

## CASE NOTE

### **Internet Ambush, Using the Patent and Trademark Office to Shut down a Competitor's Domain-Name**

**Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036 (9th Cir. 1999).**

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Trademark owners are increasingly pursuing the protection of their marks in cyberspace.<sup>1</sup> Significant litigation is developing in situations where the same word or words are owned as a federal trademark by one party and registered by a separate party as a domain-name.<sup>2</sup> Another area of potential infringement online<sup>3</sup> in-

<sup>1</sup> See G. Andrew Barger, *Cybermarks: A Proposed Hierarchical Modeling System of Registration and Internet Architecture for Domain-names*, 29 J. MARSHALL L. REV. 623, 624 n.3 (1996) (computer novelist William Gibson is credited with coining the term cyberspace by using it to describe a dimensionless place where machines communicate with each other without the aid of human intervention).

<sup>2</sup> See, e.g., *Intermatic, Inc. v. Toepfen*, 947 F. Supp. 1227 (N.D. Ill. 1996); *Panavision Int'l, L.P. v. Toepfen*, 141 F.3d 1316 (9th Cir. 1998); *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868 (9th Cir. 1999).

<sup>3</sup> Online, cyberspace and the Web are frequently used to refer to the Internet. See *ACLU v. Reno*, 31 F. Supp. 2d 473, 481-83 (E.D. Pa. 1999), for an overview of the Internet, explanations of domain-names, online technology and the various Internet protocols, such as HTTP (hypertext transfer protocol) used for the World Wide Web.

volves the use of another's mark in a web page's meta tags.<sup>4</sup> The Ninth Circuit considered these issues in *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*<sup>5</sup> Although trademark disputes involving domain-names were increasing when the Ninth Circuit addressed the *Brookfield* case, little precedent existed regarding meta tag infringement. This Note is organized into four parts. Part I sets out the requirements for trademark infringement claims including factors to analyze infringement claims and the standard for injunctive relief. Part II discusses the facts of *Brookfield* and the reasoning employed by the court in resolving the issues. Part III critiques three aspects of the *Brookfield* decision and proposes solutions for future guidance. Part IV concludes with a survey of key points made and the practical implications *Brookfield* has for Internet entrepreneurs.

While the decision of the domain-name infringement claim was correct, the court's holding condones the practice of "reverse domain-name hijacking" to obtain previously registered domain-names from other parties.<sup>6</sup> In contrast, the court's analysis of the meta tag infringement claim was questionable and its "initial interest" analogy did not consider the basic differences between offline and online consumers. Finally, the relief granted to the triumphant trademark owner in this cyber-dispute was broader than necessary to address the problem. *Brookfield* demonstrates that courts need to clearly understand Internet technology before creating remedies for online disputes and be cognizant of Internet presumptions regarding domain-name use.

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<sup>4</sup> A meta tag is a piece of HTML (hypertext mark-up language) code included in the top portion of a web page, which informs a search engine about the contents of the page. Meta tags are included behind the page and only viewable by clicking "View Source" in one's web browser.

<sup>5</sup> 174 F.3d 1036 (9th Cir. 1999).

<sup>6</sup> See Danielle Weinberg Swartz, Comments, *The Limitations of Trademark Law in Addressing Domain-name Disputes*, 45 UCLA L. REV. 1487 (1998) (explaining "reverse domain-name hijacking" is where a trademark owner brings suit for infringement against a prior legitimate user of a domain-name that contains the trademark owners mark).

## I. BACKGROUND

## A. Basis For Trademark Infringement: The Lanham Act

## 1. Scope of Trademark Infringement

The Lanham Act<sup>7</sup> definitions for trademarks<sup>8</sup> and service marks<sup>9</sup> indicate a broad array of listings may serve as marks. Depending on how it is used, a domain-name may be classified as a protectable mark. The Supreme Court has held that in considering the “universe of things that can qualify as a trademark” the language of the Lanham Act describes this protectable “universe” in the “broadest of terms.”<sup>10</sup>

Two methods are used to protect a mark. First, common law protects those who are the first to adopt and use a mark. Such users receive the exclusive right to use the mark in any area where they can demonstrate a continued actual use of the mark.<sup>11</sup> The Lanham Act codified this rule under section 33(b)(5) for good faith users who were using a mark before a later party applied for federal registration of the same mark.<sup>12</sup> The second method is to register the mark with the Patent and Trademark Office (“PTO”).<sup>13</sup> Once the PTO issues a certificate of registration, the certificate constitutes “prima facie evidence of the validity of the registered mark. . . and the registrant’s exclusive right to use the registered mark in commerce.”<sup>14</sup>

An infringement claim<sup>15</sup> is normally based on a third party’s use of a mark that is the same or confusingly similar to the claim-

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<sup>7</sup> See 15 U.S.C. §§ 1051-1127 (1999) (the Lanham Trademark Act of 1946 is the general basis used for trademark infringement causes of action). The original Lanham Act sections were numbered §§ 1-46 and are still commonly used in judicial opinions. Reference to Lanham Act sections will be based on the original numbers.

<sup>8</sup> See 15 U.S.C. § 1127 (1999). Section 45 of the Lanham Act defines a “trademark” as “any word, name, symbol, or device, or any combination thereof- (1) used by a person . . . to identify and distinguish his or her goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.” *Id.*

<sup>9</sup> See 15 U.S.C. § 1127 (1999). A “service mark” is defined as “any word, name, symbol or device, or any combination thereof- (1) used by a person . . . to identify and distinguish the services of one person . . . from the services of others and to indicate the source of the services, even if that source is unknown.” *Id.*

<sup>10</sup> *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995) (finding trademark protection for the green-gold color of manufacturer’s dry cleaning press pads).

<sup>11</sup> See *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403 (1916).

<sup>12</sup> The defense may be used when a party is charged with infringement by a holder of a valid federally registered trademark, provided the defendant was unaware of the other party’s use of the mark, and the defendant’s use pre-dates the date of the federal application for the trademark. Such protection is only valid where continuous prior use by defendant is proved. 15 U.S.C. § 1115(b)(5) (1999).

<sup>13</sup> See 15 U.S.C. § 1051 (1999) (the application must indicate the first use of the mark in commerce and state that to the best of the applicant’s knowledge no other person has the right to use the mark).

<sup>14</sup> 15 U.S.C. § 1057(b) (1999).

<sup>15</sup> See *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1047 n.8 (9th Cir. 1999) (explaining infringement claims may be brought under sec-

ant's mark. The claimant must demonstrate the third party's use is likely to cause confusion in the marketplace.<sup>16</sup> The Lanham Act's "use" refers to "use in commerce."<sup>17</sup> Mere registration of a domain-name is not "use in commerce" sufficient to meet the Lanham Act's threshold.<sup>18</sup>

## 2. Elements of Trademark Infringement

The general remedy for a trademark owner seeking to prevent another from using its mark or a confusingly similar mark is an injunction. To receive a preliminary injunction,<sup>19</sup> a plaintiff must show: (1) probable success on the merits and possible irreparable injury, or (2) serious questions regarding the merits with the balance of hardships tipping in plaintiff's favor.<sup>20</sup> A plaintiff must prove two elements to prevail. First, a plaintiff must demonstrate the validity of its mark<sup>21</sup> and second, that the possibility exists the public will be confused about the sponsorship of a mark and mistakenly associate defendant's mark with plaintiff's.<sup>22</sup> This second requirement is the "likelihood of confusion" standard.<sup>23</sup>

### a) Valid Marks

The primary focus of the validity inquiry is in determining who was first in time to use the mark in commerce. After a mark has been registered for over five years, it receives "incontestable" status, meaning its validity and protectability is conclusively pre-

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tion 32(1) or section 43(a) of the Lanham Act and although section 43(a) protects against a broader range of practices besides infringement such as false advertising and product disengagement, the analysis under both sections is often identical).

<sup>16</sup> *Id.* at 1046 n.6; 15 U.S.C. § 1125(a)(1) (1999) (section 43(a)(1) provides: "Any person who, on or in connection with any goods or services . . . uses in commerce any word, term, name, symbol, or device, or any combination thereof . . . which (A) is likely to cause confusion, or to cause mistake . . . 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 . . . 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." ).

<sup>17</sup> *See* 15 U.S.C. § 1127 (1999) (defining "use" as: "the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. [A] mark shall be deemed to be in use in commerce-(1) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith . . . (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce.").

<sup>18</sup> *See Brookfield*, 174 F.3d at 1051.

<sup>19</sup> *See* 15 U.S.C. §§ 1116-17 (1999) (Section 34 of the Lanham Act provides authority to grant injunctive relief to protect the rights of a mark owner and section 35 permits, subject to principles of equity, for a plaintiff to recover damages, defendants profits and cost of the action).

<sup>20</sup> *See Sardi's Restaurant Corp. v. Sardie*, 755 F.2d 719, 723 (9th Cir. 1985).

<sup>21</sup> *See Brookfield*, 174 F.3d at 1046-47.

<sup>22</sup> *Id.* at 1054.

<sup>23</sup> *Id.*

sumed.<sup>24</sup> The party who can demonstrate actual use of a mark first is considered the “senior” user. This user has the right to enjoin a subsequent junior user from using a confusingly similar mark in the same or similar market and to prevent the junior user from competing in any area considered to be the senior user’s “natural zone of expansion.”<sup>25</sup>

One approach to resolving which party is the senior user is to consider the date the trademark application was filed. A benefit of filing a trademark application is that the applicant receives a constructive use date as of the day the application is filed with the PTO.<sup>26</sup> Under section 7(c) of the Lanham Act, contingent on final approval of the mark, the filing of an application “shall constitute constructive use of the mark, conferring a right of priority, nationwide in effect . . . except for a person . . . who, prior to such filing— (1) has used the mark.”<sup>27</sup>

Seniority may also be established where a party can show there was enough pre-sale publicity revolving around the mark such that a significant portion of the public had already formed an association between the mark and the organization.<sup>28</sup> Pre-sale use under these circumstances has been found sufficient to qualify as “use.”<sup>29</sup> The “talismanic” test for pre-sale use is whether the mark has become sufficiently public to distinguish the marked goods in a certain segment of the public mind as being related to the adopter of the mark.<sup>30</sup>

Words that are candidates for trademark protection are grouped into four categories, listed from weakest to strongest: generic, descriptive, suggestive, and arbitrary or fanciful.<sup>31</sup> Before a

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<sup>24</sup> See 15 U.S.C. § 1065 (1999) (a mark that has been in “continuous use for five consecutive years subsequent to the date of [federal] registration and is still in use in commerce, shall be incontestable”).

<sup>25</sup> See *Union Nat’l Bank of Tex., Laredo, Tex. v. Union Nat’l Bank of Tex., Austin, Tex.*, 909 F.2d 839, 842-43 (5th Cir. 1990); 2 J. McCARTHY, TRADEMARKS AND UNFAIR COMPETITION § 16:5 (4th ed. 1999) (explaining natural zone of expansion as “[w]hen a senior user of a mark on product line A expands later into product line B and finds an intervening user, priority in product line B is determined by whether the expansion is ‘natural’ in that customers would have been confused as to source or affiliations at the time of the intervening user’s appearance.”).

<sup>26</sup> See 15 U.S.C. § 1057(c) (1999).

<sup>27</sup> *Id.*

<sup>28</sup> See *Marvel Comics Ltd. v. Defiant*, 837 F. Supp. 546, 547-548 (S.D.N.Y. 1993) (to show pre-sale use, the plaintiff presented evidence it had sold over 13 million comic books announcing new character, “Plasmer,” distributed a sales catalog to approximately 12,500 distributors with advertisements for the character, and showed that the character’s picture had appeared in a trade magazine with a circulation of 20,000 readers).

<sup>29</sup> *Id.*

<sup>30</sup> See *New England Duplicating Co. v. Mendes*, 190 F.2d 415, 417 (1st Cir. 1951).

<sup>31</sup> See *Public Service Co. of N.M. v. Nexus Energy Software, Inc.*, 36 F. Supp. 2d 436, 438 (D. Mass. 1999). Generic terms are ineligible for protection, descriptive terms are eligible only if secondary meaning is acquired, suggestive terms require imagination to conclude the source of the goods, and arbitrary or fanciful terms that are unrelated to the good, are eligible for protection without proof of secondary meaning, *id.* See generally 1 McCAR-

descriptive mark is eligible for protection, it must have secondary meaning, which means the public primarily associates the mark with a certain product or service.<sup>32</sup> While generic terms cannot be protected, use of a descriptive mark for over five years is prima facie evidence the mark has become distinctive and therefore valid.<sup>33</sup>

#### b) Likelihood of Confusion

*Brookfield* used an eight-factor test, detailed in *AMF Inc. v. Sleekcraft Boats*,<sup>34</sup> the “*Sleekcraft*” test, to determine whether a likelihood of confusion existed.<sup>35</sup> The *Sleekcraft* factors do not encompass an “exhaustive” list; other considerations may be relevant depending on the circumstances.<sup>36</sup> Professor McCarthy explains although all the likelihood of confusion factors should be considered, “[n]o mechanistic formula can set forth in advance the variety of elements that comprise. . . the context from which likelihood of confusion must be determined.”<sup>37</sup>

#### B. Fair Use

If a mark is “used fairly and in good faith only to describe the goods or services of such party,” then such use is considered non-infringing.<sup>38</sup> Section 43(c)(4)(A) of the Lanham Act permits “fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.”<sup>39</sup> The fair use defense thereby permits use of a famous mark in the absence of an adequate descriptive substitute. Such use helps avoid having to venture “into absurd descriptive phrases” to convey a concept or message.<sup>40</sup>

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THY, *supra* note 25, § 11:01-26 (for an extensive discussion on the spectrum of words eligible for trademark protection).

<sup>32</sup> See *Bigstar Entertainment, Inc. v. Next Big Star, Inc.*, 105 F. Supp. 2d 185, 202 (S.D.N.Y. 2000).

<sup>33</sup> See 15 U.S.C. § 1052(e)-(f) (1999).

<sup>34</sup> 599 F.2d 341 (9th Cir. 1979).

<sup>35</sup> *Id.* at 348-49. The *Sleekcraft* test considers: (1) strength of the mark; (2) proximity of the goods; (3) evidence of actual confusion; (4) marketing channels used; (5) types of goods and the degree of care likely to be exercised by the purchaser; (7) defendants intent in selecting the mark; and (8) likelihood of expansion of the product lines. *Id.*

<sup>36</sup> See *Dreamwerks Prod. Group, Inc. v. SKG Studio*, 142 F.3d 1127, 1130 (9th Cir. 1998).

<sup>37</sup> 1 MCCARTHY, *supra* note 25, § 23:19,54 (quoting RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 21, comment a (1995)).

<sup>38</sup> 15 U.S.C. § 1115(b)(4) (1999).

<sup>39</sup> 15 U.S.C. § 1125(c)(4)(A) (1999).

<sup>40</sup> *Playboy Enters, Inc. v. Welles*, 7 F. Supp. 2d 1098, 1105 (1998) (finding that since no reasonable alternative existed to describe a playmate’s former status, it was fair use to include the phrase “Playmate of the Year 1981” on defendants web pages and in her sites meta tags).

### C. Internet Enigmas in Trademark Analysis

An ongoing challenge for the courts is to determine how the practices and technology of the Internet interact with trademark law. One district court stated in *Cardservice Int'l, Inc. v. McGee*,<sup>41</sup> “[t]he terms of the Lanham Act do not limit themselves in any way which would preclude application of federal trademark law to the Internet.”<sup>42</sup> Professor McCarthy has pondered the question: “Is a domain-name a trademark?”<sup>43</sup> His answer is: “A domain-name can become a trademark if it is used as a trademark.”<sup>44</sup> Courts look to the way the domain-name is used to make this determination. One court stated, “[w]hen a domain-name is used only to indicate an address on the Internet and not to identify the source of specific goods and services, [then] the name is not functioning as a trademark.”<sup>45</sup>

The PTO’s view is that before a domain-name is eligible for registration as a trademark, the application must show it will be used in a manner as to indicate source and not merely as an indicator of the address to a web site.<sup>46</sup> Some “value added” activity must exist at a web site beyond the mere advertising of goods and services before the site name may be eligible for registration as a trademark.<sup>47</sup> The inclusion of “.com” in a trademark registration by itself is considered as having no trademark significance.<sup>48</sup> However, if “.com” were positioned in the public’s mind as having some type of commercial impression (e.g., “amazon.com”), then including it in a trademark registration would make sense.<sup>49</sup>

Another trademark issue involves consideration of the use of another’s mark in a competitor’s meta tags in an effort to increase site visits. Meta tags are not visible to the person viewing the web page, but are included in the invisible background code of the web page to help identify the contents of the page to search engines.<sup>50</sup> Meta tags assist parties conducting searches for particular topics to find web pages that have included such topics in their meta

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<sup>41</sup> 950 F. Supp. 737 (E.D. Va. 1997).

<sup>42</sup> *Id.* at 741.

<sup>43</sup> 1 MCCARTHY, *supra* note 25, § 7:17.1.

<sup>44</sup> *Id.*

<sup>45</sup> *Lockheed Martin Corp. v. Network Solutions, Inc.*, 985 F. Supp. 949, 956 (C.D. Cal. 1997).

<sup>46</sup> See United States Department of Commerce, Patent and Trademark Office, *Marks Composed, In Whole Or In Part, Of Domain Names*, Examination Guide No. 2-99 at § II-A (visited Feb. 8, 2001) <<http://www.uspto.gov/web/offices/tac/notices/guide229.htm>> (If the proposed mark will be used as nothing more than an online business card indicating where a person can be contacted, registration must be refused.).

<sup>47</sup> See 1 MCCARTHY, *supra* note 25, § 7:17.1.

<sup>48</sup> *Id.*

<sup>49</sup> *Id.*

<sup>50</sup> See *Playboy Enters., Inc. v. Welles*, 7 F. Supp. 2d 1098, 1104 (1998).

tags.<sup>51</sup> The most popular meta tags are the keyword and description tags.<sup>52</sup> Search engines receive information about web sites primarily in two ways.<sup>53</sup> The first method involves human effort by page authors (“web masters”) who submit new sites to search site editors that are then reviewed and categorized.<sup>54</sup> The second method is achieved automatically by having a web “spider” or “robot” continually scan the Web and automatically categorize results, often putting importance on the content a page includes in its keyword meta tags.<sup>55</sup>

Two controversial uses of meta tags online are “spamdexing” and “competitor use”.<sup>56</sup> Spamdexing involves using popular terms (e.g., “George W. Bush”) as keywords that are unrelated to the content of a page.<sup>57</sup> Spamdexing web masters attempt to receive a higher ranking from the results of a search by repeating terms more frequently in the meta tags in the web page.<sup>58</sup> However, because search engines have a crucial need to be accurate sources for information on the Web, many search sites are enacting countermeasures against spamdexing, including penalizing spamdexing web sites with lower rankings or ignoring keyword meta tags entirely.<sup>59</sup> The other potential infringing use of a competitor’s trademark occurs when a competitor uses another’s trademark in its keyword meta tags on its web page.<sup>60</sup>

#### D. Remedies

Similar to off-line trademark infringers, Internet trademark infringers may be required to cease use of all infringing marks

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<sup>51</sup> *Id.*

<sup>52</sup> See F. Gregory Lastowka, *Search Engines, HTML, and Trademarks: What’s the Meta for?*, 86 VA. L. REV. 835, 844-46 (2000). Keyword tags are specific terms that convey core concepts regarding the page and description tags provide a concise description of the page. *Id.* at 845-46.

<sup>53</sup> *Id.* at 847-48.

<sup>54</sup> *Id.* at 847 (such an approach is used by Yahoo).

<sup>55</sup> *Id.* at 848 (Excite, Alta Vista and Google utilize such techniques); Katherine E. Gasparek, Comment, *Applying the Fair Use Defense in Traditional Trademark Infringement and Dilution Cases to Internet Meta Tagging or Linking Cases*, 7 GEO. MASON L. REV. 787, 789 (1999).

<sup>56</sup> See Lastowka, *supra* note 52, at 862.

<sup>57</sup> *Id.* at 865; Elizabeth Weise, *Some Web Pages Take Search Engines for a Ride*, USA TODAY, Sept. 29, 1997, at 4d. (describing techniques to manipulate search engines as “spamdexing”).

<sup>58</sup> See Ira S. Nathenson, *Internet Infoglut and Invisible Ink: Spamdexing Search Engines with Meta Tags*, 12 HARV. J.L. & TECH. 43 (1998) (explaining meta tags are presently used more to spam than to inform).

<sup>59</sup> See Lastowka, *supra* note 52, at 850 n.74, 867 (explaining Excite claims not to support keyword meta tags any longer).

<sup>60</sup> *Id.* at 874-76 (citing *Playboy Enters., Inc. v. Asiafocus Int’l, Inc.*, No. 97-734-A, 1998 U.S. Dist. WL 724000 (E.D.Va. Apr. 10, 1998), as an example of competitor use where an adult site was enjoined from using the word “playmate” in its meta tags).

upon order of a court.<sup>61</sup> Sometimes a defendant is ordered to turn over the infringing domain-name to the trademark owner. For example, defendants who registered “candyland.com” were required to turn over the domain-name to Hasbro.<sup>62</sup>

#### E. Trademark Protection Online

Courts generally support trademark owners’ rights in the Internet context. A recurring theme in domain-name disputes is that mere registration of a domain-name alone does not supersede federal trademark law.<sup>63</sup> However, a key factor in cases seeking injunctive relief for alleged domain-name infringement is a demonstration by plaintiff of a likelihood of confusion. For example, in *Avery Dennison Corp. v. Sumpton* no likelihood of confusion was found by the defendant’s registration and use of the domain-names “avery.net” and “dennison.net.”<sup>64</sup> The court held plaintiff failed to demonstrate defendant’s use of the domains for an e-mail business would cause confusion in the marketplace.<sup>65</sup>

Only a few Internet related trademark infringement cases were claiming meta tag infringement when *Brookfield* was decided.<sup>66</sup> The court utilized “initial interest confusion” to analyze the situation.<sup>67</sup> Initial interest confusion involves a bait and switch tactic where a competitor lures a customer by using the mark of a competitor.<sup>68</sup> Although the customer is not misled when an actual purchase is made, some courts feel the initial interest which was piqued by using the mark of a competitor is a usurpation of the mark owner’s goodwill, thereby creating “sufficient trademark injury.”<sup>69</sup> For example, Playboy Enterprises has been successful in enjoining the use of PLAYBOY in an unaffili-

<sup>61</sup> See *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1043 (9th Cir. 1999). West Coast was prohibited from using “moviebuff.com” for its web site domain-name and “@moviebuff.com” in conjunction with e-mail. *Id.*

<sup>62</sup> See JONATHAN ROSENOER, CYBERLAW: THE LAW OF THE INTERNET 106-07 (Springer-Verlag 1997) (discussing *Hasbro, Inc. v. Internet Entertainment Group, Ltd.*, 40 U.S.P.Q. 2d 1479 (W.D. Wash. 1996)).

<sup>63</sup> See *Brookfield*, 174 F.3d at 1066 (“[R]egistration of a domain-name for a Web site does not trump long-established principles of trademark law.”); *Cardservice Int’l, Inc. v. McGee*, 950 F. Supp. 737, 740 (E.D. Va. 1997) (commenting on the first-come, first-serve policy of domain-name registrar Network Solutions, Inc., (NSI), the court stated “such a policy cannot trump federal law”).

<sup>64</sup> See *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 879-81 (9th Cir. 1999) (defendant sold vanity e-mail addresses to attract customers with the surname Avery or Dennison offering the chance to have an email address like “firstname@avery.net”).

<sup>65</sup> *Id.*

<sup>66</sup> See, e.g., *Playboy Enters., Inc. v. Welles*, 7 F. Supp. 2d 1098, 1105 (1998) (holding it was permissible for a former playmate to use the phrase “Playmate of the Year 1981” on her web site and in the sites meta tags).

<sup>67</sup> See *Brookfield*, 174 F.3d at 1062.

<sup>68</sup> *Id.*

<sup>69</sup> See *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d. 254, 257-58 (2d Cir. 1987).

ated adult web site's meta tags.<sup>70</sup> The Ninth Circuit in *Brookfield* remained consistent with the trend in extending trademark rights in the Internet context.

II. *BROOKFIELD COMMUNICATIONS, INC. v. WEST COAST ENTERTAINMENT CORP.*

A. Factual Background

West Coast Entertainment Corporation ("West Coast") is one of the nation's largest video rental chains with over 500 stores.<sup>71</sup> West Coast began using its service mark "The Movie Buff's Movie Store" in 1986 for "advertisements, promotions, and letterhead in connection with retail services featuring videocassettes and video game cartridges."<sup>72</sup> Brookfield Communications, Inc. ("Brookfield") started business in 1987 focusing on the professional movie industry by offering industry specific information on films, submissions, industry credits, and professional contracts.<sup>73</sup> West Coast applied to the PTO for federal registration of its service mark in 1989. It was approved in 1991 and became incontestable in 1996.<sup>74</sup> Brookfield began offering in 1993, a movie industry informational database entitled "MovieBuff" to a broader consumer base.<sup>75</sup>

On February 6, 1996, West Coast registered the domain-name "moviebuff.com" stating it chose the name because the term "Movie Buff" was part of its service mark.<sup>76</sup> Sometime later in 1996, Brookfield tried to register "moviebuff.com" but found it had already been registered to West Coast.<sup>77</sup> Brookfield therefore registered two related domain-names "brookfieldcomm.com" and "moviebuffonline.com" at which it offered the "MovieBuff" products for sale.<sup>78</sup> One of West Coast's initial uses of "moviebuff.com" was in e-mail correspondence with lawyers and customers starting in April 1996.<sup>79</sup> On August 19, 1997, Brookfield applied for a federal trademark<sup>80</sup> and service mark<sup>81</sup> for the term "MovieBuff."

<sup>70</sup> See *Playboy Enters., Inc. v. Calvin Designer Label*, 985 F. Supp. 1220, 1221 (N.D. Cal. 1997).

<sup>71</sup> See *Brookfield*, 174 F.3d at 1042.

<sup>72</sup> *Id.* at 1043.

<sup>73</sup> *Id.* at 1041.

<sup>74</sup> *Id.* at 1043 n.5.

<sup>75</sup> *Id.* at 1041.

<sup>76</sup> *Id.* at 1042. West Coast's service mark covered "retail store services featuring video cassette and video game cartridges" and "rental of video cassettes and video game cartridges." *Id.*

<sup>77</sup> *Id.*

<sup>78</sup> *Id.*

<sup>79</sup> *Id.* at 1052-53.

<sup>80</sup> *Id.* at 1042. Brookfield stated on its trademark application that the product was "computer software providing data and information in the field of the motion picture and television industries." *Id.*

The PTO issued federal trademark registrations for both marks on September 29, 1998.<sup>82</sup> August 1997 was the first date that Brookfield began offering its "MovieBuff" software and database online.<sup>83</sup>

Brookfield learned West Coast intended to launch a web site at "moviebuff.com" in October 1998, which offered among other things an entertainment database similar to the Brookfield database.<sup>84</sup> Brookfield thereafter delivered a cease-and-desist letter to West Coast on November 10, stating West Coast's planned use of "moviebuff.com" would be a violation of Brookfield's trademark rights.<sup>85</sup> The following day West Coast issued a press release announcing the coming launch of "moviebuff.com" and describing the site as containing "movie reviews, Hollywood news and gossip, provocative commentary, and coverage of the independent film scene and films in production."<sup>86</sup> The press release also described the entertainment database that would be available.<sup>87</sup> Brookfield responded with a suit<sup>88</sup> seeking to enjoin West Coast from using the mark "MOVIEBUFF" in any manner, including as a domain-name or in the meta tags of West Coast's web site.<sup>89</sup>

West Coast argued, based on its prior valid service mark registration, that it was the "senior user" of the mark "MovieBuff."<sup>90</sup> West Coast's federal registration of its service mark became incontestable in 1996 after having been registered with the PTO and in continuous use for five consecutive years.<sup>91</sup> West Coast offered evidence it had spent over \$15 million on advertisements and promotions featuring the mark.<sup>92</sup> West Coast contended that since it used "moviebuff.com" prior to Brookfield's offering of an online version of its "MovieBuff" database, West Coast was the senior user for online purposes.<sup>93</sup> West Coast also claimed there would be no likelihood of confusion for Lanham Act purposes as a result of its planned online use of "moviebuff.com."<sup>94</sup>

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<sup>81</sup> *Id.* Brookfield's service mark application described its service as "providing multiple-user access to an on-line network database offering data and information in the field of the motion picture and television industries," *id.*

<sup>82</sup> *Id.*

<sup>83</sup> *Id.* at 1051 n.13 (when Brookfield first began offering its "MovieBuff" software and database online was the subject of "bitter dispute" between the parties).

<sup>84</sup> *Id.* at 1042.

<sup>85</sup> *Id.*

<sup>86</sup> *Id.*

<sup>87</sup> See *Brookfield*, 174 F.3d at 1042-43.

<sup>88</sup> *Id.* at 1043 (along with Brookfield's Lanham Act trademark infringement claim, it also sued for unfair competition, and trademark dilution under Lanham, as well as for violations of California's trademark and unfair competition laws).

<sup>89</sup> *Id.* at 1043.

<sup>90</sup> *Id.*

<sup>91</sup> *Id.*

<sup>92</sup> *Id.* at 1043 n.5.

<sup>93</sup> *Id.* at 1043.

<sup>94</sup> *Id.*

## B. Procedural History

The United States District Court for the Central District of California denied Brookfield injunctive relief finding West Coast the senior user of “moviebuff.com” and that no likelihood of confusion existed from the planned use of the domain-name.<sup>95</sup> Brookfield appealed the district court’s denial of its motion for a preliminary injunction and filed a motion for an injunction pending appeal, which was denied.<sup>96</sup> West Coast launched “moviebuff.com” on January 16, 1999.<sup>97</sup> Brookfield then filed an emergency motion for an injunction pending an appeal in the United States Court of Appeals for the Ninth Circuit.<sup>98</sup> The appellate court granted Brookfield’s motion on February 24, 1999, and entered an order enjoining West Coast:

[F]rom using, or facilitating the use of, in any manner, including advertising and promotion, the mark MOVIEBUFF, or any other term or terms likely to cause confusion therewith, including @moviebuff.com or moviebuff.com, as the name of West Coast’s web site service, in buried code or metatags on its home page or web pages, or in connection with the retrieval of data or information on other goods or services.<sup>99</sup>

Brookfield was required to post a \$25,000 bond before the injunction would become effective.<sup>100</sup> West Coast then filed a motion for reconsideration and modification, asking the bond requirement be raised to \$400,000 and seeking a stay of the injunction pending appeal.<sup>101</sup> Both requests were denied.<sup>102</sup>

## C. Internet Issues

The court recognized the case involved technical aspects of the Internet.<sup>103</sup> The issue was: “[w]hether federal trademark and unfair competition laws prohibit a video rental store chain from using an entertainment-industry provider’s trademark in the domain-name of its web site and in its web site’s metatags.”<sup>104</sup> The court began its analysis with a thorough discussion of the Internet and relevant technology.

The court reasoned domain-names are somewhat analogous to a telephone number or street address and are made up of two components: a second-level domain-name and a top-level domain-

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<sup>95</sup> See *Brookfield*, 174 F.3d at 1043.

<sup>96</sup> *Id.*

<sup>97</sup> *Id.*

<sup>98</sup> *Id.*

<sup>99</sup> *Id.*

<sup>100</sup> *Id.*

<sup>101</sup> *Id.*

<sup>102</sup> *Id.* at 1044.

<sup>103</sup> *Id.* at 1043.

<sup>104</sup> *Brookfield*, 174 F.3d at 1041.

name.<sup>105</sup> A second-level domain-name is the original portion of the web site address selected by the party registering the domain-name.<sup>106</sup> The top-level domain is the “.com” portion of the address and is selected by the party registering the domain-name in an effort to describe the nature of the web site.<sup>107</sup>

When the exact web address of a site is not known, an Internet user may attempt to guess the domain-name by typing in the presumed name in the “location window” of the web browser.<sup>108</sup> These “guesses” are often unsuccessful, frustrating, and time consuming. Search engines have emerged to assist a person searching for a specific web site.<sup>109</sup>

### 1. Validity of Brookfield’s Mark

The first issue addressed was whether Brookfield had a valid mark, thereby entitling it to protection. Although Brookfield held a registration certificate from the PTO for “MovieBuff,” West Coast could prevail as a senior user by demonstrating its use of the mark pre-dated Brookfield’s use.<sup>110</sup> The court held one would be deemed the “senior” user<sup>111</sup> by using an inherently distinctive, suggestive, mark first.<sup>112</sup>

In its defense, West Coast argued Brookfield’s online offering of its database, which began in May 1996, was sufficiently dissimilar to West Coast’s own web site at “moviebuff.com.”<sup>113</sup> Therefore, no likelihood of confusion would exist and West Coast should be entitled to seniority.<sup>114</sup> West Coast urged the court to distinguish between Brookfield’s non-Internet sales of the “MovieBuff” software, and its later web service where it offered an online version of the database.<sup>115</sup> The court observed Brookfield had failed

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<sup>105</sup> *Id.* at 1044.

<sup>106</sup> *Id.* The words that come after “www.” and before “.com” in a web site address are the second-level domain words (www.second-level domain word.com).

<sup>107</sup> *Id.*; Panavision Int’l, L.P. v. Toeppen, 141 F.3d 1316, 1318 (9th Cir. 1998). Several top-level domains are available from NSI, depending on the entity, including: “.com” (commercial), “.edu” (educational), “.org” (non-profit and miscellaneous organizations), “.gov” (government), “.net” (networking provider), and “.mil” (military), *id.*

<sup>108</sup> See *Brookfield*, 174 F.3d at 1044. Web browsers have a location window, which displays the web site Uniform Resource Locator (“URL”) that is the domain-name of the present web site being viewed (e.g., <http://www.yourarehere.com>).

<sup>109</sup> *Id.*

<sup>110</sup> See *Brookfield*, 174 F.3d at 1046.

<sup>111</sup> *Id.*

<sup>112</sup> *Id.* at 1046 n.9. Both parties agreed the mark was inherently distinctive, therefore it was unnecessary for either to demonstrate secondary meaning, *id.* All that was required to receive priority with respect to rights to the mark was to be either first to use the mark or first to obtain a federal trademark registration of the mark, *id.*; see discussion *infra* Part III.A.2.a, regarding whether a different result would have occurred had West Coast urged the mark was merely descriptive.

<sup>113</sup> *Id.* at 1050-51.

<sup>114</sup> *Id.*

<sup>115</sup> *Id.*

to produce evidence of a claimed use of the term “MovieBuff” on the web in January 1996.<sup>116</sup> The earliest Brookfield could have launched a site was in May of 1996, when it acquired domain-name registrations.<sup>117</sup> This argument was important for West Coast because Brookfield essentially could have been trying to claim priority in use based on its off-line use of “MovieBuff.” In considering whether Brookfield may have had seniority based on its prior off-line sales of “MovieBuff” software, the court recognized a sub-issue as to whether the Web was within Brookfield’s “natural zone of expansion.”<sup>118</sup> The court concluded since Brookfield’s constructive use date<sup>119</sup> from filing for a federal trademark was August 19, 1997, it was the senior user and the matter need not be considered.<sup>120</sup>

West Coast also argued that because it had engaged in pre-web site launch activity by using “moviebuff.com” in e-mail correspondence with lawyers and customers, such activity should have been characterized as sufficient to pre-date Brookfield’s use.<sup>121</sup> The court recognized certain activity was sufficient to qualify as pre-sale use, if enough interactions with the public existed to make the impression the mark was associated with an organization. However, the court concluded limited e-mail use did not meet such requirements.<sup>122</sup> Both the district court and the appellate court agreed the February 1996, registration of the domain-name “moviebuff.com” by West Coast was insufficient to qualify as a first use.<sup>123</sup> The district court found domain-name registration combined with an “intent to use it commercially was sufficient to convey trademark rights.”<sup>124</sup> The court of appeals disagreed, explaining such a finding was contrary to principles of trademark law.<sup>125</sup> Mere preparation to use a mark does not create any right a competitor is bound to respect.<sup>126</sup> Therefore, the court disregarded West Coast’s pre-launch activity and held the earliest West Coast could have established a use of the mark was the date of its widespread press release announcing the web site on November 11,

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<sup>116</sup> *Id.* at 1051 n.13.

<sup>117</sup> *Id.*

<sup>118</sup> *Brookfield*, 174 F.3d at 1051.

<sup>119</sup> See 15 U.S.C. § 1057(c) (1999). Under section 7(c) of the Lanham Act, contingent on final approval of the mark, the filing of an application “shall constitute *constructive use* of the mark, conferring a right of priority, nationwide in effect. . . except for a person . . . who, prior to such filing—(1) has used the mark. . .” *Id.*

<sup>120</sup> See *Brookfield*, 174 F.3d at 1051 n.13.

<sup>121</sup> *Id.* at 1052-53.

<sup>122</sup> *Id.* at 1052.

<sup>123</sup> *Id.*

<sup>124</sup> *Id.*

<sup>125</sup> *Id.*

<sup>126</sup> See *id.* at 1052 (citing *Zazu Designs v. L’Oreal, S.A.*, 979 F.2d 499, 504 (7th Cir. 1992); *Hydro-Dynamics, Inc. v. Corner Stone Franchises*, 176 U.S.P.Q. 535, 538 (T.T.A.B. 1973)).

1998.<sup>127</sup> Since the press release was after Brookfield's first use of "MovieBuff" in conjunction with its online database, Brookfield was found to be the senior user of "MovieBuff."<sup>128</sup>

## 2. Did West Coast's Mark Create Confusion?

The court began the "likelihood of confusion" analysis with a 1995 statement on the basic objectives of trademark law by the Supreme Court:

[T]rademark law, by preventing others from copying a source-identifying mark, 'reduce[s] the customer's costs of shopping and making purchasing decisions,' for it quickly and easily assures a potential customer that this item—the item with this mark—is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past. At the same time, the law helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product.<sup>129</sup>

The court then applied the *Sleekcraft* factors.<sup>130</sup> The court cautioned excessive rigidity of the law in the Internet context was unrealistic and such "emerging technologies require a flexible approach."<sup>131</sup> Similarly other courts have recognized web jurisprudence requires recognition of the "highly fluid circumstances" of the Internet when making legal pronouncements.<sup>132</sup> Most of the *Sleekcraft* factors favored Brookfield.<sup>133</sup> However, since Brookfield's mark was relatively weak, the court found the "strength of the mark" factor favored West Coast.<sup>134</sup> The court concluded that a likelihood of confusion was "strongly established."<sup>135</sup>

## D. Meta Tag Infringement

In discussing meta tag infringement, the court considered the related Internet technology to explain how such an infringement may arise. The issue was "whether West Coast can use 'MovieBuff' or 'moviebuff.com' in the meta tags of its web site at 'westcoastvideo.com' or at any other domain-name other than 'moviebuff.com' (which [the court] determined that West Coast

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<sup>127</sup> See *Brookfield*, 174 F.3d at 1053.

<sup>128</sup> *Id.*

<sup>129</sup> *Id.* at 1053-54 (citing *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163-64 (1995) (internal citations omitted)).

<sup>130</sup> See *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979); see *supra* note 35 and accompanying text for a listing of the eight *Sleekcraft* factors.

<sup>131</sup> See *Brookfield*, 174 F.3d at 1054.

<sup>132</sup> See *Bihari v. Gross*, 119 F. Supp. 2d 309, 323 (S.D.N.Y. 2000) (observing "that the lightning speed development of the Internet poses challenges for the common-law adjudicative process").

<sup>133</sup> See *Brookfield*, 174 F.3d at 1058-60.

<sup>134</sup> *Id.* at 1058.

<sup>135</sup> *Id.* at 1060.

may not use).<sup>136</sup> The court initially explained that if West Coast's "westcoastvideo.com" site included the term "MovieBuff" in its meta tags and one did a search for "MovieBuff," then the search result would likely include both West Coast's site and Brookfield's site.<sup>137</sup> When this result list was scanned to determine which site listed most nearly matched the desired destination, the court concluded there would be less confusion due to the difference in the domain-names.<sup>138</sup> If West Coast was including "MovieBuff" in its meta tags, then when the user saw West Coast's site in the search results, she would be able to determine whether it was the desired destination by looking at the domain-name "westcoastvideo.com" in the result list.<sup>139</sup> Even if the Internet user selected the West Coast site from the list, upon reaching the site and seeing West Coast's name prominently displayed "it is difficult to say that a consumer is likely to be confused about whose site he has reached or to think that Brookfield somehow sponsors West Coast's web site."<sup>140</sup>

Next, the court explained if West Coast were to use "moviebuff.com" in its meta tags at the "www.westcoastvideo.com" site there was potential for initial interest confusion.<sup>141</sup> Internet users who were looking for Brookfield's "MovieBuff" products might be taken by a search engine to "westcoastvideo.com" where they would find a database similar enough to "MovieBuff." They might decide to remain even though they had realized the site is unrelated to Brookfield.<sup>142</sup> The court then held it would be improper for West Coast to use "moviebuff.com" or "MovieBuff"<sup>143</sup> in its meta tags explaining:

Although there is no source confusion in the sense that consumers know they are patronizing West Coast rather than Brookfield, there is nevertheless initial interest confusion in the sense that, by using "moviebuff.com" or "MovieBuff" to divert people looking for "MovieBuff" to its web site, West Coast improperly benefits from the goodwill that Brookfield developed in its mark.<sup>144</sup>

The appellate tribunal held that initial interest confusion in trademark law was actionable in the Internet context. The court

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<sup>136</sup> *Id.* at 1061.

<sup>137</sup> *Id.* at 1062.

<sup>138</sup> *Id.*

<sup>139</sup> *See Brookfield*, 174 F.3d at 1062.

<sup>140</sup> *Id.*

<sup>141</sup> *Id.*

<sup>142</sup> *Id.*

<sup>143</sup> *Id.*; see discussion *infra* Part III.B.1.c, noting the court's inconsistent analysis of meta tag infringement where it initially finds little confusion would result if West Coast were to use "MovieBuff" in its meta tags, and then contradicts itself by later stating, initial interest confusion would result by use of "MovieBuff" in its meta tags.

<sup>144</sup> *Id.*

analogized using another's trademark in a meta tag on the Internet to a person driving their car in search of a video store:

Suppose West Coast's competitor (let's call it "Blockbuster") puts up a billboard on a highway reading—"West Coast Video: 2 miles ahead at Exit 7"—where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast's store will pull off at Exit 7 and drive around looking for it. Unable to locate West Coast, but seeing the Blockbuster store right by the highway entrance, they may simply rent there. Even consumers who prefer West Coast may find it not worth the trouble to continue searching for West Coast since there is a Blockbuster right there. Customers are not confused in the narrow sense: they are fully aware that they are purchasing from Blockbuster and they have no reason to believe that Blockbuster is related to, or in any way sponsored by, West Coast.<sup>145</sup>

The opinion also relied on cases involving Playboy Enterprises. The Ninth Circuit agreed an adult web site's use of the Playboy mark in its meta tags constitutes infringement.<sup>146</sup> The court held the Lanham Act barred West Coast "from including in its meta tags any term confusingly similar with Brookfield's mark" by following cases, which have "addressed trademark infringement through meta tags use."<sup>147</sup>

The contrary approach does not recognize the initial interest doctrine. Essentially, the use is permissible because the confusion is harmless. This view holds such brief confusion, or confusion that does not affect the ultimate decision of a purchaser, is not cognizable under trademark laws.<sup>148</sup> The court rejected West Coast's argument that it should have a fair use right to the term "MovieBuff" in its meta tags, explaining the term was unique and not found in the dictionary.<sup>149</sup> However, the court stated West Coast could use the descriptive term for a movie enthusiast, e.g., a "movie buff," as it pleased.<sup>150</sup> It could also use "MovieBuff" in a comparative context. Thus, West Coast could display an advertisement banner or text on its web page that read: "Why pay for MovieBuff when you can get the same thing here for FREE?"<sup>151</sup>

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<sup>145</sup> *Brookfield*, 174 F.3d at 1064.

<sup>146</sup> *Id.* at 1064-65 (citing *Playboy Enters., Inc. v. Asiafocus Int'l, Inc.*, No. CIV.A. 97-734-A, 1998 U.S. Dist. WL 724000, at \*3, \* 6-\*7 (E.D. Va. Apr.10, 1998); *Playboy Enters., Inc. v. Calvin Designer Label*, 985 F. Supp. 1220, 1221 (N.D. Cal. 1997).

<sup>147</sup> *See Brookfield*, 174 F.3d at 1065.

<sup>148</sup> *See Astra Pharm. Prods. Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201, 1206-08 (1st Cir. 1983); *Teletech Customer Care Management (Cal.), Inc. v. Tele-Tech Co.*, 977 F. Supp. 1407, 1410, 1414 (C.D. Cal. 1997); *BigStar Entertainment, Inc. v. Next Big Star, Inc.*, 105 F. Supp. 2d 185, 207-210 (S.D.N.Y. 2000).

<sup>149</sup> *See Brookfield*, 174 F.3d at 1066.

<sup>150</sup> *Id.*

<sup>151</sup> *Id.*

However, West Coast's use of "MovieBuff" to reference its own product, the domain-name, and to attract people to its web site via the meta tags did not constitute fair use.<sup>152</sup>

#### E. Holding

The court concluded preliminary injunctive relief was appropriate to protect Brookfield's interest in the mark. It also explained its conclusion supported the "public interest" in trademarks.<sup>153</sup> The court stated:

When a firm uses a competitor's trademark in the domain-name of its web site, users are likely to be confused as to its source or sponsorship. Similarly, using a competitor's trademark in the metatags of such web site is likely to cause what we have described as initial interest confusion. These forms of confusion are exactly what the trademark laws are designed to prevent.<sup>154</sup>

The district court's decision was reversed since Brookfield had demonstrated a likelihood of success on the merits for trademark infringement.<sup>155</sup>

### III. ANALYSIS OF *BROOKFIELD*

#### A. Implicit Approval of Reverse Domain-name Hijacking

*Brookfield* clearly established the principle that Internet practices are not to be displaced by fundamental trademark principles.<sup>156</sup> On the contrary, federal trademark principles govern Internet domain-name disputes. Although the result reached as to the domain-name dispute was correct, some of the stated reasons for the result are inconsistent with the court's reasoning, and some of the presumptions regarding the Internet are inaccurate. This Note considers whether the court's strong support for trademark owners may be construed as tacit approval of reverse domain-name hijacking.

The domain-name "moviebuff.com" was valuable to both West Coast and Brookfield. The court stated: "Both companies, apparently recognizing the rapidly growing importance of Web commerce, are maneuvering to attract customers via the Web."<sup>157</sup> Because an easy to remember domain-name, like "moviebuff.com," would help both companies attract customers, both had legitimate reasons to use it. Realizing West Coast had ownership of the domain-name in 1996, Brookfield effectively barred West Coast from

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<sup>152</sup> *Id.*

<sup>153</sup> *Id.*

<sup>154</sup> *Id.*

<sup>155</sup> *Id.*

<sup>156</sup> See *Brookfield*, 174 F.3d at 1066.

<sup>157</sup> *Id.* at 1057.

using it by obtaining federal trademark registration of the mark "MovieBuff."

### 1. Reverse Domain-name Hijacking

Reverse domain-name hijacking occurs when a trademark owner with a valid federal trademark registration sues a web site operator who is using the mark in its domain-name.<sup>158</sup> West Coast could be characterized as a victim of reverse domain-name hijacking. West Coast obtained the domain-name "moviebuff.com" in February 1996.<sup>159</sup> When West Coast obtained the domain-name, it had every reason to believe it had a right to use it. No evidence was produced to show West Coast was on actual notice of Brookfield's use of "MovieBuff" when West Coast selected "moviebuff.com" as its domain-name.<sup>160</sup> In fact, Brookfield failed to "come forth with substantial evidence establishing the widespread recognition of its mark."<sup>161</sup> Therefore, West Coast could be considered an innocent infringer because at the time it adopted the mark it had no knowledge of Brookfield's rights. After registering the domain-name, West Coast began development and promotion of the web site and invested substantial sums in launching "moviebuff.com."<sup>162</sup>

Brookfield discovered West Coast had already taken the domain-name, when it attempted to register "moviebuff.com" in 1996. Brookfield could have then contacted West Coast regarding the domain-name before West Coast invested substantial funds in developing its site. The court observed the whole dispute might have been more effectively handled had Brookfield acted in a more "prompt" manner.<sup>163</sup> Instead of contacting West Coast, Brookfield sought a federal trademark registration for "MovieBuff." This act was the first step in blocking West Coast's efforts to use "moviebuff.com." Brookfield could bring suit against West Coast for infringement once it obtained ownership of a trademark registration for "MovieBuff."

Entities like Brookfield would prefer litigating such a dispute based on trademark infringement rather than resolving it through Internet domain-name dispute policies, which would likely fail to provide Brookfield with relief. Such an approach would be prefer-

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<sup>158</sup> See Swartz, *supra* note 6, for an extensive discussion of reverse domain-name hijacking.

<sup>159</sup> See *Brookfield*, 174 F.3d at 1051.

<sup>160</sup> *Id.* at 1059. The court pointed out Brookfield had failed to establish West Coast knew of Brookfield's rights in "MovieBuff." *Id.*

<sup>161</sup> *Id.* at 1058.

<sup>162</sup> *Id.* at 1059. West Coast explained it had "invested considerable sums in developing its 'moviebuff.com' web site by the time Brookfield informed it of its rights in the trademark." *Id.*

<sup>163</sup> *Id.* at 1061.

able because West Coast had apparently not registered the domain-name in bad faith and had legitimate reasons for selecting the domain-name.<sup>164</sup> Applying a traditional trademark infringement analysis, Brookfield had a better chance of prevailing in the courts since West Coast's intent to infringe would be merely one factor to consider, whereas with the online policies it is a requirement. Furthermore, the online domain-name dispute polices provide that litigating a dispute in a court of competent jurisdiction is an acceptable alternative method for dealing with domain-name disputes, the result of which the domain-name registrar will respect.<sup>165</sup> Once given an order from a court of competent jurisdiction, NSI could then cancel, transfer or otherwise modify West Coast's use of "moviebuff.com" in accordance with the court order.<sup>166</sup> In this regard, Brookfield has successfully prevented West Coast from using its domain.<sup>167</sup>

Although West Coast was not found to have sufficiently used "moviebuff.com" for Lanham Act purposes until November 1998,<sup>168</sup> it was unaware of the potential suit looming before it. West Coast was on the verge of becoming the unknowing victim of reverse domain-name hijacking. Brookfield waited until it received its approved trademark application from the PTO before sending a cease-and-desist letter to West Coast, which was over two and a half years after becoming aware that West Coast had registered "moviebuff.com."<sup>169</sup> The court effectively condoned Brookfield's shrewd business tactics because, although the court briefly men-

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<sup>164</sup> See Network Solutions, Inc., *Network Solutions' Domain-name Dispute Policy* (visited Feb. 8, 2001) <[http://www.networksolutions.com/en\\_US/legal/dispute-policy.html](http://www.networksolutions.com/en_US/legal/dispute-policy.html)>; Internet Corporation for Assigned Names and Numbers, *Uniform Domain Name Dispute Resolution Policy* (visited Feb. 21, 2001) <<http://www.icann.org/udrp/udrp-policy-24oct99.htm>>. Pursuant to Internet domain-name dispute policies, a holder of a valid trademark registration can make a claim against a domain-name holder only where: the domain-name is confusingly similar to the trademark, the registrant has no legitimate interest in the domain-name and the domain-name had been registered in bad faith, *id.* at ¶ 4(a). Network Solutions, Inc.'s latest domain-name dispute policy is the same as the Uniform Domain-Name Dispute-Resolution Policy ("UDRP") drafted by the Internet Corporation for assigned Names and Numbers ("ICANN") because ICANN requires all domain-name registrars us to it.

<sup>165</sup> See Network Solutions, Inc., *Network Solutions' Domain-name Dispute Policy* (visited Feb. 8, 2001) <[http://www.networksolutions.com/en\\_US/legal/dispute-policy.html](http://www.networksolutions.com/en_US/legal/dispute-policy.html)> at ¶ 4(k).

<sup>166</sup> *Id.* at ¶ 3(b).

<sup>167</sup> Even though NSI and ICANN have made efforts to draft fair domain-name dispute polices, because the polices logically must provide redress to the courts as an alternative method of resolving disputes, the possibility for reverse domain-name hijacking still exists where *Brookfield*-type circumstances occur.

<sup>168</sup> See *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1053 (9th Cir. 1999)

<sup>169</sup> *Id.* at 1042. Brookfield first contacted West Coast via its cease-and-desist letter on November 11, 1998. *Id.* However, Brookfield was aware that West Coast had registered "moviebuff.com" sometime before May 1996 (the opinion explains that after learning of West Coast's prior registration of the domain, Brookfield subsequently registered "brookfieldcomm.com" in May 1996). *Id.* Therefore, Brookfield must have been on notice West

tions Brookfield allowed two years to pass before it took action,<sup>170</sup> the court gave the complete relief requested.<sup>171</sup>

One consequence of the *Brookfield* decision is that trademark registration may become a prerequisite to successful domain-name registration or to maintain rights in a domain-name of a web site currently operating. Furthermore, *Brookfield* demonstrates innocent infringers, like West Coast, may fall victim to reverse domain-name hijacking before the site is launched. One commentator explained, due to the threat of reverse domain-name hijacking, Internet entrepreneurs should trademark their domain-name with the PTO before spending development dollars on a web site.<sup>172</sup>

Seeking trademark registration of domain-names prior to launching the site involves filling an "Intent To Use" (ITU) application with the PTO.<sup>173</sup> Filing the ITU application amounts to constructive use of the mark with full trademark protection being awarded when the applicant provides a statement to the PTO that the mark has been used in commerce.<sup>174</sup> However, since it costs between \$25-\$50 to register a domain-name<sup>175</sup> and trademark searches can range between \$700 to \$1000,<sup>176</sup> this cost differential may pose additional expenses previously considered unnecessary. In addition, one commentator has noted the trademark search process became more complex in the 1990's as users invented new frontiers for trademark law while applications for new marks increased.<sup>177</sup> Therefore, if *Brookfield* is construed to mean the PTO may be used to reverse domain-name hijack a web site to obtain its domain-name, then many current sites and those under devel-

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Coast had intentions of launching a site at "moviebuff.com" but waited over two and a half years to contact West Coast.

<sup>170</sup> *Id.* at 1061.

<sup>171</sup> *Id.* at 1043-44.

<sup>172</sup> See ANDREW R. BASILE, JR., *Rights to Domain-names*, in ONLINE LAW 236 (Thomas F. Smedinghoff et al. eds., 1996).

<sup>173</sup> See 15 U.S.C. § 1051(b) (1999). Intent to Use Applications under the Lanham Act permit "[a] person who has a bona fide intention. . .to use a trademark in commerce [to] request registration of its trademark. . .by paying the prescribed fee and filing in the Patent and Trademark Office an application. . ." *Id.*

<sup>174</sup> See 1 McCARTHY, *supra* note 25, § 19:12-13. Upon a showing of "good cause" an ITU applicant may defer presenting its statement of actual use of the mark to the PTO for up to three years, *id.*

<sup>175</sup> See Network Solutions, Inc., *Web Address Registration* (visited Feb. 8, 2001) <[http://www.networksolutions.com/en\\_US/catalog/domainname/](http://www.networksolutions.com/en_US/catalog/domainname/)> (NSI's registrations prices are as follows: \$25 for ".org", \$30 for ".net", \$35 for ".com" and \$50 for ".tv").

<sup>176</sup> See Trademark Edge, *Trademark Search Services* (visited Feb. 8, 2001) <<http://www.trademarkedge.com/search/services.htm>>. Trademark search costs vary considerably ranging from \$700 to \$1000 with costs increasing dramatically for international searching, *id.*

<sup>177</sup> See Glenn A. Gunderson, *Expansion of Trademark Law Yields Trickier Search*, 21 NAT'L. L.J., May 31, 1999, at C9. Trademark search firms are finding it harder to maintain the reliability of the search process, *id.* Trademark applications "almost doubled" from about 112,000 filings in 1990 to 200,000 in 1998, *id.*

opment could be subject to litigation. A domain-name will be harder in the future to retain unless one can demonstrate use that is sufficient for Lanham Act purposes or obtain a federal trademark for the domain-name.<sup>178</sup>

## 2. Advertising Principles and Domain-names

Basic advertising principles apply in selecting a domain-name.<sup>179</sup> A domain-name should be catchy, short, and easy to remember.<sup>180</sup> However, unlike traditional trademark law, only one entity can use a domain-name.<sup>181</sup> The scarcity of domain-names is further impacted by the reality that the only “top-level” domain that has any significance in the public’s mind is the “.com” extension.<sup>182</sup> Although the “.com” domain is primarily for commercial entities, it is also a “catch-all” domain.<sup>183</sup> The significance of “.com” domains is also evidenced by the fact “cyber pirates,” who register domain-names in an effort to ransom them back to the trademark owner, generally only select “.com” domains.<sup>184</sup> The coveted “.com” ending, which the majority of firms seek, results in firms obtaining this domain at great cost and effort; therefore organizations focus on “.com” domains when attempting to register domain-names.<sup>185</sup> However, only a finite number of desirable domain-names are available. As more entities engage the Web, se-

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<sup>178</sup> See *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1051 (9th Cir. 1999) (explaining use in commerce for Lanham Act purposes means the mark is used in conjunction with “actual sale of goods or services”).

<sup>179</sup> See Barger, *supra*, note 1, at 624. Typically companies prefer short “footprint” advertising names to meet the long-term demands of advertising and marketing and provide consumers with a name that is easy to remember and identify, *id.*

<sup>180</sup> *Id.* at 625. As pointed out by Montaigne, “it is advantageous to have a handsome name and one that is easy to pronounce and retain, for thereby kings and queens recognize us more easily and are less apt to forget us,” *id.*

<sup>181</sup> See *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176, 181 (W.D.N.Y. 2000) (“a particular domain-name can only identify one web site”).

<sup>182</sup> See, e.g., *Brookfield*, 174 F.3d at 1044. Examples of typical domain-name guessing procedures presented by the court only use “.com,” (“Web users often assume. . . the domain-name [will end with] ‘.com.’”) *id.* at 1045; “Web users often assume, as a rule of thumb, that the domain-name of a particular company will be the company name followed by ‘.com,’” *id.*; *Panavision Int’l, L.P. v. Toeppen*, 141 F.3d 1316, 1318 (9th Cir. 1998) (“The domain-name often consists of . . . a company’s name or trademark. For example . . . Pepsi.com.”).

<sup>183</sup> See *Panavision Int’l*, 141 F.3d at 1318.

<sup>184</sup> *Id.* at 1318-19 (describing a “cyber pirate” who attempted to sell many famous trademark domain-names to trademark owners such as: panavision.com to Panavision for \$13,000, intermatic.com to Intermatic, Inc., for \$10,000, and americanstandard.com to American Standard, Inc., for \$15,000). See also Barger, *supra*, note 1, at 631 (noting parties other than the trademark owner had registered all of the following trademarks as domain-names: mtv.com, hertz.com, esquire.com, fox.com, coke.com, abc.com, nasdaq.com, mci.com and mcdonalds.com).

<sup>185</sup> See Gunderson, *supra*, note 177, at C9 (discussing the “rapid transformation of the ‘.com’ domain from technological curiosity to commercial necessity”).

curing a “.com” domain will be more difficult.<sup>186</sup> One court explains that because a domain-name, like a mailing address, identifies only one location, the entity that owns “an intuitive domain-name owns a potentially valuable asset.”<sup>187</sup> The owner of the intuitive domain has the likely benefit that users will more easily find its web site instead of one of its competitor’s since users can more accurately guess the site address.<sup>188</sup>

Furthermore, the practice of omitting spaces between words and squeezing the phrase together to aid in branding the web site has become commonplace.<sup>189</sup> In domain-name registration and domain-name guessing, the practice of “space omission” in relation to multi-term phrases prevails. Any multi-term buzz word or phrase that relates to an entity off-line, when pursued online will be pursued initially without the spaces.<sup>190</sup> Because of this space omission custom, companies intentionally prefer registering multi-term off-line phrases as single term domains without hyphens or underscores. Similarly, the use of a dash or underscore in a multi-term phrase is an undesired alternative for the Johnny-come-lately domain registrant. The domain-name guessing scenarios contemplated by courts in cyber disputes do not indicate Internet users would attempt to guess a domain-name with dashes or underscores.<sup>191</sup>

In light of the space omission custom, West Coast’s decision to register “moviebuff.com” instead of “movie-buff.com” (with a dash) or “movie\_buff.com” (with an underscore) was perfectly logical and legitimate in light of the level of domain-name knowledge the general public possesses. West Coast’s decision to take the salient portion of its service mark<sup>192</sup> “Movie Buff,” and register it as

<sup>186</sup> See Barger, *supra*, note 1, at 654-56. Although a finite number of domain-names are available an estimated 5,200 domain-names are registered every month, *id.*

<sup>187</sup> *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176, 181 (W.D.N.Y. 2000).

<sup>188</sup> *Id.*

<sup>189</sup> See, e.g., *OBH*, 86 F. Supp. 2d at 188 (“thebuffalonews.com” for “The Buffalo News”, “planned parenthood.com” for Planned Parenthood) (citation omitted). Other examples include the major record label, Capitol Records’ flagship web site “hollywoodandvine.com” (after the corner where the Capitol Tower is located), *americanstandard.com*, *whitehouse.com*, *moviebuffonline.com*, *brookfieldcomm.com*, *inhollywood.com* and *westcoastvideo.com*.

<sup>190</sup> See *Bigstar Entertainment, Inc. v. Next Big Star, Inc.*, 105 F. Supp. 2d 185, 205 (S.D.N.Y. 2000) (web site addresses are “characterized by the style of uniformly lower case lettering and compressed wording”).

<sup>191</sup> See, e.g., *OBH*, 86 F. Supp. 2d at 191 (web users looking for “The Buffalo News” web site may attempt to enter “thebuffalonews.com”); *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1045 (9th Cir. 1999) (web users looking for Kraft Foods, Inc. might try “kraftfoods.com,” users looking for USA Today might try “usatoday.com”).

<sup>192</sup> See *Brookfield*, 174 F.3d at 1042. West Coast provided examples of ads where the key term “Movie Buff” was included in each ad: “The Movie Buff’s Gift Guide”, “The Movie Buff’s Gift Store”, “Calling All Movie Buffs!”, “Good News Movie Buffs!”, “Movie Buffs, Show Your Stuff!”, “the Perfect Stocking Stuffer for the Movie Buff!”, “A Movie Buff’s Top

“moviebuff.com” in an effort to acquire an intuitive domain, follows basic advertising principles. Had the court recognized that space omission is the general rule, not the exception with regards to domain-names, it may have decided the case differently. West Coast’s selection of the domain-name most likely was not intended to be a trademark but as an easy to remember “cyber calling-card.”<sup>193</sup>

a) Space Wars and Descriptive Domains

Due to the Internet practice of omitting spaces in domains that include multiple terms, a party’s mark, which is viewed as unique and protectable off-line, may be less unique and considered merely a descriptive term in the online context. Although both parties in *Brookfield* agreed the term “MovieBuff” should be classified as suggestive within the spectrum of trademark terms subject to protection,<sup>194</sup> the boundary line between descriptive and suggestive marks has been considered “illusory” and “chimerical.”<sup>195</sup> A company that takes two plain words and combines them together to create a descriptive phrase, which directly relates to the company’s industry or product, “does not, ipso facto, create an inherently distinctive mark.”<sup>196</sup> Brookfield’s selection of the plain words “movie” and “buff” and then combining them together to create a trademark, which related to a software database on the film industry, required little imagination. Brookfield’s mark is one that arguably sits on the illusory border between descriptive and suggestive marks, and, therefore, the “probability of duplication of words not particularly unique such as [’movie buff’] in entertainment is high.”<sup>197</sup>

*Brookfield* would permit West Coast the right to use “appropriate descriptive term[s] in its metatags. However, ‘MovieBuff is not such a descriptive term.’”<sup>198</sup> The court explained “[e]ven though [’MovieBuff’] differs from “Movie Buff” by only a single

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Ten”, “The Movie Buff Discovery Program”, “Movie Buff Picks”, “Movie Buff Series”, “Movie Buff Selection Program”, and “Movie Buff Film Series.” *Id.*

<sup>193</sup> See 1 McCARTHY, *supra* note 25, § 7:17.1 (domain-names, like street addresses, permit one to locate a place or a person, do not, without more, function as trademarks).

<sup>194</sup> See *Brookfield*, 174 F.3d at 1047 n.9. Had West Coast disagreed with Brookfield that “MovieBuff” was a suggestive term, and instead argued it was merely descriptive, the court may have reached a different result.

<sup>195</sup> *Bigstar*, 105 F. Supp. at 198.

<sup>196</sup> *Id.* at 199-200 (explaining no “thought gymnastics” are required to span the gap between plaintiff’s entertainment products it sold and its mark “BIGSTAR,” which plaintiff argued was a suggestive mark).

<sup>197</sup> *Id.* at 201 (noting the use of “big star” or some close adaptation of the words in the entertainment industry “increases the element of predictability of some good faith recurrence or resemblance of the name, and diminishes the first user’s reasonable expectation of exclusivity and the likelihood of surprise.”).

<sup>198</sup> See *Brookfield*, 174 F.3d at 1066.

space, that difference *is pivotal*.”<sup>199</sup> However, the difference *is not* pivotal in cyberspace as a result of space omission.<sup>200</sup> West Coast registered the salient portion of its well-known service mark, a two-term phrase “movie buff” as “moviebuff.com.” One benefit of this domain-name is that it *is* descriptive and indicates that the web site may be related to the motion picture industry. Once West Coast had registered “moviebuff.com,” it was perfectly logical for it to include the term in its meta tags since web users searching for West Coast’s Movie Buff web site would initially guess the domain with the spaces omitted. Off-line, although spelling “MovieBuff” without the space is uncommon, it is still descriptive of the motion picture industry. However, online, in the language of the World Wide Web and domain-name traditions, Movie Buff and “MovieBuff” would both be initially spelled as “moviebuff.com.”

The court in *Brookfield* stated: “The term ‘Movie Buff’ is a descriptive term, which is routinely used in the English language to describe a movie devotee. ‘MovieBuff’ is not.”<sup>201</sup> However, since most multi-term phrases for domains are squeezed together, the meaning of the term “Movie Buff” in the English language has the same meaning in the language of the World Wide Web when it is spelled as “moviebuff.com.” Therefore, due to space omissions practices in domain-names, the use of plain words in a domain, which are combined, should be considered merely a descriptive term, entitled to no trademark protection without secondary meaning.<sup>202</sup> The PTO’s present policy regarding registration of domain-names as marks explains where a mark is composed of merely descriptive terms combined with “.com” (or any other top level domain extension) registration should be refused because such is merely a descriptive mark.<sup>203</sup> Where secondary meaning has not been established, a descriptive multi-term domain most likely will belong to the party who registers it. The e-commerce sites dedicated to trading in, auctioning off, and providing brokerage services for domains made up of every type of conceivable de-

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<sup>199</sup> *Id.* (emphasis added).

<sup>200</sup> See *supra* notes 189-91 and accompanying text for a discussion of the practice of space omission online.

<sup>201</sup> See *Brookfield*, 174 F.3d at 1066.

<sup>202</sup> See *Bigstar*, 105 F. Supp. 2d at 202 (secondary meaning for a descriptive mark occurs where the public primarily associates the term with a certain source).

<sup>203</sup> See United States Department of Commerce, Patent and Trademark Office, *Marks Composed, In Whole Or In Part, Of Domain Names*, Examination Guide No. 2-99 at § IV (visited Feb. 8, 2001) <<http://www.uspto.gov/web/offices/tac/notices/guide229.htm>>. The PTO explains by way of example, if the mark were “NATIONAL BOOK OUTLET.COM” for a trademark for a retail book store service, then registration should be denied, *id.* It is interesting to note, the PTO’s example does not compress the descriptive terms, nor use underscores, nor hyphens, most likely implying regardless of which approach is used to combine the terms, it would still be considered descriptive.

scriptive phrase suggest evidence of this approach.<sup>204</sup> Clients of domain-name auction sites are entities interested in obtaining a catchy domain-name that in some way directly relates to and will aid visitors in associating the domain-name with the product or service the entity sells, e.g., “bigstar.com” would be attractive to entertainment related entities and “moviebuff.com” could be useful for any film and video industry related entity. In *Brookfield*-type situations, where secondary meaning has arguably not been shown, the first party to register a multi-term phrase as a domain should prevail.<sup>205</sup>

#### b) Concurrent Primary Users

In considering reverse domain-name hijacking, one commentator classified two types of parties who are victims of the practice. “Concurrent users” are users of the same mark but for different products and services.<sup>206</sup> The other group are individuals, “innocent registrants,” who registered the domain-name because it had a special meaning to them personally.<sup>207</sup> Both types register their domains “without any improper motive.”<sup>208</sup> This Note proposes a third category to recognize: “concurrent primary users.” A “concurrent primary user” would be an entity which: (1) could point to a legitimate good faith reason for selection of the phrase; (2) was not involved in competition or only in indirect competition with the reverse domain hijacker or unaware of the hijacker's existence; and (3) established its web service prior to the reverse domain hijacker's date of filing for a federal trademark.<sup>209</sup> West Coast satis-

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<sup>204</sup> Examples of domain brokerage sites include: [www.domainbook.com](http://www.domainbook.com), [www.afternic.com](http://www.afternic.com), [www.greatdomains.com](http://www.greatdomains.com), [www.domains.com](http://www.domains.com) and [www.buydomains.com](http://www.buydomains.com).

<sup>205</sup> The Ninth Circuit found Brookfield's mark a suggestive mark but the reasoning is less than convincing: “Brookfield's trademark is not descriptive because it *does not describe* either the software *product* or its *purpose*. Instead, it is suggestive—and thus strong enough to warrant trademark protection—because it requires a mental leap from the mark to the product.” *Brookfield*, 174 F.3d at 1058 (emphasis added). However, a film industry database potentially *does* target consumers who could reasonably be described as motion picture enthusiasts (e.g., movie buffs). Therefore, little imaginative energy is required to make the mental leap from the terms meaning (a person knowledgeable about the film industry) to the source product (a film database) and its purpose (to assist one in acquiring more knowledge about the film industry). A movie buff, like a sports buff or car buff seeks materials, which will further enhance her understanding. A movie buff utilizing Brookfield's MovieBuff database would “not come away with an impression about [Brookfield's] mark[] other than that [it] immediately describe[s] [a] product [dealing with] the motion picture industry.” *Bigstar*, 105 F. Supp. 2d at 200. Hence, because Brookfield's mark was weak and no secondary meaning was shown, it should have been considered descriptive and unprotected.

<sup>206</sup> See Swartz, *supra* note 6, at 1495.

<sup>207</sup> *Id.*

<sup>208</sup> *Id.*

<sup>209</sup> Although this note's focus is on the domain-name dispute area, no reason exists to limit the analysis of good faith concurrent primary users to domain-name disputes. Such an approach may be useful in other areas of trademark law such as disputes between two parties as to who has rights to a “1-800” number. For example, if a national herpetologists

fied the first two criteria but had not established its site prior to Brookfield's federal application date.<sup>210</sup>

The reason for the need to recognize this third category is because the *Brookfield* decision may encourage an organization to engage in reverse domain-name hijacking. Such practices are bad for the Internet and the general marketplace.<sup>211</sup> Discouraging the practice of reverse domain-name hijacking is a key objective for Internet organizations such as ICANN and WIPO.<sup>212</sup> *Brookfield* eliminates the popular belief that once a domain-name is successfully registered; it is yours, regardless of when the site is actually

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club called the "Vipers" had registered "1-800-Go-Viper" long before Dodge unveiled its new sports car the Viper, should Dodge be able to bring a suit to prevent such a use? If the Viper club can demonstrate a legitimate reason for selecting the number such as making it easier for members to contact the club, the Viper club is not in competition with Dodge, and the Viper club had the number prior to Dodge's date of filing for a federal trademark, then it would be an injustice to prevent the Viper club from continuing its use of "1-800-Go-Viper." Granting Dodge the rights to such a vast number of uses for its federal registration of the mark, even uses that are already underway by other parties for good faith reasons, would be giving trademark owners too much power and introducing a new level of uncertainty into the market with unclear consequences. However, the argument for and application of the concurrent primary user analysis, by no means should be interpreted as discouraging federal trademark registration. The rationale for recognition of concurrent primary users is merely for a limited class of good faith parties who satisfy certain elements that qualify them for protection from "reverse domain-name hijacking" type situations.

<sup>210</sup> An "established" web site should mean something sufficiently more than placing a page online that is nothing more than a "reserved" mark.

<sup>211</sup> A strong public policy encourages trademark registration. It centralizes management and control of marks and is a good system for attempting to avoid duplication and minimize confusion that would result in consumers being unclear as to which mark identified which goods and what level of quality could be expected. However, there are also policy reasons to protect individuals other than corporate America, who have long before set up shop so to speak, and established recognition in their geographic area of their good or service associated with a mark, but failed to take the additional step of registering with the PTO. Section 33(b)(5) of the Lanham Act recognized this interest by protecting the first party to adopt and use a mark in a particular geographical area. See 15 U.S.C. § 1115(b)(5) (1999). Because there are other mechanisms at work, which centralize and control the issuing of domain-names and "1-800" numbers, such as domain registrars and telephone companies, by requiring all parties which engage these other mechanisms with the additional requirement of having to obtain a federal trademark before they can safely put the domain or "1-800" number to use is too burdensome and such a view is lopsided in favor of large entities which can afford federal trademark registrations for every concept, product and service developed. It is unfair to require the astronomy club that wants to register the domain-name 'saturn.com' to first obtain PTO registration. See, e.g., Mike France, *The Net: How To Head Off Big-Time Regulation*, BUSINESS WEEK, May 10, 1999, available in 1999 WL 8227313. The author ponders: "If an astronomy club or New Age religions sect is first to register 'Saturn.com,' . . . why should the car company later be able to boot it off?" *Id.*

<sup>212</sup> See David McGuire, *ICANN Board Passes Dispute Resolution*, NEWSBYTES, August 26, 1999, available in 1999 WL 20019222. The Internet Corporation for Assigned Names and Numbers (ICANN) is a not-for-profit firm supported by the US Commerce Department seeking to create competition into the domain-name registration process, *id.* Minimizing reverse domain-name hijacking is a one of ICANN's primary concerns, *id.* They are seeking to establish rules "sensitive to the rights of individual domain-name holders," *id.*; France, *supra* note 211, at WL 8227313 (explaining the World Intellectual Property Organization (WIPO), an arm of the U.N., is working on resolving domain-name issues in light of reverse domain-name hijacking).

launched.<sup>213</sup> *Brookfield* instructs organizations desiring domain-names already registered to others, that the domain may nevertheless still be obtainable if the organization is willing to engage in selling a product under the same name or registering a trademark under the same name.<sup>214</sup> Since the Web is fast becoming a “natural zone of expansion” for all, *Brookfield* is a green light for major corporations to lay claims to domain-names previously registered to other parties. Entities with significant financial resources may now obtain federal trademark registration of a domain-name registered to another and then threaten the other party into yielding the domain-name or be faced with an expensive lawsuit. Trademark owners will claim that since the Web was within the organizations “natural zone of expansion,” the prior domain-registrant is an infringer and must forfeit the domain or cease use of it.<sup>215</sup>

c) Repeat Visitors

West Coast’s offering of a consumer targeted film industry database was a way to attract customers to the site. The more “traffic” a site has, the better it looks to potential banner advertisers and investors.<sup>216</sup> West Coast offered the database free as a further enticement.<sup>217</sup> In addition, to West Coast’s desire to use “moviebuff.com” because it was the salient part of its service mark, the domain-name was appealing because it helped remind visitors the site offered movie information and trivia. It was logical to name the web site “moviebuff.com” since it catered to film enthusiasts. Although the court recognized West Coast may use the term “Movie Buff” if it desired,<sup>218</sup> West Coast had a better chance of getting visitors to both remember the site and return if

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<sup>213</sup> See Andrew S. Mansfield and James P. Jenal, ‘*Brookfield*’ Sets Standards on Domain-name Rights, NAT’L L.J., May 31, 1999, at C3. The authors point out, the Ninth Circuit’s requirements for protecting domain-names though well reasoned are “contrary to the practice of many domain-name holders, who often register, purchase and hold domain-names for years before using them ‘in commerce,’” *id.*

<sup>214</sup> *Id.* Where a company fails to use a domain-name, *Brookfield* indicates another can do an “end-run around” the company to obtain rights to the name by marketing software or Internet services with the same name, *id.*

<sup>215</sup> Exploring whether the “natural zone of expansion” doctrine should not apply for infringement cases involving the Internet would be a worthy research project but is beyond the scope of this note.

<sup>216</sup> See *ACLU v. Reno*, 31 F. Supp. 2d 473, 487 (E.D. Pa. 1999) (citing Hoffman Testimony). The level of web “traffic” at a site is a critical factor evaluated by Internet investors. *Id.*

<sup>217</sup> See *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1057 (9th Cir. 1999).

<sup>218</sup> *Id.* at 1066.

it could use “moviebuff.com” instead of, or in addition to, “movie\_buff.com” or “movie-buff.com.”<sup>219</sup>

The *Brookfield* holding is good news for large corporations who have been trying to establish a rule that they are entitled to any domain-names using their trademarks—“no matter who gets there first.”<sup>220</sup> WIPO has been holding deliberations in an attempt to resolve some of the problems with domain-name disputes. The solutions however, are lopsided in favor of the multinational corporations who can afford to attend the public hearings in such locations as Brussels and Sydney.<sup>221</sup>

### 3. Solutions

If the three conditions for status as a “concurrent primary user” are met,<sup>222</sup> then a trademark owner should be unable to use its recently approved federal trademark registration as a tool to hijack the prior domain-name registration. When faced with a domain-name dispute, a court may use the *Brookfield* approach to determine who is the senior user and whether likelihood of confusion exists. However, where a defendant appears to be a “concurrent primary user,” then the plaintiff should be prohibited from using the federal trademark registration as a means to prevent the defendant’s use of the domain-name.<sup>223</sup> The basic rule of first in time should apply to such situations.

Where concurrent use is at issue, mere registration of the domain should be sufficient to grant priority of online use. If two concurrent users, both with legitimate off-line rights to use a mark, engage the Internet, it is reasonable to award the first party to register the mark as a domain with the rights to use it. For example, “delta.com” does not belong to Delta Airlines or Delta Faucets but to Delta Financial Corporation.<sup>224</sup>

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<sup>219</sup> Although the court did not address the issue, it appears the *Brookfield* result would have been the same based on the confusion analysis had West Coast registered all three versions of “moviebuff.com” (including movie-buff.com and movie\_buff.com).

<sup>220</sup> See France, *supra* note 211.

<sup>221</sup> *Id.*

<sup>222</sup> See *supra* note 209 and accompanying text discussing concurrent primary uses. The three conditions are: (1) a legitimate reason for selection of the domain; (2) involvement in indirect competition with the hijacker or unaware of the hijacker’s existence; and (3) establishment of a web service prior to the hijacker’s date of filing for a federal trademark.

<sup>223</sup> This rule presumes the defendant has actually launched the web site and the plaintiff has recently obtained the federal trademark registration.

<sup>224</sup> See *OBH, Inc. v. Spotlight Magazine, Inc.*, 86 F. Supp. 2d 176, 180 (W.D.N.Y. 2000) (using the “delta.com” example to demonstrate that domain-name guessing is not an exact science). It would be interesting to consider whether Delta Airlines, learning “delta.com” was unavailable could then register “delta.net” and Delta Faucets, learning that “delta.com” and “delta.net” were unavailable were able to register “delta.biz.” As new top level domains are created to deal with the demand for domain-names, such problems are inevitable, but these considerations are beyond the scope of this paper. See Andy McCue, COMPUTING, Nov. 24, 2000, *Cybersquatters Target New Domain Names* (visited Feb. 26, 2001) <<http://www.vnunet.com/News/1114457>> (warning that due to the approval of seven

## B. Search Engines & Meta Tags

Liability for meta tag infringement<sup>225</sup> is not novel to *Brookfield*.<sup>226</sup> However, *Brookfield's* failure to realistically analyze Internet technology and use of “analogous” off-line infringement situations seriously undermines its analysis of potential meta tag infringement. The traditional trademark law analysis ignored the objective reality of Internet technology and use. For example, some search engines do not rely on meta tags.<sup>227</sup> Furthermore, *Brookfield* confounded the analysis of meta tag infringement by creating suspect real world analogies. Finally, the decision allowed a “fair use” alternative. The court’s analysis fails on all three counts.

### 1. Technically Inaccurate

The court presented two scenarios involving the use of Internet search engines to discover the location of a web site in explaining meta tag infringement. The court focused in the first scenario on West Coast’s use of “MovieBuff” in its meta tags, concluding if West Coast’s domain-name were “westcoastvideo.com,” then confusion was unlikely. The court explained in the second scenario that West Coast’s use of “MovieBuff” or “moviebuff.com” in its meta tags could result in potential consumer confusion. The confusion was presumed in the second scenario even if West Coast were to use a domain-name other than “moviebuff.com,” such as “westcoastvideo.com.” The court stated that by using “movie buff.com” in the site’s meta tags, visitors would be led to the site under false pretenses.

#### a) Home Pages—“The Welcome Mat”

In the court’s first scenario, a web user at a search engine entered what she was looking for and then the search engine produced a “list” of potential web sites which attempted to match the search criteria.<sup>228</sup> The court explained a “web user” in “scanning

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new top level domains; .aero, .biz., .coop, .info, .museum, .name, and .pro, web entities will have to come up with a domain-name strategy which goes beyond “dot com” to combat a potential new wave of cybersquatting).

<sup>225</sup> The phrase “meta tag infringement” is used to describe the phenomenon of a web site that has embedded in its meta tags the trademarks of another company in an effort to increase visitors, divert traffic or other improper purposes.

<sup>226</sup> See *Playboy Enters., Inc. v. Asiafocus Int’l, Inc.*, No. 97-734-A, 1998 U.S. Dist. WL 724000, at \*3 (E.D.Va. Apr. 10, 1998). An operator of an adult web site was found liable for trademark infringement by using the marks “Playboy” and “Playmate” in its HTML code (which would include the sites meta tags). *Id.*

<sup>227</sup> See, e.g., *Lastowka*, *supra* note 52, at 847-48 (explaining that Yahoo relies on human effort to categorize web page content, not automated programs which rely on meta tags); Excite also claims to ignore keyword meta tags. *Id.* at 850 n. 74.

<sup>228</sup> See *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1062 (9th Cir. 1999)

the list . . . chooses” a site from the list produced.<sup>229</sup> The act of “scanning” demonstrates a web user must read the descriptions of the results on the list and then make a decision as to which site suits her needs. In choosing a site, the user must “click” the mouse on the result that appears the most relevant to her needs. Web users do not blindly jump to web sites but actually read the results of a search and then consciously select the destination that looks most promising.

The court explained because a different domain-name, “westcoastvideo.com” instead of “moviebuff.com” was used, a visitor could confirm she was at the proper destination by not only checking what the web address was, but also by looking at what was displayed on the home page. A visitor would not be confused about whose site she had reached because she would see the home page “prominently displays its own name” along with knowing the web address matches this name.<sup>230</sup>

Problems exist with this example. Initially, the court recognized West Coast’s use of “moviebuff.com” was likely to confuse visitors as to who actually sponsored the site.<sup>231</sup> The court did not discuss in this prior analysis what would be displayed on the home page of West Coast’s site.<sup>232</sup> Instead the court glossed over exactly what it later stated to help validate this example, which is that West Coast’s home page would prominently display West Coast’s own name.<sup>233</sup>

In this example, the court discusses one of the most widely understood components of the Web, the home page. Yet the court overlooked the primary purpose of a home page. A home page is the first page displayed when a visitor arrives at a web site. It is similar to the “welcome mat” in that it invites the visitor to enter the site. In welcoming the visitor to the site, a primary objective of a home page is to clearly reveal the nature of the site and what company sponsors the site. Whether West Coast is using the do-

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<sup>229</sup> *Id.* (emphasis added).

<sup>230</sup> The court provided no authority for its general presumption Web users generally take note of the domain-name address when they arrive at a site. The presumption ignores four key observations. First, the location/address bar on the web browser may be turned off so the user cannot see it. Second, when a person arrives at a page, the last place their eyes are focused on is what the location/address bar reads. Third, web site home pages do not necessarily match domain-names (e.g., the domain-name “hollywoodandvine.com” is the web address for the flagship web site of Capitol Records, not “www.capitolrecords.com”). Fourth, the individual may have arrived via a link that does not mention the site name. See Lastowka, *supra* note 52, at 850 (explaining that although most search engine result pages include the listed page’s title in the results, search engines vary greatly in what type of additional information will be included on the result page, such as the web site address of the listed page, the last day the page was indexed or the last day the page was updated).

<sup>231</sup> See *Brookfield*, 174 F.3d at 1057. “Web surfers are more likely to be confused as to the ownership of a web site than traditional patrons of a brick-and-mortar store.” *Id.*

<sup>232</sup> *Id.* at 1053-60.

<sup>233</sup> *Id.* at 1062.

main-name “moviebuff.com” or “westcoastvideo.com,” it will *prominently display* its own name. Nevertheless, *Brookfield* reasoned by changing the domain-name, confusion as to sponsorship will disappear. Since West Coast would display its own name prominently on its home page regardless of which domain-name was used, the opinion over emphasized the importance of a domain-name in its prior analysis. In this later example, it minimized this factor as practically nonexistent.<sup>234</sup>

*Brookfield's* analysis ignored the fact when web users arrive at West Coast's home page, they will see the West Coast name and realize it is not Brookfield's despite what the browser's address or location bar states is the domain-name for the page.<sup>235</sup> Furthermore, web browser options are customizable by users. Any web user has the ability to turn off the address bar or location bar feature in order to view more of the web page, and users with smaller monitors and laptops quickly learn how to customize their web browsers for such reasons. The court therefore erroneously concluded if West Coast were to use a domain-name other than “moviebuff.com,” such a change would significantly reduce the prior confusion regarding sponsorship of the site.

#### b) The Non-Pervasive Internet

In describing the second scenario, the court failed to understand how search engines work. The court explained: “Web surfers looking for Brookfield's ‘MovieBuff’ products who are *taken by a search engine* to ‘westcoastvideo.com’ . . . will simply decide to [use] West Coast's offerings instead.”<sup>236</sup> This statement is technically incorrect. One cannot be “taken by a search engine” anywhere. Interfacing with a search engine requires reading the listed results and choosing the one that looks the most promising. Unlike television and radio, the Internet is non-pervasive.<sup>237</sup> It does not transmit material to individuals at all times in all locations. A person who wishes to access content on the Internet must actively pursue it by getting connected, searching, reading, and then physically “clicking” a mouse button on the applicable hyperlink to retrieve the content.

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<sup>234</sup> *Id.* The court states since West Coast's home page “prominently displays its own name, it is difficult to say that a consumer *is likely to be confused about whose site he has reached,*” *id.* (emphasis added).

<sup>235</sup> Depending on which options a web user selects to be displayed from a web browsers “view” menu; web browsers can display an “address bar” (for Internet Explorer or “location bar” on Netscape Navigator) at the top of the screen, which will reveal the URL (uniform resource locator) for the web page currently being viewed. Included within this URL is the domain-name for the web site (e.g., <http://www.moviebuff.com/index.htm>).

<sup>236</sup> *Brookfield*, 174 F.3d at 1062 (emphasis added).

<sup>237</sup> See *ACLU v. Reno*, 929 F. Supp. 824, 875, 876 n.19 (E.D. Pa. 1996) (explaining the operation of a computer is not as simple as turning on a television and therefore the Internet is not “uniquely pervasive” like broadcast television and radio).

The court stated in its first scenario that reading the results is the way web users interact with search engines, when it explained a “list” of results is produced and by “scanning such list”, web users would be able to find the web site they are “seeking.”<sup>238</sup> If a web user is going to be “scanning” a list and “seeking” Brookfield’s “MovieBuff,” then she will be searching for a result which includes: “Home of Brookfield’s “MovieBuff” or “The Official Home of Brookfield’s ‘Movie Buff.’” The Web user is thus more likely to avoid a site by West Coast even if it is returned on the search results since it does not match the sought criteria. The misunderstanding of how search engines are utilized weakens the reasoning offered in the analysis.

### c) Inconsistent Analysis

In the first meta tag scenario, the court explained West Coast’s use of “MovieBuff” in meta tags would *not* likely lead to confusion due to the domain-name being “www.westcoastvideo.com” and the home page prominently displaying West Coast’s own name.<sup>239</sup> In the second scenario, the court explained that the use of “www.moviebuff.com” in meta tags at West Coast’s “www.westcoastvideo.com” site would lead to initial interest confusion.<sup>240</sup> However, West Coast would still be prominently displaying its own name at this site regardless of whether West Coast uses “MovieBuff” or “www.moviebuff.com” in its meta tags.

The court reasoned that the use of “moviebuff.com” or “MovieBuff” in West Coast’s meta tags at its “westcoastvideo.com” site would result in initial interest confusion apparently forgetting that in the preceding paragraph it stated confusion as to sponsorship would be unlikely where “MovieBuff” was used in the meta tags. The two scenarios proposed by the court are inconsistent with each other. The first one appeared to provide a situation where it would be unlikely meta tag infringement would be actionable. The second scenario presented a situation where it appeared such conduct would be improper. By later stating that using “MovieBuff” or “moviebuff.com” would be improper, it contradicted its prior “MovieBuff” analysis of meta tag infringement where it stated confusion was unlikely.

## 2. Initial Interest Confusion

“Initial interest confusion” is not recognized in all jurisdictions. *Brookfield* adopts the rationale of courts finding “initial in-

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<sup>238</sup> See *Brookfield*, 174 F.3d at 1062.

<sup>239</sup> *Id.*

<sup>240</sup> *Id.*

terest confusion” to be actionable under the Lanham Act.<sup>241</sup> However, to create a cause of action for this practice under the circumstances presented here is not only extending the right of trademark owners to an unreasonable extent, but will create a significant amount of litigation. Other courts considering initial interest confusion have correctly found such “brief confusion is not cognizable under the trademark laws.”<sup>242</sup>

The reason initial interest confusion should not be actionable, especially in the Internet context, is due to the brevity of the confusion and the minimal inconvenience to the web user. When a web user arrives at a wrong destination, all she needs to do is press the “back” button on her web browser and attempt a new search. As one court correctly observed, the harm is minimal: “With one click of the mouse and a few seconds delay, a viewer can return to the search engine’s results and resume searching for the original website.”<sup>243</sup> The *Brookfield* decision is suspect because it appears unfamiliar with the Internet and the general experiences occurring online. In recognizing initial interest confusion online, the court created too high an expectation for the Internet, demanding surfing the Web be a precise experience with exacting results. Although new Internet technologies such as cable modems and digital subscriber lines (DSL) are making web surfing easier and faster, the majority of users still rely on dial-up modems,<sup>244</sup> resulting in an often slow, frustrating process. Arriving at the wrong destination is a common aspect of surfing the Web. True, it can be argued that in the aggregate all of the trips back to a search engine to try again to find the sought-after destination results in a significant waste. Search engines have a profit motive to improve themselves and increase the accuracy of their searches so as to offer their customers a better web experience.<sup>245</sup>

<sup>241</sup> *Id.* See also *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 257-58 (2d Cir. 1987); *Dr. Seuss Enters. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1404-05 (9th Cir. 1997), *cert. denied*, 521 U.S. 1146 (1997).

<sup>242</sup> See *Teletech Customer Care Management (Cal.), Inc. v. Tele-Tech Co.*, 977 F. Supp. 1407, 1410, 1414 (C.D. Cal. 1997). See also *Hasbro, Inc. v. Clue Computing, Inc.*, 66 F. Supp. 2d 117, 125 (D. Mass. 1999) (explaining the inconvenience experienced from initial interest confusion online “is not substantial enough to be legally significant”).

<sup>243</sup> *Bihari v. Gross*, 119 F. Supp. 2d 309, 320 n.15 (S.D.N.Y. 2000).

<sup>244</sup> See Sally Blodgett, *Net Ratings Investor Relations* (visited Feb. 8, 2001) <[http://www.corporate-ir.net/ireye/ir\\_site.zhtml?ticker=NTRT&script=411&layout=-6&item\\_id=104297](http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=NTRT&script=411&layout=-6&item_id=104297)>. According to Nielsen/NetRatings data (the Internet audience measurement service of Nielsen Media Research and NetRatings, Inc.), web users in the United States primarily use modems to get online, *id.* A November 1999 survey revealed only 5.9 percent of home users were accessing the Internet via a high-speed connection (including ISDN, T1 lines, satellite, cable modem, DSL), *id.* The majority of modem users access the Internet using mid-speed modems providing access rates of 28.8/33.6Kbps, *id.*

<sup>245</sup> See Lastowka, *supra* note 52, at 867. The author explains, “Search engines sell their ability to find information on the Web, and the force of market competition requires search engines to become better at what they do. If search engines fail to perform the search function effectively, users will not return,” *id.*

Therefore, free market forces will respond to these temporary and ever-changing shortcomings.

### 3. Unconvincing Analogy

The court supported its rationale for creating a cause of action for initial interest confusion online by using a real world hypothetical of a person driving a car in search of a video.<sup>246</sup> The court explained a driver pulls off the road because she is lured to a store by the display of a competitor's trademark.<sup>247</sup> However, this example is not analogous to having to merely click the "back" button on a browser. The real world of brick-and-mortar stores, traffic signals, traffic jams, bumpy roads, noisy cars, fuel costs and related inconveniences are a poor analogy for the virtual confines of cyber space and the relative ease with which one can surf the Web with a few clicks of a mouse in the proverbial comfort of one's home.

The court, early in its opinion recognized, "[i]n the Internet context, in particular, entering a web site takes *little effort*."<sup>248</sup> Leaving a web site similarly takes little effort. One court critical of the *Brookfield* metaphor explains, "Use of the highway billboard metaphor is not the best analogy to a meta tag on the Internet. The harm caused by a misleading billboard on the highway is difficult to correct. In contrast, on the information superhighway, resuming one's search for the correct website is relatively simple."<sup>249</sup> A commentator cautions the use of off-line metaphors for cyber disputes as in *Brookfield's* billboard analogy "might be persuasive if meta tags were billboards, but unfortunately this is not the case."<sup>250</sup>

The court was concerned that permitting West Coast to use "MovieBuff" would allow it to improperly benefit "from the goodwill that Brookfield developed in its mark."<sup>251</sup> However, where two entities share a mutual connection to a term, which the public can clearly distinguish off-line, then major confusion is unlikely. Therefore, the question to ask is which party in *Brookfield* had more goodwill associated with the term(s) "MovieBuff" in the on-line world? The court stated Brookfield's "MovieBuff" mark was

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<sup>246</sup> See *supra* note 145 and accompanying text for a quote of the court's analogy.

<sup>247</sup> See *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1064 (9th Cir. 1999)

<sup>248</sup> *Id.* at 1057 (emphasis added).

<sup>249</sup> *Bihari v. Gross*, 119 F. Supp. 2d 309, 320 n.15 (S.D.N.Y. 2000).

<sup>250</sup> See Lastowka, *supra* note 52, at 857. The author's solution to the temptation of courts to reach for metaphors in an attempt to chart the unfamiliar Internet is to apply more accurate and useful metaphors such as analogizing a search engine results page to a thrift store discount bin filled with anything that vaguely is related to the meta tag keyword, *id.* at 859-60.

<sup>251</sup> *Brookfield*, 174 F.3d at 1062.

not only “weak”, but it also failed to present evidence of “the widespread recognition of its mark.”<sup>252</sup> On the other hand, West Coast’s service mark would likely be considered strong with widespread recognition.<sup>253</sup> Because Brookfield’s mark was relatively weak whereas West Coast’s was relatively strong, then web users, who had learned that West Coast had a web site, would probably attempt domain guessing with either “westcoast.com” or “moviebuff.com.” Therefore, Brookfield improperly benefits from the goodwill West Coast had developed in its service mark. When the practice of space omission is considered, West Coast would clearly have a larger visitor base seeking its site via “moviebuff.com” than Brookfield. Due to the general perception that multi-term phrases off-line are viewed as single phrases on-line, the goodwill usurpation analysis is similarly unconvincing.

#### 4. Loopholes

After prohibiting use of another’s mark in one’s own meta tags, the court suggested a fair use alternative that would produce the same results as meta tag infringement. The court permitted the use of “MovieBuff” on a West Coast web page in a comparative advertising context.<sup>254</sup> However, such use by West Coast could have the same results the court is trying to prevent in addressing meta tag infringement. If the court is willing to permit West Coast to place “Why pay for MovieBuff when you can get the same thing here for FREE?” on the visible part of its web page, then in a sense it is still authorizing a derivative version of meta tag infringement.<sup>255</sup>

Considering how savvy some web masters can be, this reasonable fair use alternative will soon be abused. Web masters may now start placing disclaimers and comparative fair use type ads throughout their web pages just to permit the trademark terms that appear in the phrases to be indexed by the search engines.<sup>256</sup> For example an adult web site may display a disclaimer it is not affiliated with “PLAYBOY” and further state throughout the page

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<sup>252</sup> See *Brookfield*, 174 F.3d at 1058.

<sup>253</sup> *Id.* at 1042-43. West Coast’s service mark, “The Movie Buff’s Movie Store,” was registered with the PTO in 1991 and received incontestable status after five years of use, *id.* West Coast claimed it has spent \$15 million on advertisements and promotions featuring the mark, *id.* at 1043 n.5. The court described West Coast as “one of the nation’s largest video rental store chains with over 500 stores,” *id.* at 1042.

<sup>254</sup> See *Brookfield*, 174 F.3d at 1066.

<sup>255</sup> *Id.* at 1066.

<sup>256</sup> See Lastowka, *supra* note 52, at 847-50. Some mechanical search engines (e.g., AltaVista) utilize web indexing programs which continually search the Web, parsing and categorizing every web page reviewed based on the terms found in the meta tags or text of the web page, *id.*

it is better than “PLAYBOY.” Some<sup>257</sup> search engine programs do not consider whether the site is or is not affiliated with Playboy but instead place relevance on the number of times the term “PLAYBOY” appears on the page or in the keyword meta tags.<sup>258</sup> Search engines which factor in the number of instances of the word “PLAYBOY” found on the web page will put this page higher in the rankings of sites found when one does a search for “PLAYBOY.”<sup>259</sup> For search engines relying on the frequency with which a term appears on a page, the result would be the same as meta tag infringement.

Fair use off-line has always granted a competitor the right to use another’s mark in a comparative context. However such off-line use never had the hidden implications of search engines monitoring the frequency of the use. The court’s concern about meta tag infringement therefore would not be alleviated, unless they specifically limited Internet fair use to one or two mentions of a competitor’s mark on the other party’s site.

The court’s decision extends trademark owners’ rights to new heights, granting the trademark owner the ability to challenge any competitor’s use of its mark in the competitors meta tags. Such a far-reaching result overlooks the benefit a consumer may receive by permitting such use. One commentator, critical of courts’ condemnation of commercial competitor use of trademarks in meta tags noted that such use is unlikely to create any additional confusion, may present an opportunity for comparison shopping, and is no different than off-line situations where retailers often group similar competing products together.<sup>260</sup>

*Brookfield* did not reflect on the above considerations or any benefit that may have been conferred on the public as a result of West Coast’s use of “MovieBuff” in its meta tags. A benefit, however, does exist. West Coast was offering a similar product, a film industry database, at a lower price—free of charge.<sup>261</sup> In its efforts to protect Brookfield’s mark from any potential infringing

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<sup>257</sup> An argument can be made that the best search engines would not be susceptible to such abuse. However, what is the “best” search engine online is relative considering some web surfers will continue to use a potentially less sophisticated search engine out of sheer habit. Where even only a few of these inferior search engines are still susceptible to this fair use abuse, *Brookfield’s* fair use alternative provides the aggrieved plaintiff with a less than complete legal solution to its problem.

<sup>258</sup> *Id.* at 849. The methods search engines use to rank relevant sites vary widely, but one of the primary factors is the number of times a search term appears on a web page, *id.*

<sup>259</sup> *Id.* Although mechanical search engines are becoming more sophisticated and implementing penalties for attempts to manipulate search engine results improperly, the counter measures vary greatly in approach and effect, ranging from posting warnings such practices are unacceptable to altogether abandoning use of the keyword meta tag, *id.* at 867 n.157, 868.

<sup>260</sup> *Id.* at 876-77.

<sup>261</sup> See *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1057 (9th Cir. 1999).

use, *Brookfield* short-circuited any possibility that the Web may have provided consumers with a free, viable option. However, in trademark law, providing the consumer with a cheaper alternative is not a defense to infringement in trademark law.<sup>262</sup>

### C. The *Brookfield* Remedy

The relief *Brookfield* received was a broad and immediate injunction against West Coast, effectively “pulling the plug” on West Coast’s web site.<sup>263</sup> West Coast was not given the opportunity to place a “we’ve moved” notice on its site located at “moviebuff.com” to redirect web traffic to its alternate site “westcoastvideo.com.”

#### 1. Switchboard Relief

The term “cyberspace” does have one important truth; plenty of room exists on the Internet. As such, when a court adjudicates a domain-name dispute, a reasonable remedy should consider this reality. A reasonable alternative in *Brookfield* would have been to have a web page displayed at the “moviebuff.com” address, directing Internet users to select between two different web sites: *Brookfield*’s “moviebuffonline.com” or West Coast’s “westcoastvideo.com.” A person arriving at the page is presented with a clear choice of clicking one of two links.<sup>264</sup> One link would lead to the online home of *Brookfield*’s “MovieBuff.” The other link would lead to the online home of West Coast Entertainment’s “Movie Buff’s Movie Store.” After a period of three to six months, the majority of people should be able to adjust their “favorites” and “bookmarks” to reflect the new locations of the web sites. A switchboard type relief would take up virtually no space on a web server.<sup>265</sup> The court could mandate the infringing party pay the web programming charges for such relief.

An analogous relief was used in *Hasbro, Inc. v. Internet Entertainment Group, Ltd.*,<sup>266</sup> where a court recognized the defen-

<sup>262</sup> See *Neles-Jamesbury, Inc. v. Valve Dynamics*, 974 F. Supp. 964, 978 (S.D. Tex. 1997) (explaining, just as good faith is no defense to a claim of infringement, it is similarly no defense to trademark infringement that a defendant is merely presenting consumers with what they demand—inexpensive or price discounted goods).

<sup>263</sup> See *Brookfield*, 174 F.3d at 1043.

<sup>264</sup> The switchboard relief scenario differs from the court’s analysis of search engine result pages discussed previously because the switchboard page would be a special web page with only two buttons. Each button is clearly identified as being the route to either *Brookfield* or West Coast. This scenario would eliminate any potential confusion because there are only two options on the page and the viewer can take the time to read the descriptions of each site prior to selection.

<sup>265</sup> A simple switchboard relief type web page with two simple buttons containing hyperlinks would be small enough in file size to fit on a 3.5-inch 1.44-megabyte floppy disk. Such a solution would pose no file storage concern with regards to the web server hosting the web site’s web pages.

<sup>266</sup> 40 U.S.P.Q. 2d 1479 (W.D. Wash. 1996).

dant's equitable claim it had already committed significant sums of money in advertising for an adult web site "candyland.com."<sup>267</sup> The court permitted the defendant to post a notice page at "www.candyland.com" for approximately three months to give notice to visitors the web site address had changed, but active links to the new site were not allowed.<sup>268</sup> Similar to the defendant in *Hasbro*, West Coast claimed it had invested "considerable sums" in building the web site.<sup>269</sup>

## 2. E-mail Efficiency

West Coast indicated to the court it was using "@moviebuff.com" in e-mail correspondence.<sup>270</sup> The court enjoined West Coast from any further use of "@moviebuff.com," foreclosing a reasonable means for West Coast to inform customers and associates the domain-name had changed.<sup>271</sup> E-mail is virtually free, practically instantaneous, and very efficient. Because West Coast was prohibited from using "@moviebuff.com," it would have to resort to other less efficient means such as mail, facsimile or telephone to notify users that e-mail would no longer be available from the "@moviebuff.com" domain. An additional efficient and relatively inexpensive resolution would have been e-mail aliases. E-mail aliases could have been set up on servers presently hosting "moviebuff.com." The aliases would automatically redirect all of West Coast's prior "@moviebuff.com" e-mail to "@westcoastvideo.com" addresses with a simple redirect program.

## 3. Domain Purgatory

Who gets the domain? The court did not decide the fate of "moviebuff.com."<sup>272</sup> Where the infringer is a victim of reverse domain-name hijacking, courts should recommend a forced judicial sale of the domain to the prevailing plaintiff. When a defendant like West Coast is completely enjoined from any use of its domain-name, the domain-name becomes worthless to the defendant, but it still has value to the plaintiff. The court could determine the fair market value of the domain to effectuate this result. Courts should consider several factors in deciding the value of a domain-name: current time left on the annual domain-name registration fee; whether the defendant registered the domain-name in bad

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<sup>267</sup> See ROSENOER, *supra* note 62, at 106-107 (discussing *Hasbro*).

<sup>268</sup> *Id.* In *Hasbro* the need for switchboard type relief was important because there was the danger children may stumble upon the adult site and use of candyland.com was diluting a well-known trademark, *id.*

<sup>269</sup> See *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1059 (9th Cir. 1999).

<sup>270</sup> *Id.* at 1052.

<sup>271</sup> *Id.* at 1043.

<sup>272</sup> *Id.*

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faith; what values both parties place on the domain-name; length of time the web site has been online and operational; what the domain would potentially sell for at a domain-name brokerage web site; and the amount of investment the defendant has reasonably made in developing and branding the site with the domain-name. This result will give the defendant a chance to recoup some of its investment in the domain-name and prevent the domain from being placed into cyber-limbo indefinitely.

#### IV. CONCLUSION

The Internet will continue to be of great importance in the future. *Brookfield* adopted a traditional approach to handling a domain-name dispute and reached a correct conclusion, but left open a potential window that could create a significant amount of litigation and create uncertainty for Internet entrepreneurs. When considering meta tag infringement, the inquiry should be fact specific, taking into consideration the technology at hand and the typical practices of the web user. Finally, as a new medium which stands to revolutionize the way people conduct themselves, people will make mistakes and controversies will arise, but unique to this medium is the courts' opportunity to foster growth and confidence in it by fashioning remedies which are equitable and supportive in nature instead of harsh and indifferent.