

11-20-2009

## Abolish Trademark Law's Initial Interest Confusion and Permit Manipulative Internet Search Practices

Priya Singh

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### Recommended Citation

Priya Singh, *Abolish Trademark Law's Initial Interest Confusion and Permit Manipulative Internet Search Practices*, 3 J. Bus. Entrepreneurship & L. Iss. 1 (2009)

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# ABOLISH TRADEMARK LAW’S INITIAL INTEREST CONFUSION AND PERMIT MANIPULATIVE INTERNET SEARCH PRACTICES

PRIYA SINGH\*

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## ABSTRACT

This article discusses trademark law's doctrine of initial interest confusion, which is currently applied to Internet cases. First, it argues that the doctrine is problematic because it does not require the traditional showing of likelihood of confusion, it is superfluous, and it is unnecessary in the Internet context. Second, it proposes that courts should instead rely on the likelihood of confusion analysis. Additionally, courts should acknowledge that metatags are an outdated issue, and, when it comes to domain names, they should make use of the Anticybersquatting Consumer Protection Act ("ACPA").

## I. INTRODUCTION

*A. The Problem of Initial Interest Confusion*

Imagine that you are shopping online for a smartphone, a cell phone that has the attributes of a computer. You go to Google, but you do not type in "smartphone" because it does not come to mind. Instead, you just type "Blackberry" into the search engine. Your interest is not in that particular make or model, but that is the only term that you enter into the search. If the first listing on your results page displays the website for the iPhone, it is possible that a court would consider that to be trademark infringement under the initial interest confusion doctrine, even if you are aware that the iPhone is made by Apple, so you are not confused as to source.

In the United States, federal trademark law is based on the Commerce Clause<sup>1</sup> and is codified by the Lanham Act.<sup>2</sup> Under the Lanham Act, trademark infringement is defined by the likelihood of confusion standard.<sup>3</sup> However, some courts will base a holding of infringement simply on initial interest confusion, which exists when there is no confusion at the point of sale but rather when the infringing party has gained credibility at the start of the deal or has attracted customers based on the goodwill of the other party.<sup>4</sup>

*B. Thesis*

Initial interest confusion is a doctrine that is flawed because it does not require a showing of likelihood of confusion, it is superfluous and inefficient, and it is also unnecessary in the Internet context; thus, courts should not utilize it in evaluating trademark infringement. Instead, courts should rely on the traditional likelihood of confusion analysis; in the Internet context, courts should acknowledge that metatags are an outdated issue and rely on the ACPA for domain names.

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<sup>1</sup> 1 ANNE GILSON LALONDE, GILSON ON TRADEMARKS § 1.04 (2004).

<sup>2</sup> Lanham Act, 15 U.S.C. § 1051 (2002).

<sup>3</sup> Lanham Act, 15 U.S.C. § 1114(1)(a) (2005) (defining trademark infringement as "likely to cause confusion, or to cause mistake, or to deceive").

<sup>4</sup> See, e.g., *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 260 (2d Cir. 1987) (noting that "initial confusion works a sufficient trademark injury").

### C. Overview

Part II of this paper provides a background for understanding initial interest confusion,<sup>5</sup> and Part III analyzes the problems of initial interest confusion and proposes changes.<sup>6</sup> Part IV provides a summary.<sup>7</sup>

## II. BACKGROUND

### A. Purposes of Trademark Law

Trademark law is based upon various theories that define different purposes: unfair competition and goodwill,<sup>8</sup> preventing free-riding,<sup>9</sup> and preventing consumer confusion over source.<sup>10</sup> While these concepts are all important, Congress has codified the last theory into the trademark statute as the basis for infringement.

### B. Lanham Act

#### 1. Likelihood of Confusion

Pursuant to section 32 of the Lanham Act, trademark infringement occurs when there is a likelihood of confusion, mistake, or deception:

(1) Any person who shall, without the consent of the registrant—

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.<sup>11</sup>

Although the likelihood of confusion standard is not explicitly defined in the Lanham Act, courts have developed a multifactor test. These factors include the strength of the mark; the degree of similarity between marks; the proximity of the goods; the likelihood that the prior owner will bridge the gap and offer the same or similar goods as the junior user; actual confusion, the defendant's good faith in

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<sup>5</sup> See *infra* Part II.

<sup>6</sup> See *infra* Part III.

<sup>7</sup> See *infra* Part IV.

<sup>8</sup> See *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403 (1916).

<sup>9</sup> See *Int'l News Serv. v. AP*, 248 U.S. 215 (1918).

<sup>10</sup> See *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964).

<sup>11</sup> Lanham Act, 15 U.S.C. § 1114 (2005) (note that this is referred to as "section 32" in trademark law).

adopting its own mark; the quality of defendant's product, and the sophistication of the consumers, plus other possible factors that the court deems relevant.<sup>12</sup> The exact factors vary by circuit.

## 2. *Initial Interest Confusion*

In 1962, Congress amended the Lanham Act by deleting the term "purchasers" from defining infringement when the mark is "likely to cause confusion or mistake or to deceive purchasers as to the source or origin of such goods or services,"<sup>13</sup> so it now includes both actual and potential purchasers.<sup>14</sup> A form of presale confusion is known as "initial interest confusion."<sup>15</sup> Even prior to the use of the term initial interest confusion, courts recognized this doctrine.<sup>16</sup> There are three ways in which initial interest confusion can arise: (1) the potential consumer may be diverted to an entity, whether it is a store or website, that he associates with the owner of the mark; (2) the potential consumer's ultimate decision to buy the product or service is affected by the person associating the junior and senior users of the marks; and (3) the potential consumer gives the junior user initial credibility based on the senior user's goodwill.<sup>17</sup> This form of confusion is merely based on initial interest and can arise even if the consumer is not confused when making his purchase.<sup>18</sup> Some refer to it as a bait-and-switch.<sup>19</sup>

A court might choose to recognize initial interest confusion but still emphasize a showing of likelihood of confusion. For instance, in the Third Circuit the court has highlighted the importance of this traditional standard:

The very language of the Lanham Act leads us to conclude that likelihood of confusion is an essential indicator of whether or not trademark infringement has occurred. Both [sections] 32 and 43(a) of the Lanham Act, . . . forbid use of words or marks in a way which is likely to cause confusion as to the origin, sponsorship, or approval of goods or services. . . . Given this, we decline to read this requirement out of a case alleging trademark infringement.<sup>20</sup>

Despite acknowledging the fundamental nature of likelihood of confusion,

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<sup>12</sup> *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (holding that these are the factors to be considered in assessing likelihood of confusion, but "[e]ven this extensive catalogue does not exhaust the possibilities").

<sup>13</sup> Lanham Act, ch. 540, 60 Stat. 427, 437-38 (1946) (codified as amended at 15 U.S.C. §§ 1051-1127 (2002)).

<sup>14</sup> See S. REP. NO. 87-2107 (1962), *reprinted in* 1962 U.S.C.C.A.N. 2844, 2847 (1962) (explaining that "purchasers" was deleted because "the provision actually relates to potential purchasers as well as to actual purchasers").

<sup>15</sup> *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1063 (9th Cir. 1999) (holding that "initial interest confusion" is actionable).

<sup>16</sup> See *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254 (2d Cir. 1987); *Grotirian, Helferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 523 F.2d 1331 (2d Cir. 1975).

<sup>17</sup> See *BigStar Entm't, Inc. v. Next Big Star, Inc.*, 105 F. Supp. 2d 185, 207 (S.D.N.Y. 2000) (citing *Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1063-64 (9th Cir. 1999)).

<sup>18</sup> *E.g.*, *Gibson Guitar Corp. v. Paul Reed Smith Guitars, LP*, 423 F.3d 539, 549 (6th Cir. 2005).

<sup>19</sup> *Dorr-Oliver, Inc. v. Fluid-Quip, Inc.*, 94 F.3d 376, 382 (7th Cir. 1996) (referring to initial interest confusion as a "'bait and switch' of producers").

<sup>20</sup> *Century 21 Real Estate Corp. v. LendingTree, Inc.*, 425 F.3d 211, 221 (3d Cir. 2005).

the Third Circuit has nonetheless accepted the doctrine of initial interest confusion in *Checkpoint Systems, Inc. v. Check Point Software Technologies, Inc.*<sup>21</sup> and has explicitly held that initial interest confusion is actionable.<sup>22</sup> However, in this case it was not applicable because there was merely *de minimis* evidence for initial interest confusion.<sup>23</sup>

a. The Development of Initial Interest Confusion

The case generally cited as being the first to use the initial interest confusion doctrine<sup>24</sup> is *Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*.<sup>25</sup> The case centered on a German piano maker named Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. who used the name “Grotrian-Steinweg” on its pianos and filed for a declaratory judgment holding that this name was not infringing the name of the “Steinway” pianos by Steinway & Sons.<sup>26</sup> The two companies had a connection because the Steinway company had been started by Heinrich Steinweg, who moved from Germany to New York and changed his name to Steinway, and the German company had been started by his oldest son, C.F. Theodor Steinweg, who started the Steinweg piano company in Germany.<sup>27</sup> Later, Theodor Steinweg sold his company and the right to use the name of the business<sup>28</sup> to his employees, Grotrian, Helfferich, and Schultz, and moved to the United States to be a part of the Steinway & Sons company.<sup>29</sup> The court held that Steinway’s mark had been infringed because there was initial interest confusion<sup>30</sup> caused by the name “Grotrian-Steinweg,” which would allow the German company to attract customers by trading on the reputation of the Steinway brand, despite the high level of customer sophistication expected of purchasers of expensive goods.<sup>31</sup> The court had other evidence of infringement, including actual confusion, proximity of the goods due to direct competition, and similarity of the marks.<sup>32</sup>

Another important case in the development of the initial interest doctrine is *Mobil Oil Corp. v. Pegasus Petroleum Corp.*,<sup>33</sup> where the defendant company was named Pegasus Petroleum. The court held that defendant’s name was infringing, in part due to initial interest within the oil trading business based on the reputation of

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<sup>21</sup> 269 F.3d 270 (3d Cir. 2001) (a case between the manufacturer of security devices for retail use and a software company that sells computer firewall technology).

<sup>22</sup> *Id.* at 292.

<sup>23</sup> *Id.* at 298.

<sup>24</sup> 5 ANNE GILSON LALONDE, GILSON ON TRADEMARKS § 5.14 (2007).

<sup>25</sup> 523 F.2d 1331 (2d Cir. 1975).

<sup>26</sup> *Id.* at 1335.

<sup>27</sup> *Id.* at 1333-34.

<sup>28</sup> *Id.* at 1334. There was a dispute over the assignment of the name, but the court did not address it on appeal.

<sup>29</sup> *Id.*

<sup>30</sup> *Id.* at 1341-42. The court did not use this exact term, but it did use “initial interest” and “initial confusion.”

<sup>31</sup> *Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 523 F.2d 1331, 1342 (2d Cir. 1975).

<sup>32</sup> *See id.*

<sup>33</sup> 818 F.2d 254 (2d Cir. 1987).

Mobil Oil, due to consumers' associations with the symbol of a Pegasus used by Mobil Oil.<sup>34</sup> Mobil Oil is a large petroleum corporation that has used the Pegasus symbol of a flying horse for years in connection with its business and uses it at most of its gas stations.<sup>35</sup> Pegasus Petroleum is a company that engages in the oil trading business, which is the bulk buying and selling of petroleum in a market of about 200 companies, and it did not use the flying horse as a logo. However, Mobil Oil is also a part of the oil trading business, although it did not use the flying horse symbol in its oil trading work.<sup>36</sup> The court arrived at its decision by applying the likelihood of confusion test used in its circuit, known as the *Polaroid* factors, and almost every factor weighed in favor of the plaintiff.<sup>37</sup> In applying the factor concerning consumer sophistication, the court determined that despite the high level of sophistication of purchasers in the oil trading business, there was a probability that the use of the Pegasus name would create an important trust in the defendant that was based upon improper association with the plaintiff.<sup>38</sup> Despite an absence of proof of actual confusion, the court noted that:

Pegasus Petroleum would gain crucial credibility during the initial phases of a deal. For example, an oil trader might listen to a cold phone call from Pegasus Petroleum—an admittedly oft used procedure in the oil trading business—when otherwise he might not, because of the possibility that Pegasus Petroleum is related to Mobil.<sup>39</sup>

A third crucial case in the development of the doctrine is *Brookfield Communications v. West Coast Entertainment Corp.*,<sup>40</sup> in which the court held that the initial interest confusion doctrine is actionable under the Lanham Act and determined that the use of a competitor's mark as a metatag<sup>41</sup> is likely to cause initial interest confusion despite a lack of likelihood of confusion as to source.<sup>42</sup> In this case, the defendant, West Coast, was a large video rental chain, and it used the term "MovieBuff" as a metatag on its website, which offered a free movie database, after having trademarked the slogan "The Movie Buff's Movie Store."<sup>43</sup> The plaintiff, Brookfield, had trademarked "MovieBuff" for its goods and services as a computer company that caters to the entertainment industry, offering software and having a searchable Internet database for subscribers.<sup>44</sup> Evidence showed that a search for "MovieBuff" would result in a search engine list where the link to West Coast would be displayed with its domain name "westcoastvideo.com," and that the first listing would be the link to Brookfield's website, so the court determined

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<sup>34</sup> *See id.*

<sup>35</sup> *Id.* at 255.

<sup>36</sup> *Id.* at 256.

<sup>37</sup> *See id.*

<sup>38</sup> *Id.* at 260.

<sup>39</sup> *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 259 (2d Cir. 1987).

<sup>40</sup> "174 F.3d 1036 (9th Cir. 1999).

<sup>41</sup> *See Horphag Research Ltd. v. Garcia*, 475 F.3d 1029, 1033 n.3 (9th Cir. 2007) (defining a metatag as "an indexing tool used by Internet search engines to determine which websites correspond to the search terms provided by a user").

<sup>42</sup> *Id.* at 1063-66.

<sup>43</sup> *Id.* at 1042-43.

<sup>44</sup> *Id.*

that consumers would *not* be likely to be confused.<sup>45</sup> The court arrived at its conclusion of trademark infringement under the doctrine of initial interest confusion and explained that this meant that the defendant benefited by misappropriating the plaintiff's goodwill by diverting consumers from the Brookfield database for subscribers to the free West Coast database.<sup>46</sup> Thus, the court was able to expand the doctrine of initial interest confusion to find infringement even in the absence of a likelihood of confusion.

b. Initial Interest Confusion Not Adopted

The courts in the following cases did not find initial interest to be actionable because their theory of trademark infringement requires confusion at the time of sale.

There is disagreement among the courts as to whether to recognize initial interest confusion, and, if so, in what situations it is appropriate.<sup>47</sup> Traditionally, initial interest confusion is not adopted in the First Circuit,<sup>48</sup> although it is occasionally merely avoided.<sup>49</sup> In *Fisher Stoves, Inc. v. All Nighter Stove Works, Inc.*,<sup>50</sup> the plaintiff did not expressly use the claim of initial interest confusion, but did present a case for infringement based on the similar design of the defendant's stove. The First Circuit Court of Appeals held that there was no infringement because there was no chance of confusion at the point of sale due to clear labeling of logos on the front of the stoves. Shortly thereafter, the First Circuit Court of Appeals noted in *Astra Pharmaceutical Products, Inc. v. Beckman Instruments, Inc.*<sup>51</sup> that there was no likelihood of confusion since confusion did not affect the final choice to purchase the computerized blood analyzer machine, despite the machine being sold under the acronym "ASTRA." This acronym had no relation to the pharmaceutical company Astra, which sold products to the same hospitals and other medical purchasers.

More recently, the First Circuit has been more explicit in its resistance to adopting initial interest confusion, at least in the context of the Internet, as in *Hasbro, Inc. v. Clue Computing, Inc.*,<sup>52</sup> where the defendant's use of the domain name "clue.com" for its computer company was not found to infringe on the plaintiff toy company's trademark for its game because there was no confusion at purchase, and the court noted that it was understandable not to apply initial interest confusion in such a circumstance.<sup>53</sup> Additionally, in the domain name dispute between Internet financial service companies in *CCBN.com, Inc. v. C-call.com*,

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<sup>45</sup> *Id.* at 1062-63.

<sup>46</sup> *Id.* at 1062.

<sup>47</sup> 5 LALONDE, *supra* note 24, § 5.14.

<sup>48</sup> *N. Light Tech., Inc. v. N. Lights Club*, 97 F. Supp. 2d 96, 113 (Mass. Dist. Ct. 2000) (holding that "initial interest confusion is not cognizable in the First Circuit"); *see Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201, 1207 (1st Cir. 1983).

<sup>49</sup> *See, e.g., Hasbro, Inc. v. Clue Computing, Inc.*, 232 F.3d 1, 2 (1st Cir. 2000) (agreeing with the district court's refusal "to enter the 'initial interest confusion' thicket").

<sup>50</sup> 626 F.2d 193 (1st Cir. 1980).

<sup>51</sup> 718 F.2d 1201 (1st Cir. 1983).

<sup>52</sup> 232 F.3d 1.

<sup>53</sup> *Id.* at 2.



*Inc.*,<sup>54</sup> the court held that “de minimus confusion, which is easily resolved, and does not affect the ultimate purchase decision, is of minimal relevance.”<sup>55</sup> Furthermore, in *Northern Light Technology v. Northern Lights Club*,<sup>56</sup> a case in which the marks at issue involved the domain name “northernlights.com” versus “Northern Light,” the court held that “temporary initial confusion [is an] insufficient basis for [an] infringement claim.”<sup>57</sup> Thus, the First Circuit finds initial interest confusion not cognizable in cases involving the Internet, and instead requires that there be confusion at the time of purchase for there to be infringement.

Additionally, there are instances where other courts have declined to recognize initial interest confusion. Notably, the Fourth Circuit in *Lamparello v. Falwell*,<sup>58</sup> a case in which a plaintiff was seeking a declaratory judgment of noninfringement for his website criticizing a famous minister, the court held that “we have never adopted the initial interest confusion theory; rather, we have followed a very different mode of analysis, requiring courts to determine whether a likelihood of confusion exists by ‘examining the allegedly infringing use in the context in which it is seen by the ordinary consumer.’”<sup>59</sup> Overall, neither the First Circuit nor the Fourth Circuit has embraced initial interest confusion.

### c. Initial Interest Confusion Recognized

Many courts of appeals have held initial interest confusion to be actionable under the Lanham Act. This form of trademark infringement has been recognized in the Second, Third, Fifth, Seventh, Ninth, and Tenth Circuits.<sup>60</sup> But even in circuits that do recognize initial interest confusion, this doctrine is employed in different ways depending on the court’s assessment of the importance of the following factors in each case: product relatedness, consumer level of care, the defendant’s intent to deceive, and the presence of financial benefit to the defendant. Additionally, in the Internet context, there are issues of disclaimers, domain names, and metatags. Each factor will be discussed in turn.

These factors operate in initial interest confusion cases just as they do as part of the likelihood of confusion analysis because each is important, but not dispo-

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<sup>54</sup> 73 F. Supp. 2d 106 (Mass. Dist. Ct. 1999).

<sup>55</sup> *Id.* at 113 (citing *Alta Vista Corp. v. Digital Equip. Corp.*, 44 F. Supp. 2d 72, 79 (Mass. Dist. Ct. 1998) (dismissing relevance of incidents of confusion where the confusion “did not run deep” and did not affect the ultimate purchase or sale)); *Lang v. Retirement Living Publ’g Co., Inc.*, 949 F.2d 576, 583 (2d Cir. 1991) (finding confusion irrelevant where plaintiff supplied no link between confusion and eventual purchase decision).

<sup>56</sup> 97 F. Supp. 2d 96 (Mass. Dist. Ct. 2000).

<sup>57</sup> *Id.* at 113 (citing *Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201, 1207 (1st Cir. 1983)).

<sup>58</sup> 420 F.3d 309 (4th Cir. 2005).

<sup>59</sup> *Id.* at 316 (citing *Anheuser-Busch, Inc. v. L & L Wings, Inc.*, 962 F.2d 316, 319 (4th Cir. 1992)); see also *What-A-Burger of Va., Inc. v. WHATABURGER, Inc.*, 357 F.3d 441, 450 (4th Cir. 2004).

<sup>60</sup> See, e.g., *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254 (2d Cir. 1987); *Checkpoint Sys. v. Check Point Software Techs., Inc.*, 269 F.3d 270 (3d Cir. 2001); *Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188 (5th Cir. 1998); *Dorr-Oliver, Inc. v. Fluid-Quip, Inc.*, 94 F.3d 376 (7th Cir. 1996); *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1057 (9th Cir. 1999); *Australian Gold, Inc. v. Hatfield*, 436 F.3d 1228 (10th Cir. 2006).

tive. But in initial interest confusion cases, courts are applying the likelihood of confusion factors piecemeal, and, if the showing of a factor is not strong, they can decide, almost by default, that it nonetheless causes initial interest confusion. Thus, initial interest confusion allows for a finding of infringement by using the traditional factors in a nonsystematic fashion and without meeting the Lanham Act standard of likelihood of confusion. Instead, infringement is based upon vague notions of initial credibility gained by the misappropriation of another's goodwill.

i. Product Relatedness

One factor that courts look at when considering whether there has been initial interest confusion is product relatedness, which exists when the products are similar, related, or in competition with each other. In *Eli Lilly & Co. v. Natural Answers, Inc.*,<sup>61</sup> the Seventh Circuit affirmed the finding of the district court of a risk of initial interest confusion caused by the defendant's use of its similar mark for a similar product, which was an herbal alternative to the plaintiff's prescription pharmaceutical drug.<sup>62</sup> The defendant sold a product as part of its alternative healthcare line of "Herbscriptions" called "Herbrozac," and other products in the line included "Herbaspirin" and "Herbadryl."<sup>63</sup> The "Herbrozac" pills were labeled as a mood elevator that would serve as an alternative to "Prozac." However, they differed from the plaintiff's medications because these pills were available without a prescription, carried a label with the warning that "this product is not intended to diagnose, treat or cure any disease," had an herbal odor, and were large brown pills, unlike the small green and white Prozac pills.<sup>64</sup> Despite these differences, the defendant's first website used the plaintiff's mark "Prozac" as a metatag on its website, but the facts indicate that this did not prove to be useful in increasing traffic to the website because there were too many other websites that had more references to "Prozac."<sup>65</sup> In affirming the risk of initial interest confusion, the Seventh Circuit referred to the district court's reliance on the phonetic similarity of the marks and the defendant's use of the metatag "Prozac" on its website.<sup>66</sup>

Furthermore, initial interest confusion can be even more straightforward when the products are not merely related, but where the senior user of the mark will probably bridge the gap. In *Sugar Busters, L.L.C. v. Brennan*,<sup>67</sup> the court noted that "[i]nitial-interest confusion gives the junior user credibility during the early stages of a transaction and can possibly bar the senior user from consideration by the consumer once the confusion is dissipated."<sup>68</sup> Here, initial interest confusion played a part in the court's enjoining further sales by the defendant after the defendant used the book title "Sugar Bust for Life," which competed with the

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<sup>61</sup> 233 F.3d 456 (7th Cir. 2000).

<sup>62</sup> *See id.*

<sup>63</sup> *Id.* at 460.

<sup>64</sup> *Id.*

<sup>65</sup> *Id.*

<sup>66</sup> *Id.* at 464.

<sup>67</sup> No. 98-1562, 1998 U.S. Dist. LEXIS 15280 (E.D. La. Sept. 22, 1998).

<sup>68</sup> *Id.* at \*16-17 (quoting *Elvis Presley Enters., Inc. v. Capece*, 141 F.3d 188, 201 (5th Cir. 1998)).

plaintiff's bestselling book titled "Sugar Busters! Cut Sugar to Trim Fat."<sup>69</sup> The defendant's book gave diet advice and recipes based on the concepts covered in the plaintiff's book, and the court determined that the plaintiff would naturally expand into selling its own cookbook.<sup>70</sup>

Additionally, a court can find that there is no initial interest confusion when there is no overlap in the markets for the products. In *Checkpoint Systems, Inc. v. Check Point Software Technologies, Inc.*,<sup>71</sup> the court addressed initial interest confusion and determined that in the case of a plaintiff security device manufacturer and a defendant software installer of computer network security programs, there was merely *de minimis* initial interest confusion where the markets for these products did not overlap.<sup>72</sup> The plaintiff, Checkpoint Systems, Inc., had used the "Checkpoint" mark in sales of its security products designed to track the location of goods to retailers to prevent store theft.<sup>73</sup> The defendant, Check Point Software Technologies, Inc., sells firewall programs to protect a purchaser's computer network.<sup>74</sup> The court held that product relatedness is one of the relevant factors in initial interest confusion because there is more likely to be a wrongful acquisition of goodwill when the products are similar; without which, there is a less likelihood of free-riding.<sup>75</sup>

Even when the products are related, a court can determine that there is no initial interest confusion. One example is the decision in *Inc. Publishing Corp. v. Manhattan Magazine, Inc.*,<sup>76</sup> where the court noted that a theory of initial interest confusion, referred to as a situation that would allow a competitor to get a "foot in the door," was unproved in the context of the use of similar marks by publishers for magazines.<sup>77</sup> The plaintiff was the owner and publisher of "Inc." magazine, in publication since 1979, and the defendant was the owner and publisher of "Manhattan, Inc." magazine, which began publication in 1984.<sup>78</sup> The court characterized the notion of a competitor getting a "foot in the door."<sup>79</sup> The testimony of

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<sup>69</sup> *See id.*

<sup>70</sup> *Id.* at \*14.

<sup>71</sup> 269 F.3d 270 (3d Cir. 2001).

<sup>72</sup> *See id.*

<sup>73</sup> *Id.* at 276.

<sup>74</sup> *Id.* at 277.

<sup>75</sup> *Id.* at 296-97.

<sup>76</sup> '616 F. Supp. 370 (S.D.N.Y. 1985).'

<sup>77</sup> *Id.* at 387.

<sup>78</sup> *Id.* at 372-73.

<sup>79</sup> *Id.* at 387. The court stated:

An alternative form of potential confusion among advertisers, suggested by certain of plaintiffs' witnesses, may be characterized as the "foot in the door" or "fraudulent entry" phenomenon. The scenario goes like this. An ad salesman for "Manhattan, [I]nc." makes an unsolicited telephone call to a prospect at an advertising agency. "I'm from 'Manhattan, [I]nc.," he says, deliberately (or by inadvertence) slurring the "Manhattan" and stressing the "inc." The agency man believes that the salesman is from "Inc." magazine, and because of its fine reputation, he grants an interview. Of course, the truth will emerge soon enough during the interview; but the salesman has gotten his foot in the door, and is thus able to make his spiel.

witnesses for the defendant was found to be convincing: that a publisher would emphasize its prior success in publishing other magazines when making sales presentations to advertising agencies.<sup>80</sup> Thus, the suggestion that the defendant would be able to rely on initial interest confusion<sup>81</sup> was deemed to be counter to the evidence presented, despite product relatedness.<sup>82</sup>

However, initial interest confusion can also be found in the absence of relatedness or competition. For instance, in *Westchester Media Co. v. PRL USA Holdings, Inc.*,<sup>83</sup> the court held that the initial interest confusion caused by the use of the mark “Polo” as the title of a magazine served as evidence of actual confusion with the fashion mark “Polo” used by Ralph Lauren.<sup>84</sup> One type of proof of initial interest confusion that the court noted was actual confusion by potential customers.<sup>85</sup> Some incidents detailed in deposition testimony included subscribers of the magazine thinking that the mark was associated with Ralph Lauren.<sup>86</sup> Additionally, some potential advertisers believed the magazine was affiliated with the fashion company, although this was not to the benefit of the magazine when other clothing companies did not want to advertise.<sup>87</sup> Furthermore, there were survey results that tested to see if people were confused about the affiliation of the magazine that were reported as well, but these surveys created difficulties because there were issues of whether the questions asked were proper, whether the test group was appropriate, and whether the assessment of the data of those surveys was correct.<sup>88</sup> Rather than deciding how much importance to give the survey evidence, the court instead relied on the showing of initial interest confusion and stated that even if the perceived affiliation between the magazine and Ralph Lauren was fleeting, it was sufficient to establish actual confusion.<sup>89</sup>

#### ii. Consumer Sophistication

Consumer sophistication is a factor that addresses the level of care the relevant consumer market gives to its purchase, and goods and services that are more costly are considered to require a higher level of sophistication. As in the likelihood of confusion standard, a high level of consumer sophistication can serve as a mitigating factor and make initial interest confusion unlikely. One such case is *Rust Environment & Infrastructure v. Teunissen*,<sup>90</sup> where the plaintiff sought to prohibit the defendants from using “Donohue & Associates” as the name of their

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Id.

<sup>80</sup> *Id.*

<sup>81</sup> The court did not use this term in the case.

<sup>82</sup> *Inc. Publ'g Corp.*, 616 F. Supp. at 387.

<sup>83</sup> 103 F. Supp. 2d 935 (S.D. Tex. 1999).

<sup>84</sup> *See id.*

<sup>85</sup> *Id.* at 968.

<sup>86</sup> *Id.* at 969.

<sup>87</sup> *Id.* at 970.

<sup>88</sup> *See id.* at 965-68.

<sup>89</sup> *Westchester Media Co. v. PRL USA Holdings, Inc.*, 103 F. Supp. 2d 935, 972 (S.D. Tex. 1999).

<sup>90</sup> 131 F.3d 1210 (7th Cir. 1997).

wastewater engineering consulting firm.<sup>91</sup> Originally, the “Donohue” mark had been used for a nationally-known engineering firm practicing in the area of wastewater engineering, which was then acquired by Waste Management, and Waste Management went on to use the “Donohue” mark until 1993 when it switched to the name “Rust Environment & Infrastructure” (“Rust”).<sup>92</sup> The defendants, who were former employees of Rust, formed a second engineering consulting firm and called it “Donohue & Associates” (“Donohue II”), even though none of them had the name Donohue.<sup>93</sup> The court affirmed the district court’s holding that initial interest confusion, in terms of making initial contacts and getting their foot in the door, was unlikely due to the high level of sophistication of Donohue II customers, the small wastewater engineering market, and the high cost of their projects.<sup>94</sup> The court also acknowledged that the employees of Donohue II were careful to introduce themselves as a new firm.<sup>95</sup>

But, as with the likelihood of confusion standard, a high level of sophistication of the relevant consumer class does not necessarily prevent initial interest confusion. For instance, in *SecuraComm Consulting, Inc. v. SecuraCom Inc.*,<sup>96</sup> the court enjoined the defendant’s use of the mark “SecuraCom,” which was used for a security systems consulting firm, while the plaintiff had been using the mark “SecuraComm” for its own competing security systems consulting firm.<sup>97</sup> The security systems consulting business involves competitive bidding on contracts, which can take place over several months.<sup>98</sup> By the time a purchaser finalizes a contract, it is clear which company is involved, so the defendants argued that confusion between the companies is not possible.<sup>99</sup> However, the court disagreed and held that confusion is possible under the doctrine of initial interest confusion.<sup>100</sup> The defendants made an additional argument to explain why confusion is not likely, based on the sophistication of the consumers.<sup>101</sup> Because initial interest confusion is not dependent upon actual sales, the court considered the high level of care of the consumer in making his or her purchase to be a factor that is generally trumped by a showing of initial interest.<sup>102</sup> Here, it seems the similarity of the marks would have been sufficient for a finding of infringement under the likelihood of confusion standard.<sup>103</sup>

However, a high level of sophistication of the relevant consumer market can

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<sup>91</sup> *See id.*

<sup>92</sup> *Id.* at 1212-13.

<sup>93</sup> *Id.* at 1213.

<sup>94</sup> *Id.* at 1217.

<sup>95</sup> *Id.*

<sup>96</sup> 984 F. Supp. 286 (D.N.J. 1997).

<sup>97</sup> *See id.*

<sup>98</sup> *Id.* at 298

<sup>99</sup> *Id.*

<sup>100</sup> *Id.* at 299.

<sup>101</sup> *Id.*

<sup>102</sup> *SecuraComm Consulting, Inc. v. SecuraCom Inc.*, 984 F. Supp. 286, 299 (D.N.J. 1997) (citing 3 J.T. MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:6 (4th ed. 1997)).

<sup>103</sup> *See id.*

be an aggravating factor to initial interest confusion. One such case is *Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co.*,<sup>104</sup> where the court determined that the sophistication of the purchasers of designer blue jeans would add to a finding of initial interest confusion, after a company used a substantially similar stitching pattern on the back pocket as a famous manufacturer's registered trademark for a pocket stitching pattern.<sup>105</sup> The court looked at the likelihood of confusion factors, and, when it examined the factor of sophistication of the relevant consumers, it determined that this factor favored the famous manufacturer Levi Strauss because the more sophisticated buyer is more likely to assume that there is an affiliation between the Levi Strauss jeans stitching pattern and the competitor.<sup>106</sup> The sophisticated consumer is the one who is going to notice the stitching patterns in the first place.<sup>107</sup> While the sophistication of the consumer is often a basis for disputing confusion, in this situation it aided the case of Levi Strauss against the junior user of its trademarked pattern, just as in *Grotrian*.<sup>108</sup>

### iii. Defendant's Intent to Deceive

An intent to deceive by the defendant generally will be an aggravating factor that goes towards initial interest confusion and operates the same as the factor of defendant's bad faith in the likelihood of confusion analysis. In *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*,<sup>109</sup> the court held that the purposeful use of an entertainment company's mark "MovieBuff" in the domain name and metatags of a video rental chain store likely caused initial interest confusion.<sup>110</sup> The court emphasized that the defendant acted affirmatively when it used the plaintiff's mark, so it generated the initial interest confusion, rather than simply taking advantage of a fluke situation as in other cases where the junior user coincidentally used the senior user's mark.<sup>111</sup>

### iv. Financial Benefit to Defendant

When there is no financial benefit to the defendant, it is harder to find initial interest confusion as evidenced in *Northland Insurance Companies v. Blaylock*,<sup>112</sup> where the court held that there was no initial interest confusion by a gripe site<sup>113</sup> that used the mark of an insurance company in its domain name.<sup>114</sup> Because the case involved a gripe site, it seems the court could have simply hinged its analysis

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<sup>104</sup> 799 F.2d 867, 876 (2d Cir. 1986).

<sup>105</sup> *See id.*

<sup>106</sup> *Id.* at 875.

<sup>107</sup> *Id.*

<sup>108</sup> *See Grotrian, Helferrich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 523 F.2d 1331 (2d Cir. 1975).

<sup>109</sup> "174 F.3d 1036, 1065 (9th Cir. 1999).

<sup>110</sup> *See id.*

<sup>111</sup> *Id.* at 1065.

<sup>112</sup> 115 F. Supp. 2d 1108 (D. Minn. 2000).

<sup>113</sup> *See* 2 ANNE GILSON LALONDE, GILSON ON TRADEMARKS § 7A.06 (2007) (defining gripe sites as "criticism . . . sites (also known as 'sucks' sites because they are often in the form brandXsucks.com)").

<sup>114</sup> *See Northland*, 115 F. Supp. 2d 1108.

on “fair use.” In this case, the defendant owned a yacht insured by the plaintiff insurance company.<sup>115</sup> After the yacht was damaged, the defendant did not collect the full amount of damages he sought, so he created a website to share his experience and criticize the company.<sup>116</sup> The court held that initial interest confusion occurs when a defendant, who used a plaintiff’s mark, did so to attract consumers in order to gain financially.<sup>117</sup> In this case, the defendant had used the plaintiff insurance company’s mark to draw attention to his criticism of that company, which, as the court phrased it, was within the bait-and-switch construct of initial interest confusion, in that there is “bait” . . . [but] there is no discernable ‘switch’” because the defendant did not stand to reap any material gain.<sup>118</sup> While the plaintiff did contend that the defendant could gain by harming the plaintiff’s ability to do business online, the court noted that it did not have enough facts to support that assertion and instead concluded that initial interest confusion did not apply to the case.<sup>119</sup> Thus, the lack of financial benefit to the defendant is an important factor that can indicate the absence of initial interest confusion, but courts could instead look to fair use to protect gripe sites and other expressions of free speech.

#### v. Internet Context

##### a.) Disclaimers

A disclaimer could be ineffective to prevent initial interest confusion, as demonstrated in *Planned Parenthood Federation of America, Inc. v. Bucci*,<sup>120</sup> where the plaintiff, the nonprofit Planned Parenthood, was granted a preliminary injunction to enjoin the defendant, a pro-life host of a daily radio show, from using its mark in his website domain name “plannedparenthood.com.”<sup>121</sup> The plaintiff had used its mark since 1942, and it has its own website with the domain name “ppfa.org,” while the defendant had registered to use his website domain name in 1996, and the content of the website provides information about an anti-abortion book.<sup>122</sup> The court held that a disclaimer on the defendant’s website would not remedy its finding of a likelihood of confusion because readers of the website would still have to spend time and energy accessing the site before they understood that it was not affiliated with the plaintiff.<sup>123</sup> Thus, the court placed a high value on the small investment an Internet user makes merely in visiting a website and in the short amount of time it takes to ascertain that it is unrelated to his or her intended search.

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<sup>115</sup> *Id.* at 1114.

<sup>116</sup> *Id.*

<sup>117</sup> *Id.* at 1120.

<sup>118</sup> *Id.*

<sup>119</sup> *Id.* at 1121.

<sup>120</sup> ‘1997 U.S. Dist. LEXIS 3338 (S.D.N.Y. 1997).

<sup>121</sup> *Id.*

<sup>122</sup> *Id.* at \*2-4.

<sup>123</sup> *Id.* at \*38.

b.) Domain Names

A domain name can be the basis of actionable initial interest confusion. For example, in *Ty, Inc. v. Agnes M., Ltd.*,<sup>124</sup> the court found that it was a genuine issue of fact whether there was initial interest confusion over the plaintiff's mark "Beanie Babies" for bean bag toys, and the defendant's website called "beaniebabes.com" where she sold both Beanie Babies and other similar toys.<sup>125</sup> While more evidence would be needed in order to establish initial interest confusion, the court did note that the defendant's website used the plaintiff's logo in addition to using a domain name very similar to the plaintiff's mark, so it was possible that Internet users could initially be misled and this would allow the defendant to "get its foot in the door," which gave the plaintiff a strong argument on this issue.<sup>126</sup>

Additionally, disputes over domain names can be resolved under the Uniform Dispute Resolution Policy, in which one of the dispute providers is the World Intellectual Property Organization ("WIPO"),<sup>127</sup> where recently there have been a number of decisions involving pharmaceutical trademarks, such as those involving the medication Acomplia.<sup>128</sup> The Sanofi-aventis pharmaceutical company owns the weight-loss drug Acomplia, which is available in the United Kingdom and Germany.<sup>129</sup> One recent complaint filed by Sanofi-aventis against the holder of the domain names "www.acompliablog.com" and "www.genericacomplia.net" resulted in the WIPO Arbitration and Mediation Center's decision to cancel these domain names.<sup>130</sup> The panel noted that an Internet user might not specifically search for these particular domain names, but they could nonetheless be listed in search results for Acomplia when users are looking for the pharmaceutical company's website, and that this is the intent of the respondent; thus, the respondent is misappropriating the complainant's mark to attract visitors, which causes initial interest confusion.<sup>131</sup> The use of the word "generic" in "www.genericacomplia.com" conjures up the notion of low-cost medication, and the use of the word "blog" in "www.acompliablog.com" would lead one to believe that he or she would receive extra information, so these additional words do not help the respondent avoid initial interest confusion.<sup>132</sup>

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<sup>124</sup> 2001 U.S. Dist. LEXIS 18852 (N.D. Ill. 2001).

<sup>125</sup> *Id.*

<sup>126</sup> *Id.* at \*39.

<sup>127</sup> 3 PAUL D. MCGRADY, JR., MCGRADY ON DOMAIN NAMES § 504.05 (2009).

<sup>128</sup> *Sanofi-aventis v. Richard Donnelly*, No. D2008-0461 (WIPO Arb. & Mediation Ctr. May 16, 2008); *Sanofi-aventis v. John Smith*, No. D2008-0462 (WIPO Arb. & Mediation Ctr. May 14, 2008); *Sanofi-aventis v. Sandra Bunton*, No. D2008-0464 (WIPO Arb. & Mediation Ctr. May 14, 2008); *Sanofi-Aventis v. Cobus G. Nissen*, No. D2008-0465 (WIPO Arb. & Mediation Ctr. May 20, 2008); *Sanofi-aventis v. Hodinar*, No. D2008-0467 (WIPO Arb. & Mediation Ctr. May 19, 2008); *Sanofi-aventis v. World Wide Web, Inc.*, No. D2008-0459 (WIPO Arb. & Mediation Ctr. May 21, 2008).

<sup>129</sup> *World Wide Web, Inc.*, No. D2008-0459.

<sup>130</sup> *Id.* at \*13.

<sup>131</sup> *Id.* at \*12.

<sup>132</sup> *Id.*



## c.) Metatags

Although search engines generally do not use metatags in their relevancy algorithms,<sup>133</sup> they can be a source of actionable initial interest confusion, as shown in *Promatek Industries, Ltd. v. Equitrac Corp.*,<sup>134</sup> where the defendant used plaintiff's mark "Copitrac" as a metatag on its website, because even though the defendant was a competing company it was also in the business of repairing the plaintiff's brand of cost-recovery equipment.<sup>135</sup> The court noted that there was a likelihood of initial consumer confusion<sup>136</sup> and affirmed the grant of a preliminary injunction against the defendant's use of the metatag because there was a strong likelihood of confusion.<sup>137</sup> The court explained that initial interest confusion is actionable, even if the duration of confusion is short and no longer exists at the time of purchase, because it misappropriates the senior user's goodwill.<sup>138</sup> Furthermore, the court clarified that the problem was not the use of plaintiff's mark by the defendant as a metatag, but "that it used that trademark in a way calculated to deceive consumers into thinking that [defendant] was [the plaintiff]."<sup>139</sup> Thus, infringing use of another's trademark as a metatag can depend on deception and not mere use.

However, the use of another company's metatag on one's website is permitted when it is found to be a fair use. One such example is *Playboy Enterprises, Inc. v. Terri Welles, Inc.*,<sup>140</sup> where the court held that the use of the marks "Playboy" and "Playmate" by a former Playboy model in the metatag keywords on her website were a nominative fair use because they allowed her, in good faith, to indicate the content of the website.<sup>141</sup> However, some initial interest confusion was demonstrated by circumstantial evidence, including the deposition of an expert witness, that there were Internet users who used the marks at issue as search terms in their web browser when they were actually looking for the official website of the magazine.<sup>142</sup> Despite this evidence, the court emphasized that there was no proof that the use of the metatags was to divert customers or to misappropriate goodwill.<sup>143</sup> Additionally, use of these trademarks as metatags "comports with the fact web users must utilize identifying words to find their intended site,"<sup>144</sup> and the "policies of free competition and free use of language dictate that trademark law

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<sup>133</sup> Zachary J. Zweihorn, Note, *Searching for Confusion: The Initial Interest Confusion Doctrine and its Misapplication to Search Engine Sponsored Links*, 91 CORNELL L. REV. 1343, 1362-63 (2006) (explaining that search engines generally do not use metatags in their relevancy algorithms).

<sup>134</sup> 300 F.3d 808, 810-11 (7th Cir. 2002).

<sup>135</sup> *See id.*

<sup>136</sup> *Id.* at 813.

<sup>137</sup> *Id.* at 814.

<sup>138</sup> *Id.* at 812-13.

<sup>139</sup> *Id.* at 814 (citing *Ty, Inc. v. GMA Accessories, Inc.*, 132 F.3d 1167, 1171 (7th Cir. 1997)); *see Brookfield Commc'ns v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1066 (9th Cir. 1999).

<sup>140</sup> 78 F. Supp. 2d 1066, 1095 (S.D. Cal. 1999).

<sup>141</sup> *See id.*

<sup>142</sup> *Id.* at 1094.

<sup>143</sup> *Id.* at 1095.

<sup>144</sup> *Id.*

cannot forbid the commercial use of terms in their descriptive sense.”<sup>145</sup> Therefore, fair use of a trademark, including a trademark as a metatag, can prevent a finding of infringement by initial interest confusion, just as with the likelihood standard.

### III. DISCUSSION

#### A. Problems of Initial Interest Confusion

Initial interest confusion is a flawed doctrine because it does not require a showing of likelihood of confusion, it is superfluous and inefficient, and it is also unnecessary in the Internet context, so courts should not utilize it in evaluating trademark infringement.

##### 1. No Requirement of Likelihood of Confusion

Since initial interest confusion does not necessarily require there to be a likelihood of confusion, which is the basis of trademark law, it improperly broadens findings of infringement and limits consumer access to legitimate information in the marketplace.

The likelihood of confusion standard is better than initial interest confusion because it is the statutory basis of infringement codified by Congress in the Lanham Act.<sup>146</sup> The Act is not based upon mere diversion or distraction of consumers – there should be no infringement where the potential consumer is not likely to be confused.<sup>147</sup> However, initial interest confusion does not follow this logic because, after *Brookfield*, this doctrine is able to establish infringement even in the absence of a likelihood of confusion.<sup>148</sup> Other scholars, such as Dogan and Lemley, as well as Rothman, have been similarly critical of the analysis applied in *Brookfield*.<sup>149</sup> While some argue that the *Brookfield*-type analysis is appropriate in certain contexts, such as the Internet cases,<sup>150</sup> the need to limit the usage of the doctrine to specific circumstances, especially when the relevant technology is constantly changing, demonstrates that initial interest confusion has an inherently

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<sup>145</sup> *Id.* (quoting 1 J. MCCARTHY, TRADEMARKS AND UNFAIR COMPETITION, § 11.45 (1999)).

<sup>146</sup> Lanham Act, 15 U.S.C. § 1114 (2005).

<sup>147</sup> Jennifer E. Rothman, *Initial Interest Confusion: Standing at the Crossroads of Trademark Law*, 27 CARDOZO L. REV. 105, 122-23 (2005).

<sup>148</sup> See *Brookfield Commc'ns v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1066 (9th Cir. 1999).

<sup>149</sup> Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777, 826 (2004); Rothman, *supra* note 147, at 121 (stating the *Brookfield* court was wrong under the Lanham Act and as a matter of policy).

<sup>150</sup> Rachel Jane Posner, Note, *Manipulative Metatagging, Search Engine Baiting, and Initial Interest Confusion*, 33 COLUM. J.L. & SOC. PROBS. 439, 505 (2000) (advising the adoption of initial interest confusion); Stanley U. Paylago, *Trademark Infringement, Metatags, and the Initial Interest Confusion Remedy*, 9 MEDIA L. & POL'Y 49, 64-65 (2000) (advocating initial interest confusion in the Internet context); James A. Rossi, *Protection For Trademark Owners: The Ultimate System of Regulating Search Engine Results*, 42 SANTA CLARA L. REV. 295, 327 (2002) (supporting initial interest confusion online). *But see* Note, *Confusion in Cyberspace: Defending and Recalibrating The Initial Interest Confusion Doctrine*, 117 HARV. L. REV. 2387, 2410 (2004) (agreeing with initial interest confusion but limiting circumstances of application online).

weak foundation. However, while some argue that initial interest confusion is appropriate because it is a subset of likelihood of confusion<sup>151</sup> or that it fits within the traditional analysis,<sup>152</sup> this is inconsistent with the current state of the doctrine because the traditional standard is incapable of finding infringement when there is no likelihood of confusion.

While the other foundational principles of trademark are also important, a doctrine of infringement in this area of law should be governed by likelihood of confusion and not unfair competition. Unfair competition and the misappropriation of goodwill are crucial components in trademark law, but some courts have taken them too far and are improperly limiting consumer access to legitimate comparative information in the marketplace via initial interest confusion. While trademark law does prevent unfair competition,<sup>153</sup> the emphasis should be on the word “unfair” because fair competition is permitted.<sup>154</sup> However, initial interest confusion has been used to limit appropriate competition, as in *Promatek*,<sup>155</sup> where the use of a competitor’s trademark in a website metatag was enjoined even though the website owner also serviced the competitor’s brand of equipment. Without the doctrine of initial interest confusion, a court could have determined that the use of the metatag was fair because it informed consumers of a legitimate activity. While it has been argued that allowing the use of another’s trademark, even in the absence of confusion, would permit free-riding and the misappropriation of goodwill,<sup>156</sup> this argument is unsupportable because it would mean that it is trademark infringement for consumers to be informed of competing brands, and, by implication, stores would be unable to place competing brand-name goods next to one another.<sup>157</sup> Even in the Internet context, online retailers are allowed to suggest alternatives to consumers prior to purchase.<sup>158</sup> Thus, the doctrine of initial interest confusion deprives consumers of important fair competition information for comparison shopping.

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<sup>151</sup> Chad J. Doellinger, *Trademarks, Metatags and Initial Interest Confusion: A Look into the Past to Reconceptualize the Future*, 41 IDEA 173, 196 (2001) (noting that initial interest confusion is “best viewed as a subspecies of likelihood of confusion”).

<sup>152</sup> Bryce J. Maynard, Note, *The Initial Interest Confusion Doctrine and Trademark Infringement on the Internet*, 57 WASH. & LEE L. REV. 1303, 1352 (2000) (noting that initial interest confusion is a part of the likelihood of confusion test).

<sup>153</sup> See *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403 (1916).

<sup>154</sup> Rothman, *supra* note 147, at 163 (“Competitors are always harmed when competing goods succeed. The fact that a trademark holder’s profits may be reduced if a competitor is permitted to refer to or model its product after a trademark holder’s product is irrelevant.”).

<sup>155</sup> See *Promatek Indus., Ltd. v. Equitrac Corp.*, 300 F.3d 808 (7th Cir. 2002).

<sup>156</sup> Doellinger, *supra* note 151, at 211 (noting that metatags, even in the absence of consumer confusion, are a means to wrongly benefit from a competitor’s goodwill).

<sup>157</sup> See *Playboy Enters., Inc. v. Netscape Commc’ns, Corp.*, 354 F. 3d 1020, 1035 (9th Cir. 2004) (Berzon, J., concurring) (analogizing a metatag example where the consumer is not confused to the situation of a customer looking to find a certain brand-name item and then seeing other brands at the store selling similar goods).

<sup>158</sup> *Id.*

## 2. *Initial Interest Confusion is Superfluous*

Courts that utilize the doctrine of initial interest confusion generally evaluate the same factors in making a determination of infringement as they would when applying the traditional likelihood of confusion standard, so initial interest confusion is superfluous and inefficient.

For instance, in *Pegasus Petroleum*, the court applied the likelihood of confusion factors and determined that they favored the plaintiff, and thus did not require the initial interest doctrine to arrive at its ruling.<sup>159</sup> As at least one scholar has already noted in the Internet context, but which applies to the brick-and-mortar world as well, trademark's traditional likelihood of confusion standard is sufficient and initial interest confusion is not needed.<sup>160</sup> When the court applied initial interest confusion in explaining that Pegasus Petroleum could gain "crucial credibility during the initial phases of the deal," it did so within the context of analyzing the likelihood of confusion factor of purchaser sophistication,<sup>161</sup> which indicates that the doctrine is not independent of the traditional analysis.

Furthermore, other cases demonstrate that the courts are applying the same or similar factors that are applied in the likelihood of confusion test when they use initial interest confusion. As we have seen, courts using the initial interest doctrine look at factors such as product relatedness (proximity), consumer sophistication, the defendant's intent to deceive, and financial benefit to the defendant—all of which are factors that courts already look at in applying the traditional likelihood of confusion test. Even proponents of initial interest confusion acknowledge that the traditional factors are the basis or the framework for the doctrine.<sup>162</sup>

Additionally, the doctrine of initial interest confusion can cause courts to be less efficient by taking their attention away from the substance of the confusion factors. For example, in *Eli Lilly & Co. v. Natural Answers, Inc.*,<sup>163</sup> the defendant had used a similar mark for a similar product that was an herbal alternative to the prescription medication made by the plaintiff.<sup>164</sup> While the court had the factors of similarity and proximity upon which to base its analysis, it still went on a tangent of analyzing the initial interest confusion due to the metatag, but on the facts of the case the metatag did not even attract traffic to the defendant's website.<sup>165</sup> There may be valid concerns about cases such as this one, which involve pharmaceuticals, and it could be argued that initial interest confusion is doing more than pre-

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<sup>159</sup> See *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254 (2d Cir. 1987).

<sup>160</sup> Jason Allen Cody, Note, *Initial Interest Confusion: What Ever Happened to Traditional Likelihood of Confusion Analysis?*, 12 FED. CIR. B.J. 643 (2002) (arguing that the adoption of the initial interest confusion doctrine is unwarranted in the Internet context).

<sup>161</sup> *Mobil Oil Corp.*, 818 F.2d at 259.

<sup>162</sup> Doellinger, *supra* note 151, at 198-99 (using the traditional likelihood of confusion test as a basis for the initial interest confusion doctrine); see also Maynard, *supra* note 152, at 1352 (noting that initial interest confusion is a part of the traditional likelihood of confusion standard). *But see* Posner, *supra* note 150, at 443-44 (advising the adoption of initial interest confusion using *Brookfield*, a case that did not apply the traditional likelihood of confusion factors).

<sup>163</sup> See 233 F.3d 456 (7th Cir. 2000).

<sup>164</sup> *Id.*

<sup>165</sup> *Id.* at 460.

venting the misappropriation of goodwill and is also protecting consumer health. The same concern would also arise in WIPO decisions addressing pharmaceutical marks used in domain names by entities that are not associated with the manufacturer.<sup>166</sup> However, as Lemley has argued when discussing the externalities of trademarks, “[a]s long as any confusion is dispelled by the time consumers buy goods or services, as initial interest confusion assumes, consumers may be presumed to have found the alternative goods at least as desirable as the mark owners’ goods.”<sup>167</sup> In *Natural Answers*, the consumer could legitimately be searching for herbal alternatives. Thus, because initial interest confusion is based on the notion that the consumer is not confused about the source of the goods at the time of purchase, courts addressing such cases could put more weight on the factor of consumer sophistication as a protective mechanism for the sake of public health and safety.

### 3. Internet Context

In the Internet context, initial interest confusion is obsolete due to search engine technology for metatags and statute for domain names.

#### a.) Metatags

In *Brookfield*, the court created an analogy based upon a highway billboard sign to help explain how initial interest confusion relates to metatags.<sup>168</sup> However, this analogy does not help to support the doctrine of initial interest confusion because it does not accurately reflect how metatags work, since metatags are not seen by consumers, and because it fails to consider the ease and simplicity of searching the Internet. Clicking back to a prior webpage is a low-cost activity, unlike the trouble it would take to go back to the highway.<sup>169</sup> Judge Berzon, who noted that the *Brookfield* billboard example has been widely criticized,<sup>170</sup> offered a more realistic analogy and stated that a metatag that uses another’s trademark is like the situation faced by a person who goes shopping at a store to buy a certain brand-name

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<sup>166</sup> See, e.g., *Sanofi-aventis v. World Wide Web, Inc.*, No. D2008-0459 (WIPO Arb. & Mediation Ctr. May 21, 2008).

<sup>167</sup> David W. Barnes, *Trademark Externalities*, 10 YALE J. L. & TECH. 1, 35 (2007) (advocating a balancing of interests for trademark issues, including initial interest confusion).

<sup>168</sup> *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1064 (9th Cir. 1999) (“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 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.”).

<sup>169</sup> Rothman, *supra* note 147, at 175.

<sup>170</sup> *Playboy Enters., Inc. v. Netscape Commc’ns Corp.*, 354 F.3d 1020, 1036 (9th Cir. 2004) (Berzon, J., concurring). *But see* Posner, *supra* note 150, at 505 (advocating initial interest confusion as set out in *Brookfield*).

item and on the way sees the store-brand alternative; even when the consumer purchases the store-brand alternative, there is no initial confusion or infringement.<sup>171</sup> Additionally, it is not infringement for online retailers, such as Amazon.com, to show the Internet consumer pictures of goods he or she might consider based upon his or her search for a brand-name item.<sup>172</sup> Furthermore, the issue of metatags is outdated because Google and other search engines do not use them to reach their search results.<sup>173</sup> Thus, the *Brookfield* analogy is incorrect, and the overall issue of metatags causing initial interest confusion is generally obsolete.

However, metatags continue to be the basis for infringement suits, and we can use them to represent not only current but also future Internet technologies that manipulate search results online. These are nothing new; rather, they are paid promotions that are customary in brick-and-mortar stores, for instance the grocery store practice of accepting “slotting allowances” from corporations that want their product to have prime shelf space.<sup>174</sup> So long as there is no likely confusion of the relevant consumer, these practices should continue to be accepted as promotional devices.

#### b.) Domain Names

The application of initial interest confusion to domain names is unnecessary because domain names are protected by the ACPA,<sup>175</sup> passed by Congress in 1999, which provides a remedy for situations where the defendant used the plaintiff’s same or confusingly similar mark in a domain name and acted with a bad faith intent to profit from the goodwill of the plaintiff.<sup>176</sup> In WIPO decisions, where the ACPA is not applied, the likelihood of confusion standard is the analysis used to decide whether a domain name that uses another’s mark is infringing, and initial interest confusion is briefly mentioned at the end without further analysis, which helps demonstrate that initial interest confusion is unnecessary.<sup>177</sup> In the Internet context, the ACPA is better than the likelihood of confusion standard, due to the difficulty of assessing the factor of consumer sophistication, since it is difficult to know whether Internet users are using a high degree of care due to their familiarity with how search engines work,<sup>178</sup> or whether most users are not using a high de-

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<sup>171</sup> *Playboy Enters., Inc.*, 354 F.3d at 1035.

<sup>172</sup> *Id.*

<sup>173</sup> Zweihorn, *supra* note 133, at 1362-63 (explaining that search engines generally do not use metatags in their relevancy algorithms).

<sup>174</sup> *See, e.g., In re McCormick & Co.*, No. 961-0050 (F.T.C. Mar. 14, 2000) (a case where a settlement was reached with McCormick, a spice company).

<sup>175</sup> Zweihorn, *supra* note 133, at 1361-62; Rothman, *supra* note 147, at 172-73.

<sup>176</sup> 15 U.S.C. § 1125 (d)(1)(A)(i) (2000).

<sup>177</sup> *See, e.g., Sanofi-aventis v. Richard Donnelly*, No. D2008-0461 (WIPO Arb. & Mediation Ctr. May 16, 2008); *Sanofi-aventis v. John Smith*, No. D2008-0462 (WIPO Arb. & Mediation Ctr. May 14, 2008); *Sanofi-aventis v. Sandra Bunton*, No. D2008-0464 (WIPO Arb. & Mediation Ctr. May 14, 2008); *Sanofi-Aventis v. Cobus G. Nissen*, No. D2008-0465 (WIPO Arb. & Mediation Ctr. May 20, 2008); *Sanofi-aventis v. Hodinar*, No. D2008-0467 (WIPO Arb. & Mediation Ctr. May 19, 2008); *Sanofi-aventis v. World Wide Web, Inc.*, No. D2008-0459 (WIPO Arb. & Mediation Ctr. May 21, 2008).

<sup>178</sup> Yelena Dunaevsky, Comment, *Don’t Confuse Metatags with Initial Interest Confusion*, 29 *FORDHAM URB. L.J.* 1349, 1383-84 (2002); Joseph V. Marra, *Playboy Enterprises, Inc. v. Netscape Communications Corp.: Making Confusion a Requirement for Online Initial Interest Confusion*, 20

gree of care due to the widespread use of the Internet and the low cost of clicking back to the prior webpage.<sup>179</sup> But note that in cases involving public health, the risks associated with any confusion are high, so in that context a thorough assessment of consumer sophistication is justified. Another reason not to use initial interest confusion is that users who search for a particular trademark in a search engine will then see the search list and have a brief description of the page to judge whether to click on the link or not.<sup>180</sup> Just as the use of initial interest confusion is obsolete for metatags, it is also outdated for domain names.

#### c.) Internet Future

The arguments favoring initial interest confusion – the gaining of initial credibility and attracting consumers by another’s goodwill – are not always relevant in the Internet context because people use brand names to search for goods without knowing or remembering the generic term. When the potential consumer intends to find a smartphone and searches for one by using the search term “Blackberry,” then it should be acceptable for “iPhone” to show up in the results, too. After all, the consumer did not intend on a particular brand, he or she simply is looking for a product and used a brand as a search term out of convenience. But, what about when the consumer does intend to find “Blackberry?” Even then, it should be okay for other brands to show up in the search engine results listing because “iPhone” and others are merely alternatives, and the customer is simply offered a fair choice.<sup>181</sup> It should not be infringement for future technology to use brands as representative of generic goods:

|   |  |
|---|--|
| 1st.) Internet consumer enters “Blackberry” → | 2nd.) “Blackberry” triggers all results for “smartphone”:                          |
|   | 3rd.) The search engine result list then shows:<br>-Blackberry<br>-iPhone<br>-etc. |

Not only should it be acceptable for the search of “Blackberry” to turn up results for “iPhone” and others, with the understanding that a consumer may not be actually looking for “Blackberry” or may want to be presented with alternatives, it should also be fair to manipulate the order of the listings, just like paid promotions or grocery store “slotting allowances.” So long as the consumer is not likely to be confused, this would be consistent with brick-and-mortar practices, it offers buyers

BERKELEY TECH. L.J. 209, 223 (2005) (citing Todd B. Patterson & Peter L. Brewer, “Initial Interest Confusion” *Factors into Infringement Analysis*, N.J.L.J., Mar. 11, 2002, at 31 (noting that initial interest confusion could improperly underestimate the intelligence of online consumers, while trademark law is based upon the person of average intelligence)).

<sup>179</sup> Doellinger, *supra* note 151, at 222; Marra, *supra* note 178, at 224.

<sup>180</sup> 2 JEROME GILSON ET AL., TRADEMARK PROTECTION AND PRACTICE § 7A.08 (2002).

<sup>181</sup> *Playboy Enters., Inc. v. Netscape Commc’ns Corp.*, 354 F.3d 1020, 1035 (9th Cir. 2004) (Berzon, J., concurring) (noting that Amazon.com is allowed to offer its consumers alternate options prior to sale).

legitimate information, and it acknowledges the practice of the Internet search that intends to find alternative brands and options.

This approach would also incentivize sellers to educate consumers on the generic terms,<sup>182</sup> (which would encourage “smartphone” as a search term for those not seeking a particular brand) as well as educate consumers on manipulative Internet practices. The brick-and-mortar shopper is already aware of the concept of paid promotions, and the Internet consumer has the right to be similarly aware. One caveat is that the brand of the consumer’s search should appear in the top five results, or at least on the first page of the results, so that the relevant Internet consumer can find it without having to flip through an unreasonable number of manipulated search results.

### B. Proposal

For the foregoing reasons outlined in Part III.A, courts should abolish the initial interest confusion doctrine and instead rely on the traditional likelihood of confusion analysis. Concern for public health and safety should be addressed by emphasizing the factor of consumer sophistication. In the Internet context, courts should acknowledge that metatags are an outdated issue and rely on the ACPA for domain names. In the future, courts should permit manipulative Internet search practices so long as those practices do not lead to a likelihood of confusion of the relevant Internet consumer, which will incentivize sellers to educate consumers about such practices.

### C. Examples

There are a number of cases that have applied both the initial interest confusion doctrine as well as the traditional likelihood of confusion standard, for which the traditional standard would have been sufficient to reach the same rulings. This includes one of the first initial interest confusion cases, *Grottrian*, because the court considered likelihood of confusion factors, such as evidence of actual confusion, proximity of the goods due to direct competition, and similarity of the marks.<sup>183</sup> Because these factors weighed in favor of the plaintiff, the court could have reached its same conclusion without ever referencing initial interest confusion. The *Pegasus Petroleum* court actually arrived at its conclusion by examining the traditional likelihood of confusion factors,<sup>184</sup> and, because almost each one weighed in favor of the plaintiff, the traditional test would have been sufficient, making the mention of initial interest confusion extraneous. Similarly, recent pharmaceutical cases heard by WIPO have applied the likelihood of confusion standard and merely mentioned initial interest confusion without further analy-

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<sup>182</sup> See, e.g., *Kellogg Co. v. Nat’l Biscuit Co.*, 305 U.S. 111 (1938) (implying that the seller should have come up with a generic term so that its brand “Shredded Wheat” would not have faced genericide).

<sup>183</sup> *Grottrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 523 F.2d 1331, 1342 (2d Cir. 1975).

<sup>184</sup> *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 256 (2d Cir. 1987).



sis.<sup>185</sup> These cases have all analyzed the factors from the traditional standard and would have reached the same outcomes without the doctrine of initial interest confusion since this doctrine did not alter their decision. Furthermore, because they involved medications, these decisions should emphasize consumer sophistication in the likelihood of confusion balancing test. If the relevant Internet consumers searching for medicines have a lower level of sophistication/level of care, then a court should arrive at a conclusion of infringement if there is a probability of confusion, even when the other factors weigh in favor of the defendant.

On the other hand, the *Brookfield* court acknowledged that there was no likelihood of confusion,<sup>186</sup> so the traditional standard would have arrived at the opposite conclusion, holding that there was no infringement. However, because the case revolved around the use of a competitor's metatag, it should not have been actionable in the first place. Also in the Internet context, the Beanie Babies case of *Ty, Inc. v. Agnes M., Ltd.*<sup>187</sup> could have been resolved under the ACPA because the facts seem to show that the defendant had a bad faith intent to profit from Ty, Inc.'s goodwill by not only using the plaintiff's mark in its domain name, but also by using the plaintiff's logo.<sup>188</sup>

#### IV. CONCLUSION

Under the Lanham Act, trademark infringement occurs when there is a likelihood of confusion. Some courts have strayed away from this traditional standard and have utilized initial interest confusion, even in situations such as *Brookfield* where it is acknowledged that there is no likelihood of consumer confusion. Because it does not require a likelihood of confusion and because courts use the traditional factors anyway and can choose to emphasize the factor of consumer confusion when public health is at stake, this doctrine is inappropriate, unnecessary, and inefficient. Furthermore, it wrongly limits consumer access to legitimate information. Although courts may wish to find infringement based on initial interest confusion in order to discourage bad actors from misappropriating another's goodwill, they should reach their goal via the direct application of the traditional standard.

In the Internet context, courts should acknowledge that metatags are an outdated issue because search engines do not use them in their relevancy algorithms. Additionally, Congress has passed the ACPA, which is a better alternative to the likelihood of confusion standard in domain name cases. As for future manipulative practices online, so long as they do not lead to a likelihood of confusion of the relevant consumer, such practices should be allowed and sellers will be incentivized to educate consumers about those practices.

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<sup>185</sup> See, e.g., *Sanofi-aventis v. World Wide Web, Inc.*, No. D2008-0459 (WIPO Arb. & Mediation Ctr. May 21, 2008).

<sup>186</sup> *Brookfield Commc'ns v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1062-63 (9th Cir. 1999).

<sup>187</sup> See *Ty, Inc., v. Agnes M. Ltd.*, 2001 U.S. Dist. LEXIS 18852 (N.D. Ill. 2001).

<sup>188</sup> *Id.* at \*39.