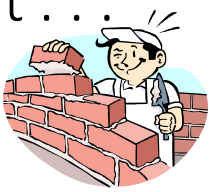
Digital Transactions: Part Two: Assignment 3

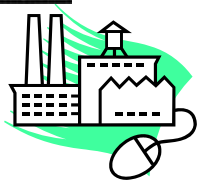
The neighborhood versus the net . . .



- Location, Location, Location

- Brand Identity

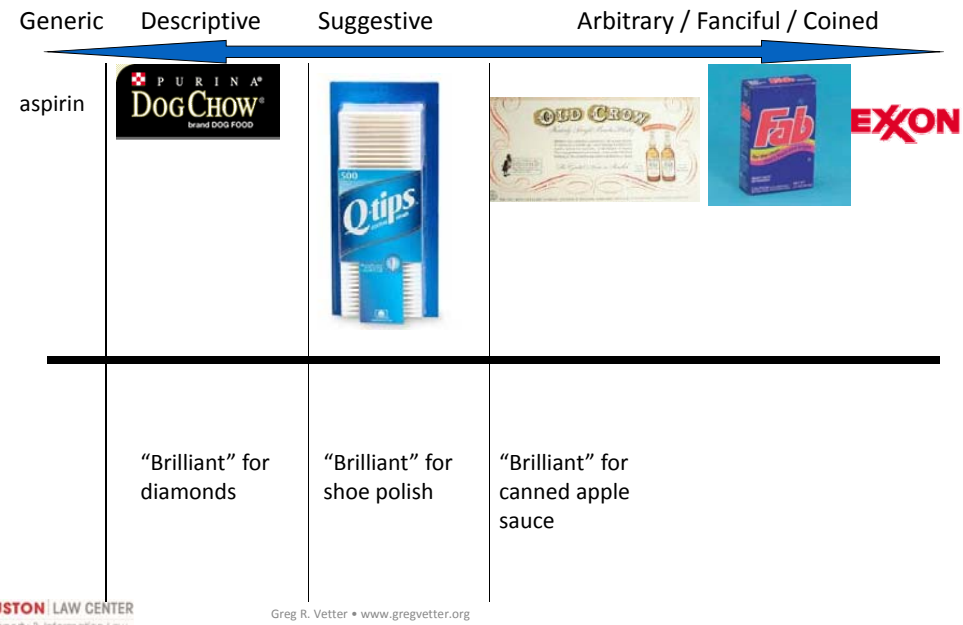
- Domain names: the new intangible asset



Trademark basics

- Signal a common source, or at least affiliation
- Words, phrases, logos . . .
- Federal / state regimes
- Use in commerce
  - Law of marks is based on use of the brand on goods
  - Exclusivity derives from that type of use in commerce
  - Must:
    - "Affix" the mark to goods
    - Move the marked goods in commerce
  - Registration not needed – but Federal registration is highly beneficial
- Service marks
  - Used "in connection with" services to signal common source
- Certification / Collective marks

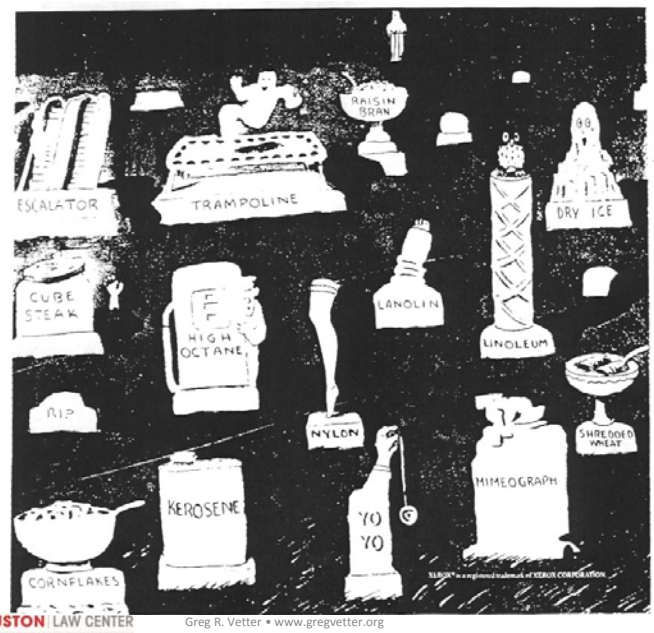
Trademark



Descriptive?

- character
- function
- feature
- quality
- ingredient
- nature
- purpose
- use
- characteristics
  - dimensions, color, odor. . .

Genericness



Once a trademark, not always a trademark.

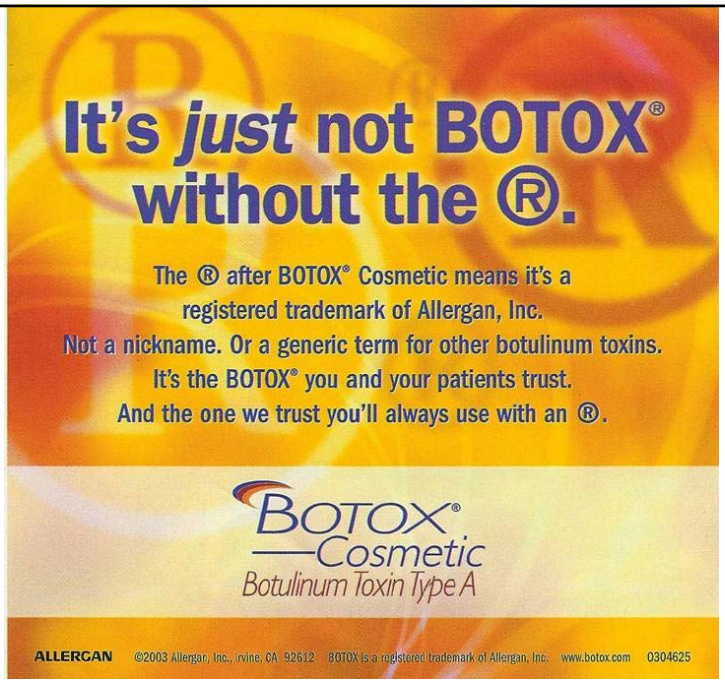
They were once proud trademarks, now they're just names. They failed to take precautions that would have helped them have a long and prosperous life.

We need your help to stay out of there. Whenever you use our name, please use it as a proper adjective in conjunction with our products and services: e.g., Xerox copiers or Xerox financial services. And never as a verb: "to Xerox" in place of "to copy," or as a noun: "Xeroxes" in place of "copies."

With your help and a precaution or two on our part, it's "Once the Xerox trademark, always the Xerox trademark."

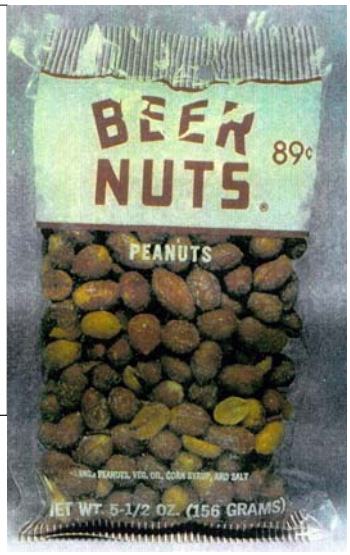
Team Xerox. We document the world.

Generic-ness



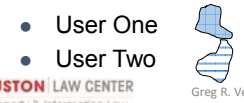
Likelihood of Confusion HYPO

1. strength of the mark
2. proximity of the goods
3. similarity of the marks
4. evidence of actual confusion
5. marketing channels used
6. type of goods and the degree of care likely to be exercised by the purchaser
7. defendant's intent in selecting the mark
8. likelihood of expansion of the product lines

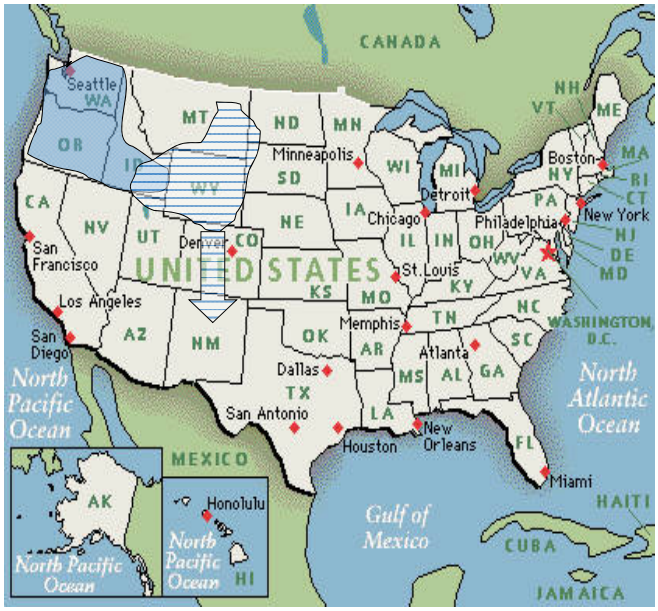


Geographic Scope

- Two c/l users of the same TM
- c/l rule – only protected where products sold or advertised
- Exceptions:
  - Where reputation established
  - Normal expansion of business
  - Anywhere someone intentionally trades on the TM owner's goodwill
- Earlier user has superior rights in area of overlap

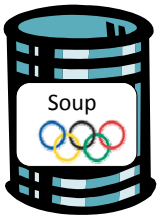


- User One
- User Two



Types of confusion

- Confusion as to the products
  - Confusion leading to purchase of infringer's product when trademark ("TM") owner sells the same product
- Confusion as to source
  - Infringer uses TM owner's mark on products the TM owner does not sell at all
  - Two possible types of harm: (i) potentially inferior quality of infringer's products; (ii) if TM owner expands into product area where infringer sells, very high chance of likelihood of confusion
- Confusion as to sponsorship
  - For example, United States Olympic Committee label on soup
- Initial interest confusion
  - Confusion that is dispelled before purchase occurs
- Post-sale confusion
  - Confusion after the sale of a product
- Reverse Confusion
  - A large company adopts the mark of a smaller TM owner
  - Risk is not junior user trading on goodwill of senior, but that the public comes to associate the mark not with its true owner, but with the infringing junior user who may have spent a lot of money to advertise it



Dilution – possible types or theories of harm

Type	"Tiffany" example (famous mark for a jewelry store) [example described in a recent 7th circuit case]	Other Example(s)
Blurring	"Tiffany" for an upscale restaurant	Goldfish  Dupont shoes, Buick aspirin tablets, Schlitz varnish, Kodak pianos, Bulova gowns
Tarnishment	"Tiffany" for a "restaurant" that is actually a "striptease joint"	John Deere  Snuggles  Victoria's Secret

Dilution – § 43(c) – remedies for dilution of famous marks (Act of 2006)

(1) INJUNCTIVE RELIEF.—Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

(2) DEFINITIONS.--(A) For purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

(i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.

(ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.

(iii) The extent of actual recognition of the mark.

(iv) Whether the mark was registered . . . on the principal register.

Dilution (Trademark Dilution Revision Act of 2006)

(B) For purposes of paragraph (1), 'dilution by blurring' is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

(i) The degree of similarity between the mark or trade name and the famous mark.

(ii) The degree of inherent or acquired distinctiveness of the famous mark.

(iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.

(iv) The degree of recognition of the famous mark.

(v) Whether the user of the mark or trade name intended to create an association with the famous mark.

(vi) Any actual association between the mark or trade name and the famous mark.

(C) For purposes of paragraph (1), 'dilution by tarnishment' is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

(3) EXCLUSIONS.--The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with--

(i) advertising or promotion that permits consumers to compare goods or services; or

(ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.

Playboy v. Netscape (9th.2004)

- Excite/Netscape
  - Require adult oriented companies using keyword search banner ads to use a 400+ term list containing
    - playboy
    - playmate
- LofC factors favor a showing that there is initial interest confusion (IIC) when banner ads not labeled
- Dilution Dist. Ct. result (S/J in favor of D) also reversed
- Concurrence concern w/ Brookfield
  - If banner ads are labeled, no IIC
  - Mere distraction with another choice in the list

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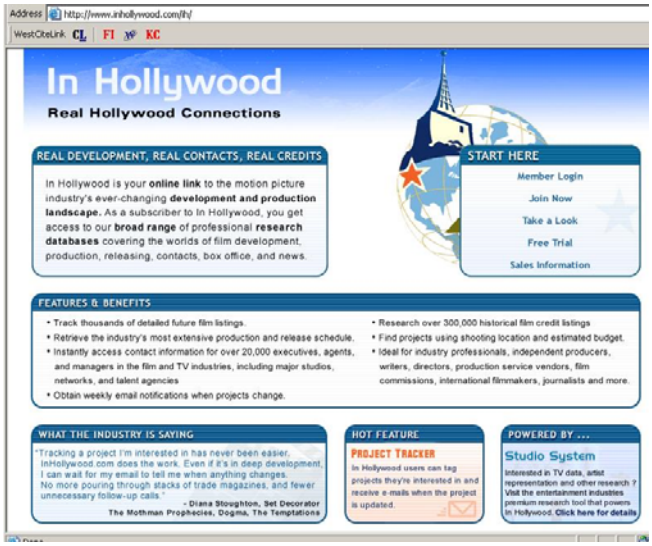
Brookfield v. West Coast (9th.1998)

Initial Interest Confusion



Brookfield v. West Coast (9th.1998)

Brookfield Comm. v. West Coast Ent. Corp

1987: ***Brookfield*** founded

1991: ***West Coast Video*** registers "The Movie Buff's Movie Store"

12/93: ***Brookfield Moviebuff*** product introduced as consumer s/w info product

2/6/96: ***West Coast Video*** registers ***Moviebuff.com*** w/ NSI

1996: ***Brookfield*** tries to register Moviebuff.com

8/97; 9/98: ***Brookfield*** applies for/ is granted 2 federal TM registrations for ***Moviebuff***

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- Court holds that: moviebuff.com infringes the Brookfield mark MOVIEBUFF

Brookfield v. West Coast (9th.1998)

- Second issue: can West Coast use, in other domain names (not moviebuff.com), the term Moviebuff in metatags?
- No direct confusion
  - Search engines show both sites
  - Domain names are different
- Initial interest confusion
  - Preliminary injunctive relief is appropriate in order to eliminate West Coast's use of metatags confusingly similar to Moviebuff

Rescuecom Corp. v. Google, 562 F.3d 123 (2d Cir. 2009)

- Google
  - AdWords
  - Keyword Suggestion Tool
- Upon search, sponsored link or relevant result?
  - Differences from 1-800
    - Website address, not mark, or descriptive terms
    - Advertisers could not request or purchase keywords
    - Internal use
- Sufficient allegations that it is "trademark use"

Portion of the Google AdWords FAQ, Trademark section, from 1/20/2008

Trademark Complaints
As a provider of space for advertisements, Google is not in a position to arbitrate trademark disputes between advertisers and trademark owners. As stated in our Terms and Conditions, advertisers are responsible for the keywords and ad text that they choose to use. Accordingly, Google encourages trademark owners to resolve their disputes directly with the advertiser, particularly because the advertiser may also be using your trademark on similar ads in other programs.

However, Google takes allegations of trademark infringement very seriously and, as a courtesy, we're happy to investigate matters raised by trademark owners. You are not required to be a Google AdWords advertiser in order to send a complaint.

If you have concerns about the **use of your trademark in AdWords ads**:
- File a trademark complaint in the U.S. or Canada
- File a trademark complaint outside the U.S. and Canada

If you have concerns about the **use of your trademark in a parked domain name**:
- File an AdSense for Domains trademark complaint

Once Google receives all of the required information from the trademark owner, the claim will be investigated, and appropriate action will be taken.

Please note: Such trademark investigations will only affect ads served on or by Google. In the case of an AdSense for Domains trademark complaint, an investigation will affect only the domain names of sites in our AdSense for Domains program. Additionally, Google's trademark policy does not apply to search results, only to sponsored links. For trademark concerns about websites that appear in Google search results, the trademark owner should contact the site owner directly.

1-800 Contacts v. WhenU.Com (2nd.2005)

- Dist. Ct. – preliminary injunction against WhenU
- WhenU's software, downloaded to a user PC, has a directory of web addresses, search terms and keywords
- Pop up/under or panoramic ads upon user access to 1-800 site
  - Five complaints by 1-800 / two relied on by the district court
- Use in the "SaveNow" directory
- Use by displaying the pop up/under and panoramic windows

- Three distinct elements: use / in commerce / LofC

Assignment Three Problems

- 3.1
- 3.2
- 3.3
- 3.4