Online Advertising, Trademark Infringement and Unfair Competition

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Manipulating search results

- Domain name speculation
- Metatagging
- Keying search terms (generic words or trademarks) to pop-up or banner ads
- Keying search terms to priority position in a search report, or to a list of “sponsored links”
- Suggesting search terms (including 3d party trademarks) in AdWord generator
Growing importance of intermediaries

- Domain name registrars and parking (Sedo)
- Advertisers (competitors)
- Traffic manipulators (WhenU)
- Search engines who serve advertisements (Yahoo!)
- Search engines who propose key words ("ad word generator") (Google)
- Aggregators of links to related or competing sites (bloomindales.com)
Domain names: old issues

- Cybersquatting:
  - Preemptively registering someone else’s trademark as domain name

- Cyberjacking:
  - Registering a name similar to a well-known trademark to lure user to the registrant’s site

- Typosquatting:
  - Registering misspellings of third party trademarks
Domain names: new issues

• Domain name spying:
  • Third parties obtain information about domain name searches, then preemptively register the searched names

• Domain name « tasting »:
  • Registering DNs during the 5-day add/drop grace period & then dropping

• Domain name « kiting »:
  • Various parties or registrars themselves taste & park DNs in bulk, drop them, then re-register again & again
Domain names: new issues

• Domain name parking:
  • Hosting webpages loaded with relevant pay-per-click ads, including on tasted DNs

• Serving ads to parked domain names:
  • A third-party delivers ads targeted to « undeveloped » sites
What is domain parking?

Domain Parking is a simple way to earn money from your domain's natural traffic. If you have registered domain names, but they are not currently being used, then domain parking is a great way to put those domains to work earning you revenue. You can make money without even lifting a finger! The idle domain is used to display relevant advertisements - every time a consumer clicks on one of the advertisements you earn money.

To view an example of a domain parked with Sedo please visit www.freelanestones.com
The economics of parking and advertising
Example of (licit) parked page
More dubious (parked?) page
Domain name parking

Hôtel Méridiens v. Mr S.H. & Sedo GmbH
(Paris Court of appeal, 7 March 2007)

• Facts:
  • Mr. S. H. registers “hotel-meridien.fr” and sells it through www.sedo.fr
  • Sedo also directly sells “méridien.com”, “meriden.de”, “meridianhotel.co.uk”, “merdien.com”, etc.

• Held:
  • Infringement of famous trademarks
  • Is sedo an intermediary/hosting provider under e-commerce Directive 2000/31?
    • Not a pure technical provider, but publisher of sedo.fr and provides for commercial hyperlinks
    • In any case, knowledge of trademark (as C&D letter)
  • Liability of sedo
Serving ads to parked domains
*Vulcan Golf v Google* (ND Ill. 2008)

- **Facts:**
  - Defendants Dotster and domain name registrars registered misspelled domain names
  - Websites carry Google-placed advertisements

- **Consequences:**
  - User who incorrectly types plaintiff’s URL lands on defendant’s website, clicks on advertisements (some of which may be for competitors)
  - Money divided between registrant, registrar and Google
WIPO on domain name speculation

• Numbers (released on March 27, 2008):
  – registrations of DN: from 120 millions in 2006 to 153 millions in 2007
  – 12% increase in the number of DN disputes

• Raising issues:
  – tasting: causes consumer confusion, erodes brands and harms the goodwill
  – use of privacy or proxy registration (difficulty of identification)
    • debate on the (mis)use of WHOIS within ICANN
  – duplication of DN issues with the expected introductions of many new gTLDs
Metatags

Playboy v Welles, 279 F.3d 796 (9th Cir. 2002)
(Terri Welles “Playmate of the Year 1981”)
Terri Welles-Playboy Playmate Of The Year 1981-Erotic Pictures

PMOY '81

TERRI WELLES
Playmate of the year, 1981

PMOY '81

DIRECTORY

Free Photo Gallery:
Gallery Photos
Daily Pic: Sunday, April 4, 1999

Erotica:
All Of Me-New Exclusive Nudes!
Updated March 21

Playboy vs. Welles:
Playboy Sues Playmate
Recent Events on Playboy Suit

Autographed 8 x 10'S:
Personally signed to you from me...

Films & Videos/Magazines:
Playboy Appearances and more...

Nominated
Web Expo 1999
People's Choice
"Web's Hottest Star"

Thanks for the Nomination. I'm flattered.
If you have a minute, Click the Logo and Vote for Me!
North Am. Medical Corp. v. Axiom Worldwide, Inc. (11th Cir. 2008)

Special Report
Treatments include use of Accu-Spina and IDD Therapy for spinal decompression etc etc

AxiomWorldwide.com
EU cases on metatags

• Germany:
  – BGH, 18 May 2006, Metatags

• Belgium:
  – First instance Court Brussels, 15 October 1999, Belgacom v. Intouch
  – Court of appeal Antwerpen, 25 Sept. 2006, Upper at home
  – Basis: art. 5(5) of TM Directive: « the protection against the use of a sign other than for the purposes of distinguishing goods or services, where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark. »
“Pop-Up” and “Pop-Under” Ads

Examples: Schwab (financial services), Chase (bank), and Chevrolet (automobiles)

Ads generated by “WhenU”
Barron's ranks Schwab's stock picks #1 – Again.

Put our expertise to work for you.

What's behind our stock-picking performance? Schwab Equity Ratings, our fact-based approach to rating stocks. These ratings are the foundation for our investment service and many of our products. Put them to work in your portfolio today.

GET ADVICE BASED ON HOMEWORK, NOT GUESSWORK.

Advice at Schwab

INVESTMENTS THAT TAP INTO OUR RESEARCH

Find funds using Schwab Equity Ratings

WHO'S THE WORLD CHAMP?

"Consistency has been a hallmark of Schwab's list. It's done well in bull and bear markets." - Barron's

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Outside the U.S. 中文

DJIA

NASDAQ

S&P 500
Trademark Infringement (Lanham Trademarks Act)

- Use in commerce
- Likelihood of confusion
- Sec 32(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 sake offering for sale, distribution or advertising of any goods or services on or in connection with which such use is likely to cause confusion . . .
Decisions re “pop up ads” (no “use”)

1-800 Contacts, Inc. v. WhenU.com, Inc., 414 F.3d 400 (2d Cir. 2005)


But see, TDI Int. v. Golf Preservations Inc., 2008 U.S. Dist. LEXIS 7427 (ED Ky 2008) (denying motion to dismiss)
“AdWords”

(sale of key words as “sponsored links”)
Example: Louis Vuitton
Google.com (US site)
Louis Vuitton: Luxury Leather Luggage - French Fashion Designer

Always leading the avant-garde of fashion without compromising traditional craftsmanship of luxury leather goods, Louis Vuitton is also active in other sectors.

www.louisvuitton.com - 13k - Cached - Similar pages

Louis Vuitton - Authentic Louis Vuitton Handbag - Louis Vuitton

eLUXURY offers a great selection of luxury items: Designer handbags, designer shoes and accessories. Shop our exclusive Louis Vuitton Handbag collection - featuring...

www.eLuxury.com/bands/louis_vuitton/index.html?s=37k - Cached - Similar pages

Designer Handbags, Clothes, Designer Shoes and Louis Vuitton at eLuxury

eLUXURY offers a great selection of luxury items: Designer handbags, designer shoes and accessories. Also, Designer Clothes by the world's...

www.eLuxury.com - 42k - Cached - Similar pages

[More results from www.eLuxury.com]

LVHM group, Moet Hennessy: Louis Vuitton: world leader in luxury

LVHM - An international group with over 50 luxury brands: Moet & Chandon, Louis Vuitton, Hennessy, Christian Dior, Parfums... Champagne, Spirits and Cognac...

www.LVMH.com - 13k - Cached - Similar pages

Louis Vuitton - Wikipedia, the free encyclopedia

The Louis Vuitton "Monogram Canvas" design can be considered the very first...

en.wikipedia.org/wiki/Louis_Vuitton - 32k - Cached - Similar pages

Louis Vuitton Cup - Wikipedia, the free encyclopedia

For a challenger to win the America's Cup, the challenger must first win the Louis Vuitton Cup by defeating other challengers to earn the right for a match...

www.LouisVuittonCup.com - 32k - Cached - Similar pages
LOUIS VUITTON

Site officiel de la maison Louis Vuitton. Louis Vuitton official website.

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Frequently Asked Questions

Are your bags real?

Yes... they are real. Highest quality REPLICA. ALL of our SUPER quality bags are the absolute best quality replicas available - anywhere. To learn more, read Testimonials from our clients. These bags have the look, feel, color and smell of the real thing, at a much more affordable price.

Are these bags authentic?

They are NOT the actual authentic bags of the respected manufacturer's (To learn more: Read our Disclaimer). Even though all of our bags have the proper labeling in all the correct places, lining, locks and keys (where applicable) and high quality hardware for an enhanced authentic look that closely resembles the original. They are simply intended to be used for entertainment or educational and novelty purposes only.

What Are Replica Goods?

Replica Goods are products that are modeled as the original. There are many Grades of replica, depending on the material and workmanship. All of our SUPER quality replica goods sold by LV Bags.com are the absolute best quality replicas available on the market.

What are they made from?

The majority of our bags are made with very high quality leather, unless otherwise indicated. For example, all LV SUPER quality Monogram replicas are made with very high quality Monogram Canvas with real leather handles, straps and trim. All of our SUPER quality items have oxidized leather that will turn that dark honey color Louis Vuitton is so famous for. All EPI styles are from very high quality leather. Gucci replicas may be made with a leather-like material that is virtually indistinguishable from real leather, yet is more affordable priced.

Why would I want to purchase a replica bag?

Replica bags can be a great way to get the designer look without the hefty price tag. They are a cost-effective alternative to buying authentic designer bags. Additionally, replica bags are often more accessible and have a wider variety of styles and colors available. However, it's important to note that purchasing a replica bag should be done responsibly and with the understanding that these bags are not genuine designer creations.
PLEASE BE ADVISED, THESE ITEMS ARE NOT AUTHENTIC OR REPLICA. THEY ARE INSPIRED AND DO NOT HAVE ANY BRAND NAMES ON THE MERCHANDISE.
DISCLAIMER: Belloiris.com is in no way affiliated with, representing, associated, or sponsored by any name brand company or any other designer brands or their copyrighted products mentioned on our site. We merely ask you to compare the quality and prices to that of the name brand products mentioned. We do not represent our handbags or other products to be original nor do we represent that they are exact copies of any branded products mentioned. Our handbags DO NOT have a designer label, logo or initials. Although our goal is to provide the finest replicas available, we do not wish to violate anyone’s copyright. Any mention of the designer name is for comparison only.
No liability – no “use in commerce”

- S&L Vitamins v Australian Gold, 521 F. Supp. 2d 188 (EDNY 2007)
Justifications

• Neither the search engine nor the advertiser are using Plaintiff’s trademark as a trademark for defendants’ goods or services
• Plaintiff’s mark does not appear on defendant’s goods
• The trademark is not displayed in defendant’s advertising; the use is purely internal to the computer program that correlates the trademark with the advertising
• Akin to comparative advertising; presenting consumers with more choices (rationale more pertinent to confusion than to use?)
Decisions finding use in commerce

- Edina Realty, Inc. v. TheMLSonline.com, 2006 WL 737064 (D.Minn 2006)
- Playboy v Netscape, 354 F.3d 1020 (9th Cir. 2004)
Justifications

• The search engine and its customers are taking advantage of the trademark owner’s goodwill
• By placing the sponsored links at the head of the results, the search engine is diverting the consumer toward the competing customer’s homepage
• By helping the customer choose “key words” the search engine is making a commercial use of the trademark
• The search engine and its customer are causing at least “initial interest” confusion; use is inferred from confusion
“Initial Interest Confusion”


(1) using a mark to attract potential customers to a website that only offers products of the mark holder’s competitors (“bait and switch”) [actionable]

(2) using a mark to attract potential customers to a website that offers the mark holder’s genuine products as well as the products of competitors. [not actionable]
Google.fr

Louis Vuitton as seen on the French site
La vie économique. Louis Vuitton, cent cinquante ans de passion...
En 1854, Louis Vuitton fonde son entreprise au sein de la maison de voyage Monographe pour un client de renom.
Pour lutter adverses ses cent ans de l'existence, Louis Vuitton y a créé un bureau de la maison de voyage Monographe pour un client de renom.
[Recherche Google]

Intervient aujourd'hui encore un achat de la contrefaçon vendu à des prix exorbitants et concerne beaucoup de marque mais principalement la marque...

LOUIS VUITTON CONTREFAÇON : Guide d'achat sur eBay.fr
Je trouve inadmissible qu'un site comme celui-ci se permette de faire un contrefaçon. Chacun devrait signaler un article contrefait au...

Défiée prêt à porter Printemps-Été 2006 Louis Vuitton - auFeminin.com
Défie prêt à porter Printemps-Été 2006 Louis Vuitton,

Affaire Louis Vuitton: Google condamné pour contrefaçon de marque...
En effet, la société Louis Vuitton a reproché à Google de pouvoir associer des termes tels que "imitation", "replica", "fake", "knock-off" ou...

Format de fichier: PDF/A.pdf Acrobat - Version:HIM.
Georges Louis Vuitton, au 70, Champs-Élysées, ouvrant pour la première...
CREDENTIALS

Unlike some web sites that offer a limited selection of luxury items and that have no ties to the brands they carry, eLUXURY is owned by LVMH (Moët, Hennessy, Louis Vuitton), which owns many of the world's most prestigious labels.

Thus eLUXURY is uniquely positioned to provide its customers with the insider's edge on the hottest trends in luxury.

And, because of the trusted relationships we have with all the brands we carry, such as Louis Vuitton and Christian Dior, you can shop with confidence.

AUTHORIZED RETAILER

eLUXURY is an authorized e-commerce retailer for all brands presented on the eLUXURY Web site and guarantees the authenticity of all products.
- Paris Court of Appeal, 4th chamber, 1st February 2008, Gifam et al c Google
- Court of Appeal of Aix en Provence, 2d chamber, 6 December 2007, TWD Industrie v Google France, Google Inc
- Paris Court of Appeal, 4th chamber, 28 June 2006, Google France c Louis Vuitton Malletier
Justifications

• Code of intellectual property art. 713-2 prohibits the reproduction of a mark without requiring that the mark appear on the defendant’s goods or services, a use in the colloquial sense suffices.

• Selling trademarks as “key words” and proposing their selection through a “key word generator” constitutes such a use.
Google’s liability distinguished from that of its advertiser customers

- Paris Court of Appeal, 4th chamber, 1 February 2008: “it is legally irrelevant that the “Adwords” system includes warnings to advertisers [not to infringe trademarks], because the act here accused is not the advertiser’s choice of a registered trademark but Google’s choice to reproduce, in response to an advertiser’s request, registered trademarks, an act which constitutes an appropriation of the commercial magnetism [“pouvoir attractif”] of the trademarks in the field of products for whose designation they were registered.”
Questions referred to ECJ
Cass., 20 May 2008

1. Whether paid service linking trademarks to 3rd party ads makes a “use” that the trademark holder may prohibit under art. 5.1(a)(b) of the Directive and art 9.1(a)(b) of the Regulation

2. If the marks are famous, may the holder prohibit their use under art 5.2 of the Directive and art 9.1(c) of the Regulation
Questions referred to ECJ

3. If the use cannot be prohibited under the Directive and Regulation, whether the provider of the AdWord service can claim the shield of art. 14 of the eCommerce Directive, as a host service provider who stocks its customers’ information

Relevance – art. 14 liability limitation would defeat alternate ground of liability for unfair competition
Recapitulation: Theories of liability of internet advertiser

- Trademark infringement ("initial interest confusion"); cf. Reg. 9(1)(c) (dilution)
- Protection of famous marks
- Unfair competition
- False advertising (or lawful comparative advertising?)
Recapitulation: Theories of liability of internet search engine

- Actively furthers the infringement by suggesting ad words
- Failure to prevent selection of third party’s trademark as keyword
- Deriving revenues from third party’s trademark
First case: Food (drink?) for thought
Welcome to giunness.com
For ads on Beer glasses and Guinness

Sponsored Results for GUINNESS STOUT

Guinness Stout
Win a free Guinness mini fridge. Register details in 30 secs to win.
www.fair-exchange.com

Buy Beer at Beers of Europe Ltd
Beer superstore and off-licence with over 1400 beers from 60 countries.
week plus online ordering with next working day delivery.
www.beersofeurope.co.uk

Guinness Stout
Fantastic low prices on breweriana. Buy it. Sell it. Love it. eBay.
www.ebay.co.uk/collections/beer

Guiness
Canvas has the widest choice of camp sites across 10 countries.
www.canvasholidays.co.uk

Keycamp Campsite
Self-catering mobile home & tent family holidays across Europe.
www.keycamp.co.uk
Don’t miss out on our fantastic competition to win a Guinness fridge crammed full of cold cans of refreshing Guinness.

Fair Exchange is packed with amazing instant win competitions, prize draws and freebies from your favourite brands. We’ve got gadgets, cars, holidays, cash and even a chance to win a brand new home worth £400,000 instantly!

Registration is really easy and takes less than 30 seconds to complete, and the best part is IT'S ALL COMPLETELY FREE!!

Closing Date: 30th June 2008
Second case for discussion: Portakabin v. Primakabin
Geschakelde Units

Klik op een afbeelding, titel of afmeting voor meer informatie over een unit.

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<thead>
<tr>
<th>Afbilding</th>
<th>Merk en Type</th>
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<tbody>
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<td>PORTACABIN: Duplex 672, Afmeting: 9.60 x 4.6m</td>
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<tr>
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Thanks for your attention and participation