

LANHAM ACT CASE
INVOLVED GOOGLE'S
ADWORDS PROGRAM
AND KEYWORD
META TAGS

COURT GRANTED DEFENDANT'S MOTION TO DISMISS

A federal district court granted defendant's motion to dismiss plaintiff's complaint in a case involving Google's AdWords program and keyword meta tags. Here's what happened—

PARTIES

Plaintiff is a finance company specializing in providing immediate cash payments in exchange for the rights to future payments from structured settlements, annuities, real estate notes and other assets. Plaintiff regards itself as the undisputed leader in the structured settlement industry and alleges that its registered trademarks for its name and its stylized printing of its name have achieved recognition among the industry and consuming public due to extensive promotional efforts, including advertising on TV and the Internet.

Defendant is a finance company specializing in providing immediate cash payments in exchange for the rights to future payments from structured settlements and annuities. According to plaintiff, defendant is plaintiff's next nearest competitor in the settlement fund industry.

PLAINTIFF'S CLAIMS

Plaintiff's claims arose from defendant's alleged use of plaintiff's trademarks in two ways:

- (1) through Google's AdWords program; and
- (2) in the "meta tags" for defendant's website.

Plaintiff alleged that these uses of plaintiff's name ensures that a link to defendant's website will appear immediately proximate to a link to defendant's website when individuals conduct Internet searches for "J.G. Wentworth" or "JG Wentworth."

GOOGLE'S ADWORDS PROGRAM

Among other services, Google provides an Internet search engine that finds websites related to terms provided by Internet users. An Internet user seeking information will enter various terms into a space provided on Google's website, and Google's computers will search its database for websites relevant to the terms provided. The Google search engine then will present an ordered list of relevant websites identified by the Google database with the most relevant website listed first. The Google search engine will also present a separate list of websites in a "Sponsored Links" section, either at the top or in the right margin of the search-results screen. Google's AdWords program is

Volume XXVII
Issue 3
February 5, 2007
Page 33

the keyword-triggered advertising program that generates the Sponsored Links section on the search-results screen. Advertisers participating in AdWords buy or bid on certain keywords, paying Google for the right to have links to their websites displayed in the Sponsored Links section whenever an Internet user searches for those words.

THREE TYPES OF META TAGS

Plaintiff also alleged that defendant inserted plaintiff's marks into its keyword meta tags for its website. "Meta tags" are pieces of the Hyper Text Markup Language (HTML) source code containing keywords used to describe the web page's contents. There are three types of meta tags:

- (1) Descriptive: These meta tags describe the document's content.
- (2) Keyword: These are used by Internet search engines to help determine if a particular web page is relevant to a search term entered by a user; and
- (3) Robot: These meta tags indicate to search engines that certain web pages are not to be indexed by search engines.

Meta tags are invisible to Internet users but are used by search engines to index websites. Plaintiff alleged that defendant used plaintiff's marks in its keyword meta tags for 14 different web pages on defendant's website. Plaintiff argued that this alleged use infringed on its mark and caused search engines to include a link to defendant's website on the search results page when users search the Internet for "J.G. Wentworth" or "JG Wentworth."

Plaintiff argued that defendant infringed on plaintiff's mark since a link to defendant's website appeared in response to searches on 10 Internet search engines that have no relationship with Google.

HARM TO PLAINTIFF?

Plaintiff argued that defendant's alleged uses of plaintiff's marks through the AdWords program and in keyword meta tags constitute infringing acts intended to confuse consumers and to divert potential consumers away from plaintiff's website. Plaintiff argued that by using plaintiff's marks in these ways defendant steals plaintiff's potential customers and erodes the distinctiveness of plaintiff's marks, thus causing a significant loss of profits to plaintiff. Additionally, Plaintiff charged that defendant "intermittently complies with plaintiff's demands to cease all use of its marks, and this compliance evinces a practice of knowing infringement on the part of defendant."

Volume XXVII
Issue 3
February 5, 2007
Page 34

SECTIONS 32(1) AND 43(a) OF THE LANHAM ACT

Section 32(1) of the Lanham Act says:

"(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, shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive." [15 U.S.C. Section 1114(1).]

Section 43(a) of the Lanham Act says:

"(a) Civil action (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which . . . (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act." [15 U.S.C. Section 1125(a)(1).]

COURT GRANTED DEFENDANT'S MOTION TO DISMISS

Defendant successfully argued that:

- (1) plaintiff cannot demonstrate that defendant made use of plaintiff's marks to identify the source of goods or services, and
- (2) no likelihood of confusion exists as a matter of law.

While the federal district court in this case found that "defendant made trademark use of plaintiff's marks," since "this use creates no likelihood of confusion as a matter of law" the Court granted defendant's motion to dismiss.

TRADEMARK USE

The Court described the first issue presented in this case as follows:

"[W]hether purchase and use of a trademark-protected keyword for the purpose of triggering Internet advertising constitutes the type of 'use in commerce' contemplated by the Lanham Act."

In its motion to dismiss, Defendant cited many cases from other circuits for the general proposition that—

"[t]here can be no liability under the Lanham Act absent the use of a trademark in a way that identifies the products and services being advertised by the defendant." [Wells Fargo & Co. v. WhenU.com, Inc., 293 F. Supp. 2d 734, 757 (E.D. Mich. 2003).]

After reviewing the cases on point, the Court found that—

"defendant's participation in Google's AdWords program and defendant's incorporation of plaintiff's marks in its keyword meta tags constitute trademark use under the Lanham Act."

The Court concluded that—

"defendant's use of plaintiff's marks to trigger Internet advertisements for itself is the type of use consistent with the language in the Lanham Act which makes it a violation to use 'in commerce' protected marks 'in connection with the sale, offering for sale, distribution, or advertising of any goods or services,' or 'in connection with any goods or services.' . . . By establishing an opportunity to reach consumers via alleged purchase and/or use of a protected trademark, defendant has crossed the line from internal use to use in commerce under the Lanham Act."

LIKELIHOOD OF CONFUSION

However, the Court granted defendant's motion to dismiss since defendant carried the burden of establishing that "no reasonable factfinder could find a likelihood of confusion on any set of facts that plaintiff could prove." The Court reasoned that even if "defendant did in fact use plaintiff's marks through Google's AdWords program or in the keyword meta tags for its website—as a matter of law defendant's actions do not result in any actionable likelihood of confusion under the Lanham Act."

Volume XXVII
Issue 3
February 5, 2007
Page 36

Advertising Compliance ServiceTM

Added the Court:

"Likelihood of confusion exists where `consumers viewing the mark would probably assume that the product or service it represents is associated with the course of a different product or service identified by a similar mark.' Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 280 (3d Cir. 2001) . . . `The marks need not be identical and proof of actual confusion is not necessary to establish a likelihood of confusion.' First Am. Marketing Corp. v. Canella, 2004 WL 250537, at *4 (E.D. Pa. Jan. 26, 2004) . . . As plaintiff recognizes, the Court of Appeals has held that `initial interest confusion is actionable under the Lanham Act.' . . . Initial interest confusion applies where `similar marks could ultimately affect a consumer's consideration of the defendant's product as well as affect the plaintiff's goodwill with its customers.,"

Additionally, the Court pointed out:

"At no point are potential consumers `taken by a search engine' to defendant's website due to defendant's use of plaintiff's marks in meta tags. Rather, as in the present case, a link to defendant's website appears on the search results page as one of many choices for the potential consumer to investigate. As stated above, the links to defendant's website always appear as independent and distinct links on the search result pages regardless of whether they are generated through Google's AdWords program or search of the keyword meta tags of defendant's website. Further, plaintiff does not allege that defendant's advertisements and links incorporate plaintiff's marks in any way discernible to Internet users and potential customers."

Finally, the Court noted that—

"Due to the separate and distinct nature of the links created on any of the search results pages in question, potential consumers have no opportunity to confuse defendant's services, goods, advertisements, links or websites for those of plaintiff."

Accordingly, the Court found that initial interest protection does not apply in this case. Since "no reasonable factfinder could find a likelihood of confusion under the set of facts alleged by plaintiff," the Court granted defendant's motion to dismiss plaintiff's complaint.

WHAT TO LOOK FOR IN THE FUTURE

Despite all the uproar over keyword meta tags, most search engines do not support keyword metatags. Indeed, here's what the respected online compendium of information, Wikipedia, has to say about this:

Volume XXVII
Issue 3
February 5, 2007
Page 37

"Search engines began dropping support for META keywords in 1998, and by the early 2000s, most search engines had veered away from reliance on meta elements, and in July 2002 AltaVista, one of the last major search engines to still offer support, finally stopped including them."

(Source: Wikipedia, "meta element".)

Moreover, the newer search engines like Google "never had any support for the META keywords tag," according to Wikipedia.

Accordingly, meta tags really lack any triggering power. Yet the federal district court in this case didn't acknowledge this fact. Nevertheless, courts in the future will be increasingly more likely to recognize this in reaching their conclusions in cases involving keyword meta tags.

LAWYER'S REFERENCE SERVICE

J.G. Wentworth S.S.C. Ltd. v. Settlement Funding LLC d/b/a Peachtree Settlement Funding, United States District Court for the Eastern District of Pennsylvania, No. 06-0597, January 4, 2007.

See also:

Cases

Checkpoint Sys., Inc. v. Check Point Software Techs., Inc., 269 F.3d 270, 280 (3d Cir. 2001).

First Am. Marketing Corp. v. Canella, 2004 WL 250537, at *4 (E.D. Pa. Jan. 26, 2004).

Wells Fargo & Co. v. WhenU.com, Inc., 293 F. Supp. 2d 734, 757 (E.D. Mich. 2003).

Lanham Act

Section 32(1) of the Lanham Act.

Section 43(a) of the Lanham Act.

Wikipedia

Wikipedia, "meta element".

#

Volume XXVII
Issue 3
February 5, 2007
Page 38