

## *Incorrect use of trademark could trigger online lawsuit*

### Using another company's trademark as a key word for search engines is risky

One important aspect of Internet marketing strategy is the choice of keywords that generate or trigger advertisement placement or banner ads in search engines.

Many advertisers like to use the brand names of competitive products or services as keywords on the theory that a consumer looking for a competitor's product or service is likely to be interested in its wares.

To some, use of another's trademark to trigger advertising is likened to permissible comparative advertising, to others, such activity is unlawful use of the trademark and thus trademark infringement.

So which is it? Is use of competitor's trademark as keywords trademark infringement or a lawful advertising technique? Despite a significant number of recent decisions by courts around the country at present there is no clear answer.

Because of the enormous amount of information available through the Internet, conducting a search on Google or Yahoo has become a starting point for just about every Internet user looking for information.

As a result, advertisers have come to recognize that the search result page from one of the major search engines is an ideal location to place advertising.

The search engines have also recognized this opportunity and have made it easier for advertisers to place ads on these results in the form of "sponsored links" or "sponsor results."

However, in order to get the best value from Internet advertising, it is important to advertisers that their ads are directed to relevant consumers. To achieve this, the advertisers buy certain keywords from the search engines that trigger their ads when a user includes those keywords in a search query.

For instance, a purveyor of timeshares in



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Hawaii might want to use terms like "time shares," "condos," and "Hawaii" as keywords to generate its ads. The real challenge to keyword advertising is finding the right keywords to trigger the advertising so that the ads reach the right consumers.

#### LIABILITY

The disputes regarding use of competitor's trademarks as keywords have focused on two areas of potential liability.

- First, advertiser liability, holding the advertisers responsible for buying keywords which are trademarks of its competitors.

- Second, search engine liability, holding the search engines liable for selling trademarks as keywords.

Courts are split regarding liability under both theories so it is not clear whether advertisers that use a competitor's trademark as a keyword are trademark infringers or whether trademark owners have any recourse against the search engines that sell their trademarks as keywords to advertisers.

As a reaction to some of these recent cases, the search engines such as Google and Yahoo have implemented trademark keyword dispute resolution policies and procedures. Each search engine has taken a different approach which is an indication of the uncertainty in the law.

For example, Google takes the position that the sale of keywords to merely generate ad placement, where the ad itself does not include the trademarks of others, is permissible and Google will not disable such keyword use.

Yahoo takes a different approach, requiring advertisers to agree not to misuse others' trademarks and will only permit an advertiser to buy another's trademark as a keyword if the underlying ad refers to the trademark — or the trademark owner or product — in a traditionally permissible manner.

These two approaches mirror the split in the

courts, Google taking the position that if the trademark is not visible there is no liability and Yahoo relying on traditional permissible use of other's trademarks.

However, these policies are designed to limit search engine liability for the sale of the keywords, but do not necessarily shield or limit potential advertiser liability to a trademark owner.

What's an advertiser to do? The uncertainty in the law means that advertisers that are using the trademarks of competitors as keywords to place their ads on search engines are taking on the risks of a trademark infringement lawsuit.

The ultimate outcome of such a lawsuit is likewise uncertain for any trademark owner bringing such a suit. So there is risk.

However, in light of this potential liability, an advertiser may be best served by finding alternative ways to optimize its placement on search engine result pages. One way is to work with a consulting firm that specializes in online marketing that provides search engine optimization services.

These companies such as Pop Art, Anvil Media, Amplify Interactive and Opus Creative use methods other than keyword purchases to boost the rank of a Web site in search engine results.

Using such alternative optimization solutions may be sufficient to increase a Web site's profile on the Internet without the risk of a trademark infringement lawsuit.

During this time of uncertainty, trademark owners must balance the risk of the outcome of a trademark infringement lawsuit against advertisers and the discomfort of tolerating such use of their trademarks.

Advertisers must carefully weigh the risk of a trademark infringement lawsuit against the availability of alternative advertising methods.

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