BusinessWeek Online, Sept. 24, 2001, at http://www.businessweek.com/print/magazine/content/01_39/b3750038.htm?mz ("80% of online users will abandon a site if the search function doesn't work well"); Nielsen, *supra* note XX (saying that users make quick assessments about the quality of search results and abandon the site if the results "look like junk").

¹³² Rankings of leading search engines are far more subjective than objective, especially due to complex interrelationships where some search engines integrate search results from other search providers. Nevertheless, an argument can be made that in Summer 1998 the top five search engines were, in order, Yahoo!, Excite, Infoseek, Lycos and AltaVista. See Ratings of Most Visited Search Engines, Search Engine Guide, at <http://searchengineguide.org/classi2.htm> (last visited June 20, 2003) (showing this order using three different survey providers and methodologies). By early 2003, an argument can be made (based on Nielsen NetRatings data of total search hours) that the top five search engines were, in order, Google, AOL, Yahoo, MSN and Ask Jeeves. See Brian Morrissey, Search Guiding More Web Activity, Internet.com, Mar. 13, 2003, at <http://www.internetnews.com/IAR/print.php/2108921>. If this comparison is acceptable, then in less than five years, the number 1 search engine dropped to number 3, and the other top four search engines dropped off the list (including two, Excite and Infoseek, that effectively went out of business), while a new number 1 player emerged that was not even on top 10 lists in 1998. Not coincidentally, Google has been rated as the search engine with the highest search success rate. In 2000, 97% of those surveyed saying they found what they were looking for at Google most or all of the time. Sullivan, Search & Portal Study, *supra* note XX.

¹³³ See 15 U.S.C §1114; Lockheed Martin Corp. v. Network Solutions, Inc., 194 F.3d 980 (9th Cir. 1999).

¹³⁴ Playboy Enters., Inc. v. Netscape Communications Corp., 55 F. Supp. 2d 1070 (C.D. Cal. 1999), is the only case to address the issue squarely. Other cases have been brought (*Estee Lauder, Inc. v. The Fragrance Counter, Inc.*, 189 F.R.D. 269 (S.D.N.Y. 1999)) but settled, and yet other cases are pending (*Mark Nutritionals, Inc. v. Alta Vista Co.*, No. SA-02-CA-0087 EP (W.D. Tex. filed Jan. 31, 2002)). This issue is also germane to the pending lawsuits against the Gator Corporation (*In re The Gator Corporation Software Trademark & Copyright Litigation*, Case No. MDL-1517 (N.D. Ga. 2003)).

could be sued for direct infringement, based on some current interpretations of IIC, for selling banner or text ads that create keyword associations, or search engines could be sued for contributory infringement for maintaining links to websites if the trademark owner complained about the website being keyword associated with the trademark. Some search engines have policies about when the search engine will terminate a keyword association based on a trademark owner's complaint, but in practice these policies probably do not provide any legal defenses.

Search engine liability for trademark infringement could have a significant deleterious effect on their operations. In turn, skittish search engines would likely minimize innovations predicated on keyword associations, especially practices that try to guess relevancy, such as presenting content based on synonyms or other "fault tolerance" measures to expand the breadth of a search beyond the keyword actually searched. These practices seem particularly risky¹³⁵ because the search engine unilaterally extends keyword associations beyond the searcher's express terms. Further, prudent search engines would remove keyword-associated content based on unsubstantiated claims of infringement, in effect allowing trademark owners to purge search engine databases despite any potential relevance to some searchers.¹³⁶

None of these choices would be good for the marketplace of ideas or for achieving optimal relevancy for searchers. Instead, search engine practices to mitigate risk would give trademark owners the power to distort the indexing and relevancy protocols the search engines otherwise would choose to use, ultimately degrading the value of the tools for everyone.

¹³⁵ See Doellinger, *supra* note XX, at 220 n.240.

¹³⁶ Cf. Letter from Ava Paquette, attorney at Moxon & Kobrin and counsel for the Church of Scientology, to Google, Inc. (March 8, 2002), available at <http://www.chillingeffects.org/dmca512/notice.cgi?NoticeID=232> (demanding Google remove content from its database that was indexed from a website critical of the Church of Scientology based on both copyright and trademark grounds). Google honored this request. Declan McCullagh, Google Yanks Anti-Church Sites, *Wired News*, Mar. 12, 2002, at <http://www.wired.com/news/print/0,1294,51233,00.html>.

There is no policy reason to hold intermediaries like search engines liable for trademark infringement. Search engines conclude their involvement in a search at Stage 1, before a searcher has invested significant time. The process of providing filtering content and supporting the range of search objectives expedites searches. Search engine innovations, guided by a relatively efficient market, hold great promise for increased relevant searches over time.

4. CONCLUSION.

The Internet provides a uniquely democratic resource for searchers. Most non-Internet search tools, even those that are keyword-based (such as card catalogs or book indexes), require the searcher to conform to the keywords editorially selected by the publisher. If the searcher wanted to do a search using a keyword that was not selected, the searcher was simply out of luck.

Full-text keyword-based Internet searches puts control into searchers' hands. Instead of major media enterprises using their editorial control to dictate what searchers can do, searchers can now structure their searches using whatever words they want¹³⁷ in the order they want.¹³⁸ Without editorial gatekeepers, this decentralized power also creates new opportunities for web publishers to obtain attention in new and beneficial benefit ways unthinkable in the past.

The benefits of this decentralization are in jeopardy, not to large media enterprises but to legal regulators who seek to codify their views on what searchers should find relevant. In a world filled with diversity of thought and words of many meanings, such codifications rarely can improve the relevancy available through efficient information markets. Indeed, efforts to

¹³⁷ Inrona & Nissenbaum, *supra* note XX (discussing how search engines build databases using keywords selected by publishers, not by the search engine).

¹³⁸ See Nielsen, *supra* note XX (“A typical comment is: ‘I don’t want to have to navigate this site the way they want me to. I just want to find the thing I’m looking for.’”).

mandate or favor certain search technologies or practices will likely only lock in partially-developed solutions at the expense of new and better innovations.