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Keyword Advertising: American Blinds and Wallpaper Factory v. Google

Jeffrey M Glazer*

Today's internet economy is redefining the traditional roles of intellectual property. While the possible uses for intellectual property are increasing exponentially, the foundations of the law can guide owners and users in the appropriate direction. For example, it is now common for internet search engines to sell advertising based on the search terms entered. If a user goes to <http://www.google.com/> and enters the search term "american" and "blinds" then the search engine will return a list of web-pages that contain the words "american" and "blinds" organized in a way that the most relevant websites are at the top, while the least relevant sites are at the bottom of the list. On the top and the right-hand side of the page there are clearly marked advertisements. These advertisements have been sold to companies who wish their ad to appear when a user searches for "american" and/or "blinds." In this way, the words "american" and "blinds" are being used by the searcher to find something and the advertisers are trying to increase their business by purchasing advertising space that they feel will be relevant for their customers.

The search company Google, Inc. has been sued by American Blinds and Wallpaper Factory for trademark infringement and dilution. This case is a response to a declaratory judgment action submitted by Google in a California District Court concerning its keyword advertising policy. Google had also been approached by the litigation-happy Playboy Enterprises, Inc. for the same issues; that confrontation was settled. However, the American Blinds case presents an interesting problem that must address not only the business practice, but also how far that practice can go.

Trademark policy protects both the company that creates the mark and consumers.¹ Companies that have spent money to develop and advertise a mark are protected by trademark law from other companies that wish to free-ride on the financial and reputation-related success of the mark.² However, the primary purpose of trademark policy is to protect consumers from confusion by preventing two different sources for a class of goods from using confusingly similar marks.³ In this way, consumers can know that a given mark represents the quality that they understand that mark to represent for a particular class of products.

The key to consumer confusion is the use of a mark as a source identifier. A consumer can only be confused in contravention of the Lanham Act if a trademarked word or phrase is used in a manner that indicates the source of that good or service. Trademark law does not proscribe use of a word or phrase used in a non-source-identifying manner.⁴ For example, the registered trademark "Park-N-Fly" is not protected from other airport-area parking service

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¹ *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418, 428 (2003).

² *Qualitex v. Jacobson*, 514 U.S. 159, 164 (1995).

³ *Id.* at 163-64.

⁴ *Park 'N Fly v. Dollar Park and Fly*, 469 U.S. 189, 201 (1985).

companies who wish to advertise that a consumer can “park and fly” from their lots. In other words, even though a word or phrase is trademarked it remains available for use as a descriptive term. This is true because the object of trademark law is not to remove words from the general lexicon, but to prevent any likely consumer confusion as to the source of goods.⁵ If the word or phrase is not used in a way that identifies a source for a product or service, then that use is not protected.

For this reason, and perhaps as a more concrete example of descriptive use of a trademark, the Ninth Circuit has developed the concept of “nominative fair use.” Basically, “nominative fair use” allows uses of a registered mark in a way that is descriptive of the product to which it applies.⁶

The latest case explaining “nominative fair use” is the *Brother Records v. Jardine* case.⁷ In the *Jardine* case, a member of the rock band The Beach Boys, toured on his own and advertised his tour using various phrases containing “Al Jardine” and “Beach Boys.” The Beach Boys sued alleging trademark infringement, and Jardine alleged a defense of “nominative fair use.” The court rejected Jardine’s defense because he had used The Beach Boys mark to refer to his own tour. However, the court did uphold the uses Jardine made that properly referred to The Beach Boys product as belonging to the Beach Boys. As an example, the court denied the use of “Beach Boys Family and Friends” but the court allowed the use of “Al Jardine of the Beach Boys and Family and Friends.” The distinction between these uses is evident; consumers in the first instance were likely to be confused as to the source of the services provided at the concert; Jardine was using the mark to describe his own product rather than the product to which The Beach Boys mark refers. In other words, customers were likely to purchase tickets believing that they were attending a Beach Boys concert. In the second case, it is clearer that the customer is not seeing The Beach Boys but only one member of The Beach Boys and his family and friends. In this way, Al Jardine may use The Beach Boys mark because, as a member of the group it helps to describe Al Jardine in a truthful manner without using the mark to identify the source of the product. The basic premise is thus upheld, that where a use does not destroy the source-identifying function of the trademark, that use is not an infringement.⁸

Similar to both the *Park-N-Fly* and *Jardine* cases, Google’s sale of the terms “american” and “blinds” is not necessarily to use the mark in a source-identifying sense, but may be used to aid users who search for those words in their descriptive sense. In the case of the mark “American Blinds and Wallpaper” the mark consists of common words arranged in such a way that it could identify a source of goods and/or services. However, Google’s search technology is not intelligent. It is not capable of discerning when a user is using terms to search for a particular source of goods/services or when a user is merely trying to find certain words. A user typing “american blinds” into Google’s search engine may not be looking for a specific blind and wallpaper manufacturer/distributor, but may be merely looking for any blind manufacturer in the United States or even just looking for blinds that are made in the United States. Suppose a user searched using the phrase “I am an American blind person;” presumably that user is not even looking for blinds or wallpaper at all. It is possible, therefore, that a user could use the words that constitute a trademark to perform searches without intending to be directed to a specific source for any particular product.

⁵ *Id.*

⁶ *New Kids on the Block v. News Am. Publ’g Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

⁷ 318 F.3d 900, 904 (9th Cir. 2003).

⁸ *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924) (Holmes, J.); *New Kids*, 971 F.2d at 308.

Of course, where a user searches for “Exxon” it is fairly obvious what that user is trying to find—the oil company called “Exxon.” This is obvious because that term has only one meaning; prior to the creation of the mark, the word “Exxon” had no meaning or use in the English language. Where it is obvious that the user is using the search term to identify a source, a trademark infringement/dilution claim makes sense. Along the spectrum of mark distinctiveness only the most distinctive of marks—those that are fanciful or coined—should even have an argument for infringement or dilution in the search result sales business model. However, where a mark consists of common words capable of being used in a non-source-identifying manner, it can never be clear which sense the user intends. In such a scenario, trademark law should not prevent the non-trademark exploitation of those words, even when such a use is ultimately a profitable one.

This article is based on the following news articles:

http://www.infoworld.com/article/04/01/30/HNgooglesuit_1.html

<http://www.internetnews.com/IAR/article.php/3305871>

http://www.eweek.com/print_article/0,3048,a=117782,00.asp

<http://news.zdnet.co.uk/business/legal/0,39020651,39144963,00.htm>

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