

PLAYBOY ENTERPRISES, INC. V. NETSCAPE COMMUNICATIONS CORP.: MAKING CONFUSION A REQUIREMENT FOR ONLINE INITIAL INTEREST CONFUSION

By Joseph V. Marra

The Internet enables advertisers to target consumers with unprecedented specificity and efficiency. Search engines rapidly take consumer input and match it to responsive ads, webpages, and other web-based services. The era of blanket information dissemination is giving way to one of exact, pinpoint consumer targeting. Advertisers no longer have to guess what a consumer wants: they now have that information waiting for them in search boxes and address bars throughout cyberspace. One consequence of this change is that Internet advertisers are putting trademarks to new uses. For example, metatags—code embedded in a webpage, invisible to users but detected by search engines—utilize trademarks to link users with specific online content. Advertisers also use trademarks in domain names and banner advertisements. These and other novel uses of trademarks continue to proliferate along with the Internet itself.

In response to the proliferation of online trademark uses, courts have expanded trademark doctrine to cover more trademark uses than ever before. For example, courts have recently turned to old-fashioned, brick-and-mortar doctrines to stem the flow of cutting-edge trademark uses. Specifically, initial interest confusion, a doctrine established before the Internet appeared,¹ is a favorite of courts intent on curbing the use of trademarks in a variety of Internet settings.

These two trends are on a collision course. Multi-billion dollar advertising enterprises, organized around aggressive advertising business models, are bent on using trademarks in myriad new ways to effectively target consumers and generate revenue. Courts and trademark owners show dedication in the opposite direction: they seek to protect trademarks and expand trademark law. With so much at stake, it is critical that courts apply the correct doctrines in the correct fashions. Unfortunately, some

© 2005 Joseph V. Marra

1. See 3 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:6 (4th ed. 2004) (citing *Grotian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 365 F. Supp. 707 (S.D.N.Y. 1973), as one of the first cases to develop the doctrine of initial interest confusion).

courts are not getting it right, and the doctrine of initial interest confusion has been gravely misapplied in many cases.

The Ninth Circuit has been a hotbed of initial interest confusion decisions involving the Internet. However, at times its application of the doctrine works an abrupt severance of the doctrine from the consumer protection goal of trademark law, tending instead towards recognition of a property right in the trademark itself. Part I of this Note provides a background on trademark law and the initial interest confusion doctrine. The Note in Parts II and III juxtaposes two recent Ninth Circuit opinions: *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*² and *Playboy Enterprises, Inc. v. Netscape Communications Corp.*³ In Part IV, the Note advocates the *Playboy* approach over the *Brookfield* approach, and finally, suggests ways in which the *Playboy* approach might be improved.

I. TRADEMARK LAW AND THE INITIAL INTEREST CONFUSION DOCTRINE

The Lanham Act,⁴ the United States' vanguard trademark protection system, serves two main functions. First, it protects consumers against confusion, and therefore reduces decision making costs.⁵ Second, it protects an owner's interest in its mark, thereby ensuring an opportunity to reap the financial and goodwill benefits associated with desirable products.⁶ Section 1125(c) furthers this latter goal by preventing the "dilution of the distinctive quality of the mark."⁷ Although this second function has gained increasing attention since the recognition of trademark dilution,⁸ preventing consumer confusion remains the focus of trademark law.⁹ In fact, the leading treatise trumpets the likelihood of confusion test as the

2. 174 F.3d 1036 (9th Cir. 1999).

3. 354 F.3d 1020 (9th Cir. 2004).

4. 15 U.S.C. §§ 1051-1141(n) (2000).

5. *Brookfield*, 174 F.3d at 1053 (citing *Qualitex v. Jacobsen Prods.*, 514 U.S. 159, 163-64 (1995)).

6. *Id.*

7. 15 U.S.C. § 1125(c).

8. DAVID S. WELKOWITZ, TRADEMARK DILUTION: FEDERAL, STATE AND INTERNATIONAL LAW 5 (2002) (contrasting dilution and traditional trademark infringement).

9. *But see* C.D.G. PICKERING, TRADE MARKS IN THEORY & PRACTICE 105 (1998) ("It must be recognized that trade mark law is so apparently producer-centered that it is unreal to suggest that consumer influence is anything greater than a secondary consideration."). It is worth noting that dilution theory protects just a particular set of trademarks.

“keystone” of infringement analysis,¹⁰ and the Ninth Circuit recently referred to it as the “core” element of trademark infringement.¹¹

Due to the myriad settings in which trademark disputes arise, courts have developed different species of actionable confusion. Traditional confusion describes a scenario where the consumer purchases a good, believing it to be from one producer, when in fact the good is produced by another producer using a confusingly similar mark. In this scenario, confusion occurs at the point of sale. However, in 1962, Congress deleted the word “purchasers” from the Lanham Act,¹² and by 1975, increasing numbers of courts were finding confusion prior to the point of sale.¹³ Such pre-sale confusion is commonly referred to as initial interest confusion.

In a brick-and-mortar setting, initial interest confusion is easily applied and appeals to common sense. One often heard example is that of a highway sign indicating that restaurant X is located at a particular exit, when in fact, X’s competitor actually posted the sign in order to lead customers to its own restaurant. If would-be X customers are unwilling to get back on the highway and search for X, X’s competitor has used confusion to generate initial interest in its own product.

McCarthy provides a second example by analogizing initial interest confusion to a situation where:

[A] job-seeker who misrepresents [her] educational background on a resumé, obtains an interview and at the interview explains that the inflated resumé claim is a mistake or a “typo.” The misrepresentation has enabled the job-seeker to obtain a coveted interview, a clear advantage over others with the same background who honestly stated their educational achievements on their resumes.¹⁴

This sort of outright deception is rightfully enjoined under trademark law principles.

As advertising competition on the Internet rages, firms are consistently pressing the boundaries of trademark law through enhanced technological means of targeting consumers. Courts have turned to the initial interest confusion doctrine to stop a variety of questionable trademark uses, such

10. 3 MCCARTHY, *supra* note 1, § 23:6.

11. *Brookfield*, 174 F.3d at 1053.

12. Note, *Confusion in Cyberspace: Defending and Recalibrating the Initial Interest Confusion Doctrine*, 117 HARV. L. REV. 2387, 2392 (2004).

13. G. Gervaise Davis III & Eric B. Boustani, *Initial Interest Confusion and the Internet: A Confusion of Trademark Law Principles*, J. INTERNET L., Jan. 2002, at 2.

14. 3 MCCARTHY, *supra* note 1, § 23.6.

as those in metatagging,¹⁵ domain name registration,¹⁶ and most recently, keyword advertising.¹⁷ However, complications arise when initial interest confusion is applied to online practices. For example, in *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, the Ninth Circuit applied initial interest confusion to metatags with disastrous effects.

II. *BROOKFIELD*: A CONFUSED COURT

A. The *Brookfield* Holding

“Metatagging” is the process by which words and phrases are embedded in the html code of a website, invisible to users but read by search engines.¹⁸ Search engines sometimes consider these embedded words and phrases as if they actually appeared on screen, which leads to more frequent placement of the metatagged website in search results.¹⁹ These search results, of course, are what the user finally sees.

In *Brookfield*, plaintiff Brookfield offered an entertainment industry database under the trademarked name “Moviebuff.”²⁰ Defendant West Coast registered the domain name “moviebuff.com” to host a site containing a similar database.²¹ The defendant also used moviebuff.com within its site’s metatags.²² In reversing the lower court’s denial of a preliminary injunction for the plaintiff, the Ninth Circuit applied the initial interest confusion doctrine to the metatags issue.²³

The court reasoned that, by using “MovieBuff” in the metatags of its website, West Coast was able to divert people looking for “Moviebuff” to its own website, thereby improperly benefiting from the goodwill that Brookfield developed in its mark.²⁴ The court followed up this statement by offering the familiar analogy of a competitor posting a sign for a trademark owner’s store, leading initially confused customers to its own store instead.²⁵ Yet, the court’s own example of initial interest confusion did not fit the facts before it. This is because the initial interest generated

15. *Brookfield*, 174 F.3d at 1043.

16. *Id.*

17. *Playboy Enters., Inc. v. Netscape Communications Corp.*, 354 F.3d 1020, 1022 (9th Cir. 2004).

18. *Brookfield*, 174 F.3d at 1061 n.23.

19. 4 MCCARTHY, *supra* note 1, § 25:69.

20. *Brookfield*, 174 F.3d at 1041-42.

21. *Id.* at 1042.

22. *Id.* at 1043.

23. *Id.* at 1062.

24. *Id.*

25. *Id.* at 1064.

in the defendant's website was simply not the result of confusion, but rather of hidden metatags to which users were oblivious.²⁶ Interestingly, the court noted the absence of any actual consumer confusion and twice mentioned misappropriation of the plaintiff's goodwill.²⁷ In short, the court in *Brookfield* used the initial interest confusion doctrine to enjoin initial interest that was not generated by confusion. In doing so, it ignored trademark law's main function and instead treated trademarks like property.

B. *Brookfield's* Aftermath

Brookfield has been widely cited and followed, spreading its property-rights rationale throughout the courts. For example, in *Promatek Industries, Ltd. v. Equitrac Corp.*,²⁸ the Seventh Circuit affirmed a preliminary injunction involving the use of trademarks as metatags.²⁹ In so holding, the *Promatek* court reasoned, "by Equitrac's placing the term Copitrack in its metatag, consumers are diverted to its website and Equitrac reaps the goodwill Promatek developed in the Copitrack mark."³⁰ Moreover, the court noted that "[w]hat is important is not the duration of the confusion, it is the misappropriation of Promatek's goodwill."³¹ Thus, the Seventh Circuit seems to have subscribed to *Brookfield's* goodwill analysis, downplaying the confusion facet of initial interest confusion.³²

In *Bayer Healthcare LLC v. Nagrom, Inc.*,³³ the federal court in the district of Kansas permanently enjoined the defendant from using plain-

26. *Contra* Chad J. Doellinger, *Trademarks, Metatags and Initial Interest Confusion: A Look into the Past to Reconceptualize the Future*, 41 IDEA 173, 221-24 (2001) (arguing that a web search engine is an extension of the user, so that when it is confused, the user is therefore also confused). Even if the user is not confused via the search engine's "confusion," the list such a search engine generates may confuse users. This is unlikely, however, since such search results usually contain short descriptions below their links, explaining to users the content of each site. *See* *Playboy Enters., Inc. v. Netscape Communications Corp.*, 354 F.3d 1020, 1035 (9th Cir. 2004) (Berzon, J., concurring) ("I do not think it is reasonable to find initial interest confusion when a consumer is never confused as to source or affiliation, but instead knows, or should know, from the outset that a product or web link is not related to that of the trademark holder because *the list produced by the search engine so informs him.*") (emphasis added).

27. *Brookfield*, 174 F.3d at 1062, 1064.

28. 300 F.3d 808 (7th Cir. 2002).

29. *Id.* at 814.

30. *Id.* at 812 (emphasis added).

31. *Id.* at 812-13 (emphasis added).

32. Since the *Promatek* court was reviewing a preliminary injunction, it did not examine the merits of likelihood of confusion in any depth.

33. No. 03-2448-KHV, 2004 U.S. Dist. LEXIS 19454 (D. Kan. Sept. 7, 2004).

tiff's "Advantage" mark to market its pesticides.³⁴ The defendant used the plaintiff's mark in website titles, in the unauthorized portrayal of the distinctive packaging of the plaintiff's products, and in the metatags for its websites.³⁵ The *Bayer* court, relying heavily on the holding in *Brookfield*, held that the use of the plaintiff's marks on webpages and in metatags "constitutes an appropriation of goodwill and creates initial interest confusion."³⁶ The court's cursory treatment of initial interest confusion ended there,³⁷ thus creating the impression that the court equated an appropriation of goodwill with initial interest confusion.

In *Horphag Research Ltd. v. Pellegrini*, the Ninth Circuit considered another metatagging case, in which the defendant used plaintiff's mark "Pycnogenol" in the metatags of his website.³⁸ Citing only *Brookfield* for authority, the court held:

[B]ecause [the defendant] admits to using Horphag's Pycnogenol trademark and specifically admits to using the Pycnogenol mark in the meta-tags for his websites, his use satisfies the terms of trademark infringement in the first instance. Thus, we must determine whether he adequately presents a defense to infringement under the Lanham Act.³⁹

Hence, the *Horphag* court seemingly used *Brookfield* to propose that metatagging with a competitor's trademark is per se infringement,⁴⁰ at which point it disregarded the traditional infringement test and proceeded directly to an affirmative defense analysis.

The Third Circuit also subscribes to *Brookfield's* analysis. In *Checkpoint Systems, Inc. v. Check Point Software Technologies, Inc.*,⁴¹ the court considered whether defendant software manufacturer's use of the domain name "www.checkpoint.com" infringed plaintiff security control systems

34. *Id.* at *17.

35. *Id.* at *5.

36. *Id.* at *15.

37. The *Bayer* court did not employ the likelihood of confusion test.

38. 337 F.3d 1036, 1039 (9th Cir. 2003). The court noted, "[Defendant] is an entrepreneur who has used the Internet site 'healthierlife.com,' among others, to advertise and sell various pharmaceutical products, including 'Pycnogenol' and 'Masquelier's: the original French Pycnogenol.' [Defendant], allegedly to compare his product to Horphag's, repeatedly used Horphag's trademark 'Pycnogenol' as a 'meta-tag.'" *Id.* at 1039.

39. *Id.* at 1040.

40. Judge Berzon's *Playboy* concurrence specifically draws attention to *Horphag*. See *Playboy Enters., Inc. v. Netscape Communications, Corp.*, 354 F.3d 1020, 1036 (9th Cir. 2004) (Berzon, J., concurring).

41. 269 F.3d 270 (3d Cir. 2001).

manufacturer's registered "Checkpoint" mark.⁴² In affirming the lower court's judgment for the defendant, the *Checkpoint* court found no likelihood of confusion.⁴³ Its holding explicitly recognized initial interest confusion as applicable within the Third Circuit; however, in the case before it, the Third Circuit found evidence of such confusion de minimis, and the products too disparate, for such confusion to be likely.⁴⁴ *Checkpoint* did not involve metatags; however, its reliance on *Brookfield* for examples of initial interest confusion raised the possibility that *Brookfield* applies beyond the metatags setting.⁴⁵

Yet another application of *Brookfield* occurred recently in *Playboy Enterprises, Inc. v. Netscape Communications Corp.*⁴⁶ This is an especially significant case, because unlike *Checkpoint*, it clearly demonstrates that *Brookfield* applies to online trademark uses beyond metatags.

III. *PLAYBOY*: A LESS CONFUSED COURT

A. Background and Holding

"Keying" is the process by which keywords are linked to advertisements, so that searches that include the keywords produce specific advertisements on the user's results page.⁴⁷ For example, if a user entered "pornography" into a search engine, ads for various sites keyed to the term "pornography" would be displayed on the results page. Keying gives rise to legal problems when trademarks are used as keywords, as in the *Playboy* case.⁴⁸ There, when "Playboy" was entered into the search engine, links to Playboy's websites appeared. However, unmarked ads for Playboy's competitors who had keyed their ads to Playboy's mark also appeared along with the genuine Playboy links.⁴⁹

Playboy Enterprises, Inc. ("PEI") brought suit against Netscape Communications Corp. and Excite, Inc. alleging trademark infringement and

42. *Id.* at 278-79.

43. *Id.* at 300-01.

44. *Id.* at 298.

45. *Id.* at 293-94. The *Checkpoint* court echoed *Brookfield*'s goodwill rationale when citing it.

46. 354 F.3d 1020 (9th Cir. 2004).

47. *Id.* at 1022-23.

48. *Id.* at 1023.

49. The defendants, Internet service providers Netscape and Excite, *required* all adult-oriented companies to key their ads to a predetermined list of terms. Nothing in the case indicates that these companies had any input over which words were keyed to their advertisements. *Id.* at 1023.

dilution.⁵⁰ PEI claimed that by keying PEI's trademarks "Playboy" and "Playmate" to its competitors' advertising banners, the defendants were infringing PEI's marks.⁵¹ The parties moved for summary judgment, which the district court granted for the defendants.⁵² PEI appealed the grant of summary judgment, and the Ninth Circuit reversed.⁵³

The Ninth Circuit found that PEI held the marks and that the defendants had used the marks in commerce,⁵⁴ making likelihood of confusion the heart of the infringement claim.⁵⁵ The specific type of confusion it examined was initial interest confusion, which the court described as the initial interest in a competitor's product created by the defendant's confusing use of plaintiff's mark.⁵⁶ The court reiterated that such infringing use was actionable, relying heavily on *Brookfield* for guidance.⁵⁷

After indicating that *Brookfield* alone would be sufficient to defeat summary judgment, the court, in the interest of thoroughness, applied its well-known *Sleekcraft*⁵⁸ test for likelihood of confusion.⁵⁹ The court found that factor eight—likelihood of expansion of the product lines—did not apply in the Internet context and that factor four—evidence of actual confusion—was important enough to consider as a threshold matter.⁶⁰ Citing PEI's expert, the court found significant likelihood of consumer confusion

50. *Id.*

51. *Id.* PEI filed suit in the Federal District Court for the Central District of California, and requested a preliminary injunction. The district court denied the request, and the Ninth Circuit affirmed in an unpublished disposition. *See Playboy Enters., Inc. v. Netscape Communications Corp.*, 55 F. Supp. 2d 1070 (C.D. Cal.), *aff'd*, 202 F.3d 278 (9th Cir. 1999).

52. *See Playboy*, 354 F.3d at 1023.

53. *Id.*

54. The use in commerce issue has its own body of legal scholarship, and goes beyond the scope of this Note. Consequently, this Note does not address the use in commerce issue. For some discussion on the use in commerce issues of online trademark law, see Julieta Lerner, Note, *Trademark Infringement and Pop-up Ads: Tailoring the Likelihood of Confusion Analysis to Internet Uses of Trademarks*, 20 BERKELEY TECH. L.J. 229 (2005).

55. *Playboy*, 354 F.3d at 1024.

56. *Id.* at 1024-25.

57. *Id.* at 1025-26.

58. *AMF v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979).

59. The *Sleekcraft* factors are: (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 publisher; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines. *Playboy*, 354 F.3d at 1026.

60. *Id.*

based on user surveys.⁶¹ Although the defendants disputed this evidence, the court held that the existence of such a dispute demonstrated the inappropriateness of summary judgment.⁶²

The court went on to hold that the strength of the mark, the proximity of the goods, the similarity of the marks, the type of goods and degree of care likely to be exercised by the publisher, and the defendants' intent all favored PEI, giving little merit to marketing channels used.⁶³ With the factors suggesting a likelihood of confusion heavily in PEI's favor, the court examined the defendants' affirmative defenses of fair use, nominative use, and functional use.⁶⁴ Fair use failed, because, in the court's view, "a fair use may not be a confusing use."⁶⁵ Nominative use also failed due to the defendants' lack of need for PEI's marks in conducting its advertising services.⁶⁶ Finally, the court rejected the functional use argument,⁶⁷ since it found nothing functional about the trademarks "Playboy" and "Playmate."⁶⁸ With the *Sleekcraft* test satisfied and the affirmative defenses rendered inapplicable, the court held that PEI had created a genuine issue of material fact sufficient to defeat summary judgment against its trademark infringement claim.⁶⁹

-
61. *Id.* at 1026-27. Playboy's expert, Dr. Ford, provided findings that: When study participants were shown search results for the term "playboy," 51% believed that PEI sponsored or was otherwise associated with the adult-content banner ad displayed. When shown results for the term "playmate," 31% held the same belief. Using control groups, Dr. Ford also concluded that for 29% of those participants viewing "playboy" searches and 22% of those viewing "playmate" searches, the confusion stemmed from the targeting of the banner advertisements. The individuals were not confused by random, untargeted advertisements.

Id. at 1026.

62. *Id.* at 1027.

63. *Id.* at 1028-29.

64. *Id.* at 1029.

65. *Id.*

66. *Id.* at 1030.

67. *Id.* at 1031.

68. The court remarked that the only functional aspect of the marks was their use as keywords for the defendants. *See Id.* at 1030-31.

69. *Id.* at 1031. On the dilution claim, the court found that, in light of the new standard announced in *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003), it was necessary to reverse and remand for a determination of dilution under the *Moseley* standard. Playboy, 354 F.3d at 1033. *Moseley* set the new standard for defeating summary judgment as requiring a showing of *actual*, as opposed to *likely*, dilution. *Id.* at 1033 n.56.

B. Judge Berzon's Concurring Opinion

Although she agreed that the court's decision was consistent with *Brookfield*, Judge Berzon had serious reservations about *Brookfield's* correctness.⁷⁰ The fundamental problem with it, she reasoned, was that when trademarks are used solely in the metatags of a competitor's website, there is no chance of confusion because the sites displayed on the search results page clearly demarcate the sponsors of the sites listed.⁷¹ For example, if Toyota used "Chevrolet" as a metatag, all the consumer would see after searching for "Chevrolet" would be a listing of the Chevrolet and Toyota websites, with no possible confusion as to sponsorship. In that regard, Berzon noted there is not even initial interest confusion: when the consumer clicks on either the Chevrolet or Toyota link, the consumer knows exactly what he or she is clicking on. According to Judge Berzon, to the extent Toyota is trading on the "goodwill" of Chevrolet, it is no worse than asking a department store clerk where to find a specific brand of clothing and encountering other brands along the way.⁷² Finding *Brookfield* to be unsupportable, Judge Berzon suggested the case be reconsidered en banc.⁷³

Judge Berzon concurred, however, because in PEI's case, consumers could have been initially confused as to the sponsorship of the ads, and to that extent, she agreed with the court's holding.⁷⁴ She drew an important distinction between

hijacking a customer to another website by making the customer think he or she is visiting the trademark holder's website (even if only briefly), which is what may be happening in this case when the banner advertisements are not labeled, and just distracting a potential customer with another *choice*, when it is clear that it is a choice.⁷⁵

Judge Berzon cautioned that future cases, in which the keyed ads are clearly labeled, will present more troubling issues and could unjustifiably expand *Brookfield*.⁷⁶

70. *Playboy*, 354 F.3d at 1034 (Berzon, J., concurring).

71. *Id.* at 1035 (Berzon, J., concurring).

72. *Id.* (Berzon, J., concurring).

73. *Id.* at 1034 (Berzon, J., concurring).

74. *Id.* at 1034-35 (Berzon, J., concurring).

75. *Id.* at 1035 (Berzon, J., concurring). Judge Berzon's allusion to "what may be happening in this case" finds meaning in *Playboy's* expert testimony. See *supra* note 61 and accompanying text for an explanation of *Playboy's* confusion data.

76. *Playboy*, 354 F.3d at 1034-35 (Berzon, J., concurring).

C. *Playboy's* Twin Analyses

1. *The Good Analysis*

Playboy's holding on initial interest confusion is supportable under the classic initial interest confusion doctrine. By keywording unmarked ads to PEI's trademarks, the defendants created a situation in which consumers could mistakenly assume that there was an affiliation between the unmarked ads and PEI. To the extent that consumers became interested in PEI's competitors' ads because of an assumed affiliation, the defendants' actions resulted in initial interest confusion. In sum, the *Playboy* court did not need *Brookfield* to hold as it did, since the court had sufficient evidence of confusion,⁷⁷ and its relationship to the initial interest thereby generated. Absent the references to *Brookfield*, *Playboy* does not raise any eyebrows.

2. *The Bad Analysis*

Unfortunately, the *Playboy* court did not squarely rest its holding on the likelihood of confusion analysis. Instead, it also analogized the defendants' keywords to *Brookfield's* metatags. The consequences of this analogy are twofold. First, it means that *Brookfield* is viable in more contexts than just metatagging. This is troubling considering *Brookfield's* reliance on a goodwill rationale, which signals a shift from consumer protection to owner protection. Second, it taints the good analysis of *Playboy*—the analysis based on confusion.

3. *Which Analysis Will Prevail in Future Cases?*

Playboy thus has twin rationales, one based on confusion and the other based merely on an analogy to the poorly reasoned *Brookfield*. As a result, it is unclear which rationale will govern future cases. Returning to Judge Berzon's concern, which analysis will control in the event that keyed ads clearly indicate that they are not those of the trademark owner? Under such circumstances, there would be no chance of confusion because the consumer would see the ad's source before clicking on it. Under the good analysis, the defendant should prevail. However, under the bad analysis, the plaintiff could still win, notwithstanding this absence of confusion. Non-confusing behavior will be enjoined in the name of preventing consumer confusion, and the initial interest confusion doctrine will become an unprincipled inroad to trademarks in gross.

77. At least, sufficient evidence of confusion to defeat summary judgment.

IV. THE FUTURE OF ONLINE INITIAL INTEREST CONFUSION

Commentators advocate different approaches for online initial interest confusion. Dogan and Lemley criticize the expansion of a *Brookfield*-type analysis and argue for a test that requires competitive proximity between the parties.⁷⁸ Doellinger suggests that the initial interest confusion doctrine is “best viewed as a subspecies of likelihood of confusion.”⁷⁹ At least one author suggests that the doctrine is superfluous and should be abandoned,⁸⁰ while counterarguments stress the need for the doctrine.⁸¹ This Note does not attempt to reconcile the abundant scholarship over whether the doctrine should be abandoned. Instead, it assumes that the doctrine in its current form is not well-suited for online application, but with proper adjustments would be a potent and much needed facet of online trademark law. Using this final observation as a point of departure, the remainder of this Note suggests ways in which the doctrine can be tailored into a more useful tool for resolving online trademark disputes.

A. Back to Basics

Online initial interest confusion is currently at a fork in the road. To one side is the goodwill, property-centered approach laid down in *Brookfield* and spreading through the federal circuit courts. To the other side stands the familiar, consumer-centered approach honored in *Playboy* and rooted in the likelihood of confusion test. Assuming that the doctrine itself is here to stay, the courts inevitably must decide which path they will take.

It is easy to condemn the *Brookfield* approach as being divorced from the consumer protection justification of trademark law. The court’s acknowledged absence of any confusion in *Brookfield* readily demonstrates as much. Dogan and Lemley suggest that the *Brookfield* approach thinly veils a judicial instinct to prevent unjust enrichment. This instinct, if blindly obeyed, “would argue in favor of a property right in gross for trademark holders—something courts have vigorously resisted in the past” in the context of infringement.⁸² Another commentator has cautioned that *Brookfield*’s holding, as it stands, is “nothing more than an intuitive stan-

78. Stacey L. Dogan & Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUS. L. REV. 777, 826 (2004).

79. Doellinger, *supra* note 26, at 196.

80. Yelena Dunaevsky, Comment, *Don’t Confuse Metatags with Initial Interest Confusion*, 29 FORDHAM URB. L.J. 1349, 1380 (2002).

81. Note, *supra* note 12, at 2404.

82. Dogan & Lemley, *supra* note 78, at 783 (citing numerous authorities).

dard that judges can apply at their whim,”⁸³ and Judge Berzon strongly suggested *Brookfield* has already spread too far.⁸⁴

Cut loose from the consumer protection goals of trademark law, *Brookfield* has no consistent, grounding principle. Whether a disguised unjust enrichment instinct, a property right, or some still-unarticulated principle explains *Brookfield*, the case simply does not provide much guidance to courts or parties. For example, the concept of bad faith can vary so much from judge to judge, and the notion of goodwill is so fluid, that advertisers will be unlikely to gamble millions of dollars on finding a favorable judge. Moreover, inviting courts to “go with their gut” invites inconsistent rulings in similar scenarios. It would thus behoove courts to return to the main justification for trademark law, anchoring the initial interest confusion doctrine in the sound principles of consumer protection, and instructing parties as to exactly what governs this area of law. That is precisely what *Playboy* did, and it is the superior path for courts to take.

Playboy placed the initial interest confusion doctrine back within the traditional likelihood of confusion test.⁸⁵ Doellinger describes the initial interest confusion doctrine as a “subspecies” of likelihood of confusion, urging that initial interest confusion is not an alternative to likelihood of confusion, but rather another form of it.⁸⁶ The *Playboy* court took this important point for granted, while the *Brookfield* court missed it entirely. Concentrating only on the factors it found applicable to online initial interest confusion,⁸⁷ the *Playboy* court meticulously analyzed the *Sleekcraft* factors and found that *Playboy* raised a genuine issue of fact. In contrast, *Brookfield* seemed to push the *Sleekcraft* factors aside⁸⁸ and embark upon

83. Doellinger, *supra* note 26, at 183.

84. *Playboy Enters., Inc. v. Netscape Communications, Inc.*, 354 F.3d 1020, 1034-35 (9th Cir. 2004) (Berzon, J., concurring).

85. *Id.* at 1026.

86. Doellinger, *supra* note 26, at 196.

87. The court deemed these factors to be one through seven, excluding factor eight (likelihood of expansion of product lines). *Playboy*, 354 F.3d at 1026.

88. *Brookfield* did give the domain name part of the dispute a full *Sleekcraft* treatment. However, when reaching the metatags issue, the court noted:

At first glance, our resolution of the infringement issues in the domain name context would appear to dictate a similar conclusion of likelihood of confusion with respect to West Coast’s use of “moviebuff.com” in its metatags. Indeed all eight likelihood of confusion factors outlined [above] with the possible exception of purchaser care, which we discuss below—apply here as they did in our analysis of domain names; we are, after all, dealing with the same marks, the same products and services, the same consumers, etc. Disposing of the issue so readily, however, would ignore the fact that the likelihood of confusion in the

its own goodwill analysis of the defendant's metatags use.⁸⁹ *Playboy* rendered a carefully reasoned opinion grounded—at least in part—in the consumer protection justification of trademark law, offering valuable guidance to courts and potential litigants. As a result, *Playboy*'s likelihood of confusion analysis is superior to *Brookfield*'s goodwill analysis and should be followed instead of *Brookfield*. *Playboy*, however, can still be improved.

B. Improving the *Playboy* Approach

Playboy takes strides to bring initial interest confusion back within the parameters of the traditional likelihood of confusion test, but the case is only a first step towards a fully functioning online initial interest confusion test. Future courts must fine-tune the test for online use by considering the following factors: the competitive proximity of the parties and their products; the identity of the targeted consumers and their level of online sophistication; the proof of confusion required; and the nexus between the confusion and any initial interest it creates.

1. *The Competitive Proximity Requirement*

Several commentators have already stressed the need for competitive proximity as a requisite to online initial interest confusion. Dogan and Lemley maintain that courts like *Checkpoint* rightfully require competitive proximity between the plaintiff and defendant.⁹⁰ In support, they explain that unreasonable results would follow if non-competing parties could not divert some attention from trademark owners; for example, where a producer provides complementary products or a critic wishes to poke fun at a name brand.⁹¹ Another author argues that:

[C]ompetitive proximity is the sine qua non of initial interest confusion liability online. Without competitive proximity, there is little reason to fear a decrease in the quality of online service, because an Internet user's initial interest in the trademark origi-

domain name context resulted largely from the associational confusion between West Coast's domain name "moviebuff.com" and Brookfield's trademark "MovieBuff." The question in the metatags context is quite different.

174 F.3d 1036, 1062 (9th Cir. 1999).

89. *Id.*

90. *See generally* Dogan & Lemley, *supra* note 78.

91. *Id.* at 827-28.

nally sought will not easily be extinguished by a diversion to a noncompeting, completely unrelated website.⁹²

Some courts have followed this common sense approach. For example, in *Bihari v. Gross*, the district court considered whether the defendant's use of plaintiff's trademark in metatags was actionable⁹³ in a situation where the defendant's website was critical of the plaintiff rather than in direct competition.⁹⁴ The court denied a preliminary injunction, based partly on the lack of competitive proximity between the parties.⁹⁵ The court explained "the [defendant's] websites cannot divert Internet users away from [the plaintiff's] website because [the plaintiff] does not have a competing website."⁹⁶ Courts and commentators are correct in placing significant weight on competitive proximity for a finding of initial interest confusion, and any suitable online initial interest confusion test must consider such proximity.

2. *The Reasonable Online User and Corresponding Level of Care*

While it is well established that trademark law is oriented toward the consumer of average intelligence, the initial interest confusion doctrine has been criticized by some for treating online consumers as having below average intelligence.⁹⁷ Dunaevsky contends that "[m]ost Internet users are familiar with the intricacies of the Internet shopping process, including the function of search engines. They know that when they type in their keywords, a number of possibly unrelated or competing links will be generated."⁹⁸ She continues by arguing that courts "cannot conclude definitively that the use of another's trademarks in metatags of a website causes initial interest confusion without first determining what the consumer's intent was when entering that particular trademark name into a search engine."⁹⁹ Thus, Dunaevsky views the doctrine as underestimating users' awareness,

92. Note, *supra* note 12, at 2408-09.

93. 119 F. Supp. 2d 309, 311 (S.D.N.Y. 2000).

94. *Id.* at 313.

95. *Id.* at 327.

96. *Id.* at 320.

97. Todd B. Patterson & Peter L. Brewer, "Initial Interest Confusion" Factors into *Infringement Analysis*, N.J.L.J., Mar. 11, 2002, at 31 ("There is concern that the doctrine of initial interest confusion is contrary to the well-established principle that trademark law is oriented to the person of average intelligence, not the consumer of below-average intelligence.").

98. Dunaevsky, *supra* note 80, at 1383-84.

99. *Id.* at 1384.

while simultaneously failing to consider their motivations for using trademarked search terms.

Doellinger has defended this aspect of the doctrine, arguing that even sophisticated users can become confused and that, notwithstanding popular opinion, "the level of sophistication of Internet users is not as high as some might argue."¹⁰⁰ He points to the widespread proliferation of the Internet to dispel the impression that only sophisticated people use the Internet.¹⁰¹ Combined with the low cost of clicking the back button to return to the previous page, even a sophisticated user may not exercise a high degree of care while searching for a specific site.

The reality is that while the Internet has become widespread and is used by people of all ages and sophistication levels, it is unclear how much the average user knows about search engine operation, metatags, keywording, and the like. Moreover, the dynamic nature of the Internet and its advertising methods ensure that what is understood today could be obsolete tomorrow. Given this fast-paced and widespread area of consumer-producer interaction, a reasonable standard cannot presume too much or too little in the way of user sophistication.

However, in light of the competitive proximity factor discussed above, courts would be well advised to cast the reasonable consumer in terms of the industry under consideration. For example, a determination of competitive proximity requires an examination of the industries involved; therefore, why not continue examining those same industries to determine who—and how sophisticated—its consumers are? The user searching for pornography on the Internet is unlikely to exercise the same level of sophistication shown by users shopping for cars, given the greater financial and time commitments inherent in buying a car.¹⁰² Even then, the car shopper does not necessarily know more about the ways in which metatags and keywording operate behind the scenes. Some users are fully cognizant of the fact that searches can produce both related and unrelated results, while others are still oblivious. Ascertaining the knowledge base of consumers in a given online industry is critical, and might best be accomplished by surveys or other statistical endeavors.

100. Doellinger, *supra* note 26, at 222.

101. *Id.*

102. *See, e.g.*, Brookfield Communications v. W. Coast Entm't Corp., 174 F.3d 1036, 1060 (9th Cir. 1999) ("[W]hen dealing with inexpensive products, customers are likely to exercise less care, making confusion more likely.").

3. *The Requisite Level of Confusion*

Given the fleeting duration of initial interest confusion online, it is unclear how much confusion is required to support a finding of infringement. In *Playboy*, the plaintiffs introduced an expert study concluding that some 51% of subjects were confused as to the sponsorship of the keyed banner ads.¹⁰³ The court noted that such surveys are commonly used as probative evidence of actual confusion, and it went on to find that the evidence created a genuine issue of material fact.¹⁰⁴ At the other end of the spectrum, the *Brookfield* court repeatedly stated that “it is difficult to say that a consumer is likely to be confused about whose site is has reached,” and held for the plaintiff in the absence of any confusion.¹⁰⁵

Doellinger has argued that requiring proof of actual consumer confusion would place an insurmountable burden on the plaintiff and essentially eliminate the doctrine of initial interest confusion.¹⁰⁶ Of course, the *Playboy* court never explicitly required actual proof. Rather, it afforded such proof considerable weight in the *Sleekcraft* analysis. Future courts should do the same, neither requiring nor ignoring such probative survey evidence. However, in those cases where proof of actual confusion is absent, courts can turn to the remaining *Sleekcraft* factors to rule on the likelihood of confusion, just as in a traditional infringement case.¹⁰⁷ This keeps initial interest confusion grounded in consumer protection principles. By allowing the *Sleekcraft* test to resolve the likelihood of confusion, courts can use the pliable middle ground between requiring proof of actual confusion, on the one hand, and completely ignoring a lack of confusion, on the other.

4. *A Requisite Nexus between Confusion and Initial Interest*

Just as the initial interest doctrine must require some level of confusion to avoid becoming a proxy for goodwill and property protection, that

103. *Playboy Enters., Inc. v. Netscape Communications Corp.*, 354 F.3d 1020, 1026 (9th Cir. 2004).

104. *Id.* at 1026 n.28.

105. *Brookfield*, 174 F.3d at 1062.

106. Doellinger, *supra* note 26, at 218.

107. *See Herbko Int'l, Inc. v. Kappa Books, Inc.*, 308 F.3d 1156, 1165 (Fed. Cir. 2002) (“While evidence of actual confusion factors into the *DuPont* analysis, the test under § 1052(d) is likelihood of confusion, not actual confusion. Hence, a showing of actual confusion is not necessary to establish a likelihood of confusion.”); *see also Eclipse Assocs., Ltd. v. Data Gen. Corp.*, 894 F.2d 1114, 1118-19 (9th Cir. 1990) (“[P]roof of actual confusion is only one factor to be weighed in determining likelihood of confusion Although no actual confusion was proven by [plaintiff], the district court was not clearly erroneous in determining that ‘likelihood of confusion’ existed.”).

same requisite confusion should also be the cause of the initial interest. In the situation where confusion generates initial interest, the court has before it a proper initial interest confusion case. However, where the confusion does not cause any initial interest, the plaintiff may have other theories of recovery, but initial interest confusion is not one of them. Similarly, where there is initial interest that is not the result of confusion,¹⁰⁸ the behavior causing such initial interest should not be enjoined in the name of the initial interest confusion doctrine.

C. A Proposed Test

When the approach taken in *Playboy* is enhanced by the above considerations, features of a practical test for online initial interest confusion come into focus. First, the core of such a test is the *Sleekcraft* likelihood of confusion test. This serves to keep the initial interest confusion doctrine anchored in the justification of consumer protection.¹⁰⁹ Second, no actual proof of confusion is required; however, such evidence is given its normal probative value. This enables the plaintiff to make a case without shouldering an insurmountable burden. Third, the competitive proximity of the goods is given significant, and in some cases even dispositive, weight. This serves to separate infringing uses from nominative and fair uses. Fourth, the court looks to the entirety of the *Sleekcraft* factors, as in traditional infringement cases, to determine the likelihood of confusion. This ensures that no single unchecked instinct—like that toward protecting goodwill in *Brookfield*—will control a case. Fifth, while evaluating the *Sleekcraft* factors, the court does so with the consumer of average intelligence in mind, exercising an average level of care and sophistication given the goods involved. This standard will most likely vary from case to case.

Once courts have determined whether the defendant's use confuses the relevant consumer, the final task is to decide whether that confusion caused any initial interest. Absent a finding of such causation, there can be no initial interest confusion. The trademark holder might be able to recover under other confusion-based theories;¹¹⁰ however, initial interest confusion must be reserved for cases where confusion causes initial interest.

108. This would include the scenario where initial interest precipitates confusion.

109. Although not all of the *Sleekcraft* factors may apply in the online context, most of the test is applicable in Internet cases. For example, the *Playboy* court applied seven of the eight factors, finding only likelihood of expansion of product lines inapplicable to the case before it. *Playboy*, 354 F.3d at 1026 n.26.

110. For example, the trademark owner might recover under traditional point-of-sale confusion.

D. What to do with Goodwill and *Brookfield*

This Note has argued that *Brookfield's* goodwill analysis has no place in the initial interest confusion analysis. However, many courts find such an analysis appealing, and several have adopted the *Brookfield* approach entirely.¹¹¹ It may be possible to preserve some portion of goodwill analysis in the online initial interest confusion test sketched above. The first solution is to make the goodwill misappropriation analysis a factor in the *Sleekcraft* test. Courts recognize the malleable nature of the test, and might be willing to add factors with the same ease with which they eliminate factors.¹¹²

Another solution would be to set the goodwill analysis on a sliding scale with the *Sleekcraft* test. Rather than examining goodwill within the *Sleekcraft* test, courts could determine the likelihood of confusion under *Sleekcraft* and then weigh it against the misappropriation of goodwill. Weaker showings of likelihood of confusion could be salvaged upon a greater misappropriation of goodwill.

V. CONCLUSION

Online initial interest confusion doctrine is too often tainted with the type of simplistic goodwill analysis found in *Brookfield*. This type of analysis is removed from the foundation of trademark law and leads courts down an unpredictable road. The alternative analysis is grounded in consumer protection principles and manifest in the *Sleekcraft* factors as applied in *Playboy*.

Using *Playboy* as a starting point, the online initial interest confusion doctrine can be supplemented with Internet-specific considerations, and online initial interest confusion can be set on the right track. With a properly defined and applied online initial interest confusion doctrine, courts can more fairly and effectively protect trademarks in the promising online advertising frontier.

111. See discussion *supra* Part II.B.

112. See, e.g., *Playboy*, 354 F.3d at 1026 (“In the Internet context, courts must be flexible in applying the factors, as some may not apply.”).

