

Legal Brief

Policing and Protecting Registered Trademarks Over the Internet



Policing the use of trademarks by others in cyberspace is a difficult, but necessary, task. The Lanham Act, in addition to governing the federal registration and use of trademarks in the United States, also provides legal remedies to owners of federally registered trademarks from the unauthorized use by others. In order to effectively protect the value of a business' trademarks and goodwill, the business cannot sit idle and watch competitors use its registered trademarks. If a business does not adequately police the use of its trademark by others, then a business may lose its ability to enforce its legal rights, as a court may conclude that the business waited too long and "sat on its hands."

While some businesses assign the task of policing the unauthorized use of their trademarks over the Internet to an employee, there are searching companies that will provide this type of service to trademark owners for an annual fee. Once a trademark owner obtains information regarding use of its trademark by another, however, the trademark owner must then determine whether the type of use constitutes an "infringing use," and if so, whether to pursue legal action against the potential infringer.

When policing the use of federally registered trademarks over the Internet, it is now not sufficient to police only the "visual" use of these trademarks. Based upon recent federal court decisions, the trademark owner must also look for "hidden" uses of its trademarks. One such type of hidden use is the use of a trademark as a keyword, metatag and/or as hidden text in a competitor's Web site, which will cause a search engine to produce the competitor's Web site

when a consumer enters the business' trademark as a search term.

Courts have found that using trademarks as keywords may create "initial interest confusion" because even though a consumer realizes that the site reached through the keyword search is not affiliated or owned by the trademark owner, the competitor's hidden use of another's trademark has gained an advantage over the trademark owner and, in some cases, gained the customer.

Diverting Internet searchers away from the trademark owner's Web site using their trademark is what one court has called a "free ride on the goodwill of the established mark." This use potentially misleads the consumer to competing sites and provides a vehicle for the consumer to consider the competing product over the product initially sought.

While this hidden use of others' trademarks may ultimately be considered infringing, there are other factors that may weigh against finding liability for the unauthorized use. If a competitor's trademark is used as a keyword and the Web site that purchased the keyword also contains some legitimate comparative advertising to support the use of the trademark as a keyword search term, the use may be considered a fair use. The length of time the unauthorized use has occurred and the quality of the evidence of actual consumer confusion will also be considered. Other factors which courts weigh are how the trademark is used, and whether there was intent to deceive the end consumer with the use of another's trademark.

There is no bright line rule regarding the use of others' trademarks over

Internet 'Bait and Switch'

Using another's trademark as a keyword or metatag is the Internet equivalent of "Bait and Switch." But the "Bait" in these circumstances is invisible to the consumer. Courts initially struggled with finding this invisible use as one that may establish liability under the Lanham Act because the consumer did not see the trademark. Courts are now finding that this type of use falls within the Lanham Act's definition of "use in commerce" and may constitute an infringing act.

the Internet. Nevertheless, ignoring a competitor's use of registered trademarks potentially weakens the value of a company's branding efforts and goodwill. Therefore, policing the Internet must be part of a business' internal marketing plan. By the same token, if your business is considering the use of others' trademarks over the Internet as part of an advertising strategy, this type of use must be carefully considered before implementing.

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