

COLLISION: INITIAL INTEREST CONFUSION AND THE INTERNET

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Abstract

Infringement in trademarks, in the simplest sense, prohibits a business or individual from confusion by preventing consumers from believing that the goods or services being sold are that of the rightful trademark owner. In *Steinway v. Steinweg*, the court extends the concept to initial interest confusion, where a consumer is confused about his purchase only at the outset of his search for the product. The consumer realizes the mistake of his initial belief, but nevertheless continues to buy the competing product. While the test itself makes sense, the doctrine has been little used in brick and mortar cases, but is recently being overused and improperly extended beyond the original holding in digital cases. The doctrine must be reexamined in light of the original holding in the *Steinway* case and the Lanham Act should be amended to reflect the correct holding so as to help, rather than impede commerce.

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COLLISION: INITIAL INTEREST CONFUSION AND THE INTERNET

I. Introduction

Trademarks benefit the consumers in a similar manner as any word in any common language.¹ Words function by providing a short-hand description of a complex concept.² For example, the word, “rock” is a short-hand means to describe a certain physical object having a plethora of characteristics which may include dense, grey, found on the ground, and so forth. Trademark law recognizes that such words are in the public domain and will not grant protection of the word by any one entity.³ However, if a new short-hand is created, including a new meaning attached to an existing short-hand (a word, symbol, color, and the like), then proprietary use of the newly created definition is protected as a trademark.⁴

When another user attempts to usurp the meaning of a short-hand protected by trademark law under the Lanham Act, this is known as an infringement.⁵ The court system determines infringement based on the likelihood of confusion test where various factors are evaluated to determine if a consumer would be confused by the trademark of another.⁶ In interpreting the Lanham Act, the courts have additionally created a doctrine

¹ See Stacey L. Dogan and Mark A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 HOUS L. REV. 777, 778 (2004) (stating that trademark law should foster the flow of information in markets by creating a reliable shorthand to lower consumer search costs).

² *Id.*

³ *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976) (listing the categories of trademarks); 37 J.THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION, ch. 4 (4th ed. 2002) (explaining the trademark categories).

⁴ *Id.*

⁵ Lanham Act, §43(a), 15 U.S.C. § 1125(a) (1997 & Supp. 2005).

⁶ See *Playboy Enters., Inc. v. Netscape Comm. Corp.*, 354 F.3d 1020, 1026 (9th Cir. 2004) (summarizing the factors from *AMF v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979) as (1) strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5)

known as “initial interest confusion.”⁷ The exact nature of and definition of the initial interest confusion doctrine is still a mystery.⁸ Initial interest confusion is a form of trademark confusion whereby confusion does not take place at the time of sale. The consumer becomes interested and does in fact purchase a competing product based on confusion existing only during the initial location of the competing product. Prior to 1990 and the rise of the Internet the doctrine was used fewer than a dozen times, all with reference to “brick and mortar” (traditional) trademark infringement.⁹ With the rise of the

marketing channels used; (6) type of goods and the degree of care likely to be exercised by the publisher; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines.)

⁷ Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons, 523 F.2d 1331 (2d Cir. 1975).

⁸ TECHNOLOGY & MARKETING LAW BLOG: GRIPERS 1, INITIAL INTEREST CONFUSION 0--LAMPARELLO V. FALWELL, Eric Goldman, Professor at the University of Milwaukee School of Law, http://blog.ericgoldman.org/archives/2005/08/gripers_1_initi.htm (last visited March, 29, 2006).

⁹ Jennifer E. Rothman, *Standing at a Crossroads*, 27 CARDOZO L. REV. 105, 109 (2005) (Based on a survey of published cases available on the Lexis and Westlaw databases from 1962 until 1990, fewer than a dozen published cases, including those credited with inventing the doctrine, refer to and rely on a doctrine of "initial confusion," "initial interest confusion," or "initial interest." *See, e.g.*, First Nationwide Bank v. Nationwide Sav. & Loan Ass'n., 682 F. Supp. 965, 977 (E.D. Ark. 1988) (citing Pegasus Petroleum, 818 F.2d at 260, for the proposition that creation of "initial interest" was actionable trademark infringement); Schwinn Bicycle Co. v. Ross Bicycles, Inc., 678 F. Supp. 1336, 1347 (N.D. Ill. 1988) (same) (case depublished and republished at 1988 U.S. Dist. LEXIS 4160), order vacated by 870 F.2d 1179 (7th Cir. 1989); Pegasus Petroleum, 818 F.2d at 260; Grotrian, 523 F.2d 1331, 1341-42 (2d Cir. 1975); Pegasus Petroleum, 229 U.S.P.Q. 890, 894-95 (S.D.N.Y. 1986); Television Enter. Network, Inc. v. Entm't Network, Inc., 630 F. Supp. 244, 247 (D.N.J. 1986); Warehouse Rest., Inc. v. Customs House Rest., Inc., 217 U.S.P.Q. 411, 417 (N.D. Cal. 1982) (considering evidence of "initial confusion" as evidence of "actual confusion"); Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 195 U.S.P.Q. 634, 640 (N.D. Cal. 1977), rev'd, 611 F.2d 296 (9th Cir. 1979); Koopers Co. v. Krupp-Koppers GmbH, 517 F. Supp. 836 (W.D. Pa. 1981); Grotrian, 365 F. Supp. 707, 717 (S.D.N.Y. 1973); Blaw-Knox Co. v. Siegerist, 300 F. Supp. 507, 513 (D. Mo. 1968) (describing initial "interest" caused by "initial confusion" as possible basis for trademark infringement); cf. Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695, 704 (5th Cir. 1980) (referring to fact that marks might be "initially" confusing as evidence that trade dress of two marks is similar in design); Comm. Satellite Corp. v. Comcet, Inc., 429 F.2d 1245, 1251 (4th Cir. 1970) (considering "initial confusion" between sound of marks as one factor in trademark infringement analysis); Safeway Stores v. Suburban Foods, 130 F. Supp. 249, 251 (D. Va. 1955) (referring to "initial confusion" in context of confusion that was initial and not subsequently remedied). There are even fewer cases if one eliminates duplicative cases involving district court and appellate decisions for the same case. A number of cases during this time period refer to "initial confusion" (not "initial interest"), but dismiss it as not being a basis on which trademark infringement can be grounded. *See, e.g.*, Tandy Corp. v. Malone & Hyde, Inc., 581 F. Supp. 1124, 1130 (M.D. Tenn. 1984), rev'd on other grounds, 769 F.2d 362 (6th Cir. 1985); Church of the Larger Fellowship, Unitarian Universalist v. Conservation Law Found., Inc., 221 U.S.P.Q. 869, 873 (D. Mass. 1983); Broad. Publ'ns, Inc. v. Burnup & Sims, Inc., 582 F. Supp. 309, 318 (S.D. Fla. 1983); Programmed Tax Sys., Inc. v. Raytheon Co., 439 F. Supp. 1128, 1132 (S.D.N.Y. 1977); Wedgwood Homes, Inc. v. Lund, 648 P.2d 393, 395 (Or. Ct. App. 1982) (quoting findings of trial court with approval); Pa. Dutch Co. v. Pa. Amish Co., 68 Pa. D. & C.2d 379, 385 (Pa. Ct. Com. Pl. 1974).

Internet and digital commerce, by comparison, more than one hundred cases have invoked the doctrine in the past decade and a half.¹⁰ This paper will examine how the initial interest confusion doctrine as originally and correctly utilized in the *Steinway* case.¹¹ Inconsistencies in later brick and mortar infringement cases and further straying off the path in digital cases will be shown. The Steinway test, although not clearly articulated by any court seems to be: 1) The consumer searches for product X via the trademark; 2) The consumer locates product Y, believing the mark represents product X; 3) The consumer realizes he has located product Y and not product X; 4) The consumer buys product Y, anyway; 5) X loses money.

As will be explained in Part II of this paper, the Steinway test proposed by this paper makes sense because it correctly ferrets out harm to the consumer while maximizing competition. The test is a very limited extension of the likelihood of confusion test, or is the confusion test which occurs at the initial time period instead of at the point of sale. According to either view, the test ensures that the consumer has been confused and located the wrong product. The confusion must lead to commercial harm, thus, decreasing competitiveness.

In part III, the paper will discuss the initial interest confusion doctrine applied to brick and mortar cases. In part IV a discussion of the application of the doctrine in digital cases will be presented. In part V, the initial interest confusion doctrine will be shown to make sense in relation to three prominent trademark theories, namely, goodwill, referential use, and search costs. Goodwill, or free riding, occurs when a company builds

¹⁰ *Id* at 110; *See* INITIAL INTEREST CONFUSION AND METATAG CASES, <http://www.ericgoldman.org/Resources/iiccasesummary.htm>, (last visited March, 29, 2006) (citing a long list of recent Initial Interest Confusion cases).

¹¹ *Grotian*, 523 F.2d 1331, 1332.

up value in a particular product or service and a competitor trades off the goodwill created by the owner.¹² Referential use happens where someone other than the owner of the mark uses the mark to refer to the product as the owner intended.¹³ Finally, the search cost theory posits that trademarks decrease the time it takes to locate a product. It is a consumer protection which also benefits businesses.¹⁴ There are often differing and often unworkable outcomes in both brick and mortar and digital cases. In contrast Steinway, if applied correctly, would fix the present state of affairs.¹⁵

The present day reality of commerce is based largely on words such as search terms, domain names, and catch phrases. Mistakes in this area lead to larger negative effects on commerce than ever before.¹⁶ Trademarks serve to protect the goodwill of a product. This provides the customer with the ability to quickly locate and associate the desired product. The trademark prompts recall of the characteristics of the goods or services behind the mark.¹⁷ Today, marks can be processed by computer and used millions of times per second. Thus, an improper result in a trademark suit in the past would have a relatively small effect. A wrong choice in a single Internet-related court case could have a large and immediate effect. For example, millions of users of a popular

¹² *Id* at 111 (stating that the goodwill or free riding issue is defined as where a company builds up value in a particular product or service[,] then no one else should be able to benefit from that accumulated value).

¹³ Lanham Act, §33(b)(4), 15 U.S.C. § 1115(b)(4) (1997 & Supp. 2005).

¹⁴ *See* RESTATEMENT (THIRD) OF UNFAIR COMPETITION §§ 2 cmt. a, 9 cmt. c (1995); J. THOMAS MCCARTHY, 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 12:1 (4th ed. 2005) (citations omitted).

¹⁵ *See* Rothman, *supra* note 9, at 140 (notes omitted) (illustrating one potential problem of initial interest confusion in trademarks conflicting with patent and copyright law).

¹⁶ *See* Playboy Enters., Inc. v. Netscape Communications Corp, 354 F.3d 1020 (9th Cir. 2004) (where a brick and mortar company brings suit for use of their trademark on a website).

¹⁷ H.R. Rep. No. 76-944, at 3 (1939) ("Trade-marks are merely a convenient way of distinguishing the goods of one trader from those of another. By furnishing a means of identification, they perpetuate goodwill, and enable purchasers, by recognizing the marks, to buy again the goods which have pleased them before." (citing *McLean v. Fleming*, 96 U.S. 245, 252 (1877))); 100 Cong. Rec. S16, 546-47 (daily ed. Nov. 19, 1987) (remarks of Senator DeConcini on Introduction of S. 1883).

search engine could all be negatively affected at once. Therefore, the paper will conclude that the courts should apply the test coming out of Steinway to ensure the unhindered flow of commerce.

II. *Steinway* and the Birth of the Initial Interest Confusion Doctrine

The initial interest doctrine is a creation of the Steinway case.¹⁸ In this case, the "Grotrian-Steinweg" name appears on imported pianos sold in the United States. Steinway & Sons believed such a mark to be an infringement on their "Steinway" name.¹⁹ Due to the cost of the product and sophistication of the consumers, the Second Circuit held that although a consumer would not be confused at the time of sale, a consumer might buy the product because "initial interest" confusion would lead to "subliminal confusion".²⁰ Thus, the consumer would only be confused at the time when the product was first seen, but would still purchase the competing product.

There is a dispute among later commentaries whether the holding of this case, which spanned more than fifty years of litigation, was correct. Some commentators, such as Dogan and Lemley, note that the holding was correct because a consumer would actually buy a product other than the one they intended.²¹ Dogan and Lemley believe that the court correctly applied the likelihood of confusion test in recognizing that harm to competition can happen at any time, and not just at the point of sale.²²

¹⁸ Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons, 523 F.2d 1331 (2d Cir. 1975).

¹⁹ *Id.* at 1334 (the similarity in name arose out of the fact that the same man founded both companies but changed the name from "Steinweg" to "Steinway" when he came to the United States).

²⁰ Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons, 365 F. Supp. 707, 717 (S.D.N.Y. 1973).

²¹ *See* Dogan & Lemley, *supra* note 1, at 814 (notes omitted).

²² *Id.*

However, other commentaries disagree. Rothman, representing the other camp, sees this as an unwarranted expansion beyond the traditional likelihood of confusion test.²³ Rothman agrees that had there been confusion as to the source of the goods, then finding confusion would be correct.²⁴ In fact, the confusion in this case emanated, not only from the similarity in mark but from the goods themselves.²⁵ The goods were similarly named due to two different companies being founded in two different countries by the same man.²⁶

The two positions can be reconciled and therefore, shown that the test itself is logical. An unusual complication in this case led to the disparate positions and much of the commentary. Steinweg, the defendant, was a German company founded by Heinrich E. Steinweg in 1835.²⁷ Steinway, the plaintiff, was the American company founded by the same man upon his arrival to America and change of name.²⁸ Therefore, the confusion, in Rothman's opinion, is by the goods themselves and not the mark since both had legitimate claim to their names.

Rothman points out that this anomaly resulted in Grotian-Steinweg, the German defendant, providing an incomplete history on its website in an apparent attempt to avoid future litigation so as not to make potential customers believe that they are Steinway.²⁹ Due to the decision in the case, the facts have been obscured from consumers rather than

²³ Rothman, *supra* note 9, at 140 (notes omitted) (stating “The court could have relied solely on the likelihood of confusion prior to the time of sale as a basis for its holding, but instead used language that greatly expanded the possible grounds for a finding of trademark infringement”)

²⁴ *Id.*

²⁵ Grotian, 523 F.2d 1331, 1336 (1975).

²⁶ *Id.*

²⁷ *See* note 23, *supra*.

²⁸ *Id.*

²⁹ Rothman, *supra*, note 23 at 141.

promoted.³⁰ However, this peculiarity is unique to the Steinway case. If there were confusion as to the source generated only by the trademark and not the history, Rothman would concur with Dogan and Lemley.³¹ Thus, with exception for the shared history of Steinway or Steinweg, neither commentator attacks the doctrine of initial interest confusion itself, but only its application to the particular facts of *Steinway*. Thus, the test itself has been found to be correct. Initial confusion which changes the consumer's purchasing decision, even without time-of-sale confusion, is infringement.

As such, a clarification of the test for initial interest confusion proposed by this paper from the facts in *Steinway* is as follows³²:

- 1) The consumer searches for product X via the trademark.
- 2) The consumer locates product Y, believing the mark represents product X.
- 3) The consumer realizes he has located product Y and not product X.
- 4) The consumer buys product Y, anyway.
- 5) X loses money.

The test comes directly out of *Steinway*. In *Steinway*, the consumer (1) searched for Steinway pianos via the Steinway trademark. The consumer (2) would walk into a store selling pianos marked as Steinweg, believing at first, this piano was a Steinway piano. Upon closer inspection, the consumer would (3) realize that he had located Steinweg pianos and not Steinway pianos. After realizing this mistake and seeing the Steinweg piano the consumer was likely to (4) buy a Steinweg piano. Thus, (5) Steinway

³⁰ Grotian, 523 F.2d 1331, 1333-1334 (1975) (The Steinweg litigation spanned fifty years ending with Steinweg changing the name of the company to "Grotian, Helfferich, Schulz, Th. Steinweg Nachf").

³¹ See Dogan & Lemley, *supra* note 1, at 814 (notes omitted).

³² See Rothman, *supra* note 28 (notes omitted).

would lose a sale.³³ The test makes sense and is a logical holding from the *Steinway* case.

Clearly, the result is a very limited holding because step 4, the consumer purchasing the “wrong” product, would require the cost and quality of the goods to be similar. Otherwise, the consumer is not likely to buy the wrong product.³⁴ Further, confusion is usually not found at all or exists throughout the transaction, not just part of the time³⁵. Thus, cases where there is initial confusion are often side points of an analysis when finding actual confusion.³⁶

Steinway is correct in holding that initial interest confusion existed, but this paper will argue that it should be narrowly construed. Initial interest confusion should only be found where actual confusion at the point of discovery would in fact affect a consumer’s decision at the point of sale³⁷ as was the holding in *Steinway*.³⁸ In other words, the Sleekcraft factors³⁹ for infringement should be applied in the same way whether the confusion took place initially or at the time of sale.⁴⁰ While an incorrect decision in brick and mortar cases does have a negative effect on commerce by removing consumer choice without protecting actual infringement, in digital cases the error tends to be multiplied.

³³ See Grotian, 523 F.2d 1331, 1334 (1975).

³⁴ See Dogan & Lemley, *supra* note 1 at 791-792 (writing, “trademark law is avowedly not designed to resolve any perceived failure in the market for quality products and services.”).

³⁵ Grotian, 523 F.2d 1331, 1342 (1975) (where the Second Circuit wrote when ruling on the *Steinway* case that the case is “to some extent *sui generis*”).

³⁶ See *Lois Sportswear, USA, Inc. v. Levi Strauss & Co.*, 799 F.2d 867 (2d Cir. 1986) (noting that the Polaroid factors should be applied with an eye towards possible pre-sale confusion); *Television Enter. Network, Inc. v. Entm’t Network, Inc.* 630 F. Supp. 244 (D.N.J. 1986); *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 678 F. Supp. 1336 (N.D. Ill. 1988); *Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc.*, 718 F.2d 1201 (1st Cir. 1983).

³⁷ Rothman, *supra*, note 28 (notes omitted).

³⁸ Grotian, 523 F.2d 1331, 1347 (1975).

³⁹ See *Playboy Enters., Inc. v. Netscape Comm. Corp.*, 354 F.3d 1020, 1026 (9th Cir. 2004) (outlining the Sleekcraft factors).

⁴⁰ *Id.*

III. Brick and Mortar Usage of Initial Interest Confusion

Until recently, this test for infringement was rarely invoked, but recent use of the doctrine shows the potency and potential for misuse of the doctrine even in brick and mortar cases. For example, in *Cartier, Inc. v. Four Star Jewelry Creations, Inc.*, the court finds cheap copies of expensive Cartier watches an infringement. This is based solely on initial consumer attraction to the watches.⁴¹ While the court found this to be an issue of trade dress, this is beyond the scope of the paper.⁴² Concerning confusion, as long as consumers are not confused as to the origin of the goods, no protection is afforded by law regardless of the goodwill involved.⁴³

The lack of protection is consistent with the factors coming out of *Steinway* because the placement of knockoff watches would obviate factor 2 as the cost and quality of the item is far different so as to cause confusion.⁴⁴ The court analyzes only the first two steps of the Steinway factors. The court notes (1) the consumer searches for Cartier watches and (2) locates knock-off watches believing them to be Cartier.⁴⁵

If the Steinway analysis were applied properly, as this is really a case of initial interest confusion, no confusion would be found. The first factor is questionable given that the consumer may not have been searching for Cartier or its registered trademark at all. A consumer is not likely to search for such an item on a street corner. As to the

⁴¹ *Cartier, Inc. v. Four Star Jewelry Creations, Inc.*, 348 F. Supp. 2d 217 (S.D.N.Y., 2004) (finding that knockoff watches were infringement was incorrectly found based upon the first two steps of the Steinway factors, believing the product to be the trademarked product and realizing it was not).

⁴² Jennifer E. Rothman, *Standing at a Crossroads*, 27 CARDOZO L. REV. 105, 135 (2005).

⁴³ *Id.*

⁴⁴ *Cartier*, 348 F. Supp. 2d 217, 221 (2004) (notes omitted).

⁴⁵ *Id.* at 219.

second factor, because the first factor is already questionable, it is doubtful that a consumer would believe expensive Cartier watches on street corners are authentic. Skipping to the fifth factor, the cost and quality of the goods is not similar and the vast difference in price between authentic and knock-off watches is high. Even if a consumer were to buy such a watch, it is unlikely this would have an effect upon sales of Cartier watches.

Initial interest confusion is hard to find in a .pure brick and mortar case. A correctly decided case, before the rise of the Internet as major commercial enterprise, was *Mobil Oil Corp. v. Pegasus Petroleum Corp.*⁴⁶ An oil trading company chose the name, "Pegasus". This name creates initial interest confusion with Mobil who uses a flying horse symbol. Pegasus's business was only in oil trading and did not have a flying horse symbol. The name is not used on its products.⁴⁷ When the factors are examined, initial interest confusion can be found.

Although not in name, the court correctly reviews the Steinway factors to find likelihood of initial interest confusion. A consumer, namely an oil trader, might (1) search for Mobil via Mobil's trademark and (2) instead locate Pegasus, believing this is related to Mobil and its flying horse symbol. An oil trader would have enough sophistication to (3) realize that the located company is not Mobil Oil, but (4) still might continue with the trade anyway, after examining the Pegasus Petroleum Corporation. Thus, this could lead to (5) lost revenue for Mobil Oil as money meant for Mobil was diverted to Pegasus. The similar cost and quality of the goods and product placement

⁴⁶ *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254 (2d Cir. 1987).

⁴⁷ *Id.*

makes steps 2 and 4 plausible. Thus, the court correctly finds initial interest confusion without actual confusion at the time of sale.

IV. Digital Usage of the Initial Interest Confusion Doctrine in Trademarks

The initial interest confusion doctrine is universal. The test works whether dealing with a brick and mortar or digital case. The doctrine applies only when a consumer is confused initially, unconfused by the time of a sale, and the consumer still makes an actual purchase of a competing product instead of the product the consumer first sought to find.⁴⁸ When choosing a product or service in a digital setting, a consumer may become just as confused as in a bricks and mortar setting. The facts may be different, but the same analysis applies. The digital cases to be discussed are *Playboy v. Netscape*,⁴⁹ *Geico v. Google*⁵⁰, and *1-800 Contacts v. When-U*.⁵¹

In the *Playboy* case, the court correctly notes flexibility may be required when applying the infringement factors to Internet cases. Some factors may not apply, but the test for initial interest confusion should remain the same.⁵² Concerning the facts of the case, all advertisers had to choose a category in which to place their ad. Before selecting the adult category on the Netscape website, Playboy's logo would be displayed, representing the category. Upon clicking to enter the category, ads for Playboy's

⁴⁸ See Section II, *supra*.

⁴⁹ *Playboy Enters., Inc. v. Netscape Communications Corp.*, 354 F.3d 1020 (9th Cir. 2004).

⁵⁰ *GEICO, Inc. v. Google, Inc.*, 330 F.Supp.2d 700 (2004).

⁵¹ *1-800 Contacts, Inc. v. WhenU.com*, 309 F. Supp. 2d 467, 471 (S.D.N.Y. 2003).

⁵² *Playboy Enters., Inc. v. Netscape Comm. Corp.*, 354 F.3d 1020, 1026 (9th Cir. 2004).

competitors would also be displayed.⁵³ The court suggested that had Netscape provided a disclaimer, no confusion would be found.⁵⁴

Thus, the court has applied the first two prongs of the initial interest confusion text, namely, that without the disclaimer, (1) the consumer entered the adult category based upon seeing the Playboy logo, but (2) located different content possibly believing there was a relationship between the other adult sites and Playboy. However, the court never completed the analysis to find actual confusion. Specifically, (3) would a consumer come to realize that he has located, for example, Hustler's website instead of Playboy's? (4) Would the consumer buy from Hustler anyway, and (5) would this purchase cause a loss of a sale to Playboy? The Playboy court did not answer these questions and so the analysis is incomplete.⁵⁵

The factors can be examined in full from the court's data and general knowledge about the World Wide Web. Referring once again to the Steinway factors⁵⁶ and the above analysis, the court could have arrived at the proper conclusion with regard to initial interest confusion. (1) Was the consumer searching for Playboy via the Playboy mark? In most cases, the answer is probably no because Netscape was using a categorical approach and the issue was use of the Playboy logo in the adult section.⁵⁷

⁵³ *Id.*

⁵⁴ Joseph V. Marra, *Playboy Enterprises, Inc. v. Netscape Communications Corp.: Making Confusion a Requirement for Online Initial Interest Confusion*, 20 BERKELEY TECH. L.J. 209 (2005).

⁵⁵ *Playboy Enters., Inc. v. Netscape Communications Corp.*, 354 F.3d 1020, 1033 (9th Cir. 2004) (where arguably, because the court was overturning a summary judgment they did not need to get so far as consumer purchases but they did note the existence of data showing users clicked on other websites).

⁵⁶ See section II, *supra*.

⁵⁷ Joseph V. Marra, *Playboy Enterprises, Inc. v. Netscape Communications Corp.: Making Confusion a Requirement for Online Initial Interest Confusion*, 20 BERKELEY TECH. L.J. 209, 218 (2005) (noting Justice Berzan's concurrence rejecting even initial interest confusion when distracting a potential customer with another choice, when it is clear that it is a choice..)

It is possible, given the popularity of the Playboy mark, a user might decide to enter the category in search of Playboy. Then, they might (2) locate another link on the list of websites believing it to be associated with Playboy due to Netscape's use of the Playboy logo.⁵⁸ However, as Rothman notes, the Playboy holding is akin to a "virtual newsstand" where Hustler cannot place their magazine next to Playboy, and Sudafedrine cannot place its product next to Sudafed.⁵⁹ Such brick and mortar cases of product placement are generally permissible and the consumer is not likely to be confused.⁶⁰ While this step of the analysis is the same regarding brick and mortar as well as digital cases, the determining factor is whether a consumer is more confused by similar product placement online.

Just as consumers are used to a competing products on the shelves of stores, consumers are also used to competing advertisements on websites. Our consumer-centric, competitive and free market system works in this manner.⁶¹ While some judges have stated that confusion in the digital world is based on consumer belief that there was "an affiliation between the unmarked ads and [Playboy],"⁶² it is difficult to see a tangible difference between the Internet and other sources of information. Suppose a person watches TV or reads a newspaper for the first time. Stating that the consumer believed an ad on a website was related to the ad above it, is like saying that during the first commercial break, right after the CBS logo is displayed, that a consumer will believe the McDonalds ad is related to CBS. Even if not initially, by the time of sale almost all

⁵⁸ *Id.*

⁵⁹ Rothman, *supra* note 9, at 134 (notes omitted).

⁶⁰ Bret I. Parker, Esq., counsel at Wyeth (public speech, March 2, 2006, Newark, NJ).

⁶¹ William M. Landes & Richard A. Posner, *ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY* 23 (2003), *see also* *FTC v. Brown Shoe Co.*, 384 U.S. 316 (1966); Adam Smith, *Wealth of Nations* ch. VIII. (1776); *RESTATEMENT OF TORTS* Â§ 708 (1938) (causing business losses is not an unfair trade practice).

⁶² Marra, *supra* note 41 at 219.

consumers would realize that this is not the case. Perhaps the judges in the Netscape case had experience with the Internet like the consumer who saw a TV program for the first time. Thus, it is hard to conceive that even the second factor of the analysis would warrant moving on to the rest of the test.

Even if the second factor is transgressed, the rest of the steps in the analysis of the initial interest confusion doctrine are lacking. The consumer would still have to (3) realize he was seeing a link on the Netscape site not related to Playboy sometime before a sale. Assuming the first two factors are correct, this is likely by the time of sale, if any, because the user will be on another website and unless this website is actually infringing upon Playboy's mark and purporting to sell Playboy products (which would be actual infringement).⁶³ Then, the consumer must (4) buy a competing product from the competing site and (5) cause a loss of sale to Playboy. Thus, the competing website would actually have to be selling products to cause a loss to Playboy. Netscape sold ad placement which would not directly affect sales to Playboy Enterprises, but might result in a loss of an online or other subscription to Playboy services, as advertised on the Playboy website.⁶⁴ Therefore, step 5 is plausible. Thus, it is possible, though difficult to justify initial interest confusion in the *Playboy* case.

⁶³ A complication would occur if the website generated revenue from ads. This topic would invoke numerous questions outside the scope of the paper because ads displayed are used in commerce but the average user is at best, mildly annoyed but tolerates advertising which exists in many forms. Further, trademarks themselves are only registerable if used in commerce. Also, the user may only realize he has clicked on the wrong website after doing so and ads will already have been displayed and possibly generated revenue. Assuming, hypothetically, Playboy had ads on its website, even this one mis-click could be seen as initial interest confusion leading to confusion at the time of "sale".

⁶⁴ PLAYBOY, <http://www.playboy.com>, (last visited by Professor Barnes on behalf of the author, April 6, 2006).

Finally, in the *GEICO* case, GEICO sued Google for selling ads to competitors when consumers searched for GEICO's mark.⁶⁵ For example, a consumer would go to the Google website and type, "GEICO" as a search term. Google then returns a list of websites based upon what Google calls, "Page Rank".⁶⁶ Depending on variables such as the size of the website, the number of links to the website, the quality of the websites linking to that website, the number of times the term appears on the website, the number of pages of the website, the number of related terms appearing on the website, and so forth, a page will be ranked. A higher ranking means higher placement on the search engine. In addition, Google sells ads which appear above and to the right of the returned results. However, Google did not actually use the mark but provided the means by which a third party could place their product next to the GEICO product, much as a building owner provides an outside wall for another to write.⁶⁷ According to the court, the ads would "falsely identify a business relationship" between Google and GEICO because a user would not be able to differentiate the ad from the content.⁶⁸

GEICO serves to show the absurdity of taking the initial interest confusion doctrine far past the intended usage. The case is widely cited as precedent in cases involving confusion on the Internet, unfortunately, making it an important case.⁶⁹ As aptly noted by Dogan and Lemley, "It is not clear why anyone would think there was any such relationship, and there certainly are not any prior cases supporting such a theory. But in any event, the court's idiosyncratic ruling on direct infringement puts it outside the

⁶⁵ *GEICO v. Google*, 330 F.Supp.2d 700, 702 (2004).

⁶⁶ U.S. Patent No 6,285,999 (filed January 9, 1998) to Lawrence Page.

⁶⁷ *Id.*

⁶⁸ *Id.* at 336.

⁶⁹ For example, a Westlaw "Keycite" returns 111 references and the case is barely a year and a half old (last checked April 2, 2006).

scope of the doctrines we consider here.”⁷⁰ In short, the GEICO case does not meet even first step of the initial interest confusion doctrine because someone searching for GEICO would locate GEICO. Additional advertising is present but marked as, “sponsored links”. Only excessive improper rulings or excessive regulation of the market would cause a consumer to believe a search for “GEICO” will return only “GEICO”⁷¹. Thus, the doctrine of initial interest confusion should be enforced properly so as to avoid such overregulation of the market.

V. Theories Behind the Initial Interest Doctrine

There are many theories explaining the need for trademarks and how they function. The initial interest confusion doctrine will be examined in light of three theories. Amongst the most prominent is the theory that another should not be allowed to free ride or trade off of the goodwill that a producer of goods or services has earned. Second, is the referential use theory which states that only the owner of the mark may use a mark to indicate the source of the goods, but anyone can use the mark to refer to those goods. Finally, the paper will examine the search costs theory and how trademarks function to lower the time and expense required for a consumer to locate the desired product.

a. Free Rider (Goodwill)

⁷⁰ Dogan and Lemley, *supra* note 1, at 844 (notes omitted).

⁷¹ GOOGLE SEARCH, <http://www.google.com/search?hl=en&q=geico> (last visited April 9, 2006).

The initial interest confusion doctrine prohibits unfair profiting off another's mark. Applying the test beyond this context will hurt consumers. The Third Restatement of Unfair Competition states that one of the benefits to the trademark owner is the ability to protect the goodwill created by the mark.⁷² However, a trademark holder's goodwill is not negatively affected simply because another refers to the mark.⁷³ For example, if I want to search for car insurance by typing in "GEICO", this does not change what I think of GEICO as a company. I am using the name to find competing sellers of insurance. The fact that I view GEICO as such a major force in the insurance industry and that I can search for their name to find all related products, if anything, makes me think more of the company.⁷⁴ If another company calls itself "GECKO" or "GUY-CO." and sells car insurance, then the typical confusion test will apply to show infringement and the goodwill of GEICO may be adversely affected.⁷⁵

The initial interest confusion test serves to allow competition, but not allow harming another's mark. Posner notes that competition is not a tort, but rather a fundamental principle of the American economic system.⁷⁶ "Freedom to imitate [and] to copy is a cornerstone of competition and operates to minimize monopoly profits".⁷⁷ Fair competition is one of the goals of trademark law.⁷⁸ The likelihood of confusion test, when applied correctly, protects consumers from confusion, therefore negating the need

⁷² RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 9 cmt. d (1995).

⁷³ Rothman, *supra* note 9 at 130 (notes omitted).

⁷⁴ *Id.*

⁷⁵ Lanham Act § 43(a), 15 U.S.C. § 1207.01 (1997 & Supp. 2005) (referring to confusingly similar marks).

⁷⁶ William M. Landes & Richard A. Posner, ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY 23 (2003), see also *FTC v. Brown Shoe Co.*, 384 U.S. 316 (1966); Adam Smith, *Wealth of Nations* ch. VIII. (1776); Restatement of Torts § 708 (1938) (causing business losses is not an unfair trade practice).

⁷⁷ *Id.*

⁷⁸ Rothman, *supra* note 9 at 127 (notes omitted).

to examine goodwill on the part of the infringing owner.⁷⁹ Only when the entire profits or work of another is destroyed does the goodwill analysis take hold.⁸⁰ Therefore, goodwill, a factor in the Sleekcraft⁸¹ test, should be ignored with respect to initial interest confusion.

The initial interest confusion test is the same for brick and mortar or Internet cases, but the steps may be viewed differently. As the Playboy court correctly noted, courts must be flexible with the Sleekcraft factors with regard to digital cases because the test was designed for brick and mortar cases.⁸² Even in the Steinway case, a brick and mortar case fought over for over fifty years until a proper result could be arrived at, goodwill was not a factor.⁸³ With respect to initial interest confusion in general, it should never be a factor because the entire work or profit is never destroyed by initial interest confusion alone.⁸⁴ Thus, the law should be same with respect to brick and mortar and digital cases. The problem is not that the law is incorrect, but rather, that the application has been incorrect in both brick and mortar and digital cases.

b. Referential Use

⁷⁹ Johnson & Johnson v. Quality Pure Manufacturing, Inc., 484 F. Supp. 975, 979 (D.N.J.1979).

⁸⁰ Inter.l News Serv. v. The Associ. Press, 248 U.S. 215, 221 (1918).

⁸¹ AMF v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979) (see note 6, *supra*).

⁸² Playboy, 354 F.3d 1020, 1026 (2004).

⁸³ Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons, 523 F.2d 1331, 1337 (2d Cir. 1975) (ignoring the goodwill factor by ultimately choosing not apply it when both Steinway and Steinweg were founded by the same man who changed his name upon entering the United States and no finding of bad faith was found).

⁸⁴ See Zacchini V. Scripps-Howard Broadcasting Co., 433 U.S. 562 (1977) (showing an example of an entire work being destroyed when an actor's entire performance of being shot out of a cannon was shown on television, thus destroying the much of the economic value of his performance).

A referential use of a trademark takes place when a third party uses the mark in reference to the actual goods represented by the mark, i.e. in a manner not displacing the origin of their own goods and services.⁸⁵ Referential use is not prohibited by the Lanham Act and as such, there cannot be initial interest confusion based upon referential use.⁸⁶ For example, in *Mattel, Inc. v. MCA Records, Inc.*, the defendant created the song, “Barbie Girl”, potentially infringing on Mattel’s trademark.⁸⁷ The band employed the term, not to represent their work as a Barbie doll, but to refer to Mattel’s dolls without possibility of sponsorship confusion.⁸⁸ Another place referential use is readily seen in supermarkets, pharmacies, and the like when generic versions of products are placed side-by-side with the brand name so that a consumer can easily refer to the brand-name product, but locate the generic.⁸⁹ Simply put, referential use without confusion is not protected by trademark laws, including the initial interest confusion doctrine.⁹⁰

In digital cases, referential use appears in a few different ways, all of which show why initial interest confusion should be used sparingly. For example, metatags, “the process by which words and phrases are embedded in the html code of a website, invisible to users but read by search engines,” was one of the first examples.⁹¹ However, the use of metatags is already obsolete. Metatag use in search engines is disappearing

⁸⁵ Jonathan Moskin, *Frankenlaw: The Supreme Court's Fair And Balanced Look At Fair Use*, 95 TMR 848, 873 (2005).

⁸⁶ Lanham Act § 43(a), 15 U.S.C. § 1125(a) (1997 & Supp. 2005).

⁸⁷ 296 F.3d 894 (9th Cir. 2002); *See also* *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992) (coming to the same conclusion when a newspaper conducted a poll which referred to the New Kids on the Block trademark).

⁸⁸ *Id.* at 900.

⁸⁹ Rothman, *supra* note 9 at 134 (notes omitted).

⁹⁰ *National Federation of the Blind, Inc. v. Loompanics Enterprises, Inc.*, 936 F.Supp. 1231, 1240 (D.Md. 1996).

⁹¹ *Brookfield Comm. v. West Coast Enter. Corp.*, 174 F.3d 1036, 1061 (9th Cir. 1999).

because of prevalent misuse by competing websites.⁹² Search engines today focus the entire content of the webpage and give negative discretion to those trying to alter content to receive better results in searches.⁹³ The market is taking care of this problem without intervention via trademark law. Assuming all of the steps from the Steinway test would take place, initial interest confusion in this respect has already been taken care of by the market without the need for intervention. The market will continue to take care of such issues as competition demands that search engines vie to provide the most accurate search results.

When the use of a mark is highly referential in nature, confusion is at a low because confusion requires consumer misunderstanding as to the source of the goods.⁹⁴ Thus, the amount of “referentialness” is inversely proportional to the amount of confusion. Therefore, the initial interest confusion doctrine, when correctly applied as in Steinway, fits with the referential use doctrine because it requires confusion as to the source of the product in the first step of the analysis.⁹⁵ In the context of an Internet search for example, if a consumer searches for “GEICO” and an advertiser other than GEICO refers to GEICO in its own ads,⁹⁶ there is an argument whether there is

⁹² See section III, *supra* (noting Google’s downplay of metatags, examination of the website as a whole, and the quality of linking websites).

⁹³ See GOOGLE INFORMATION FOR WEBMASTERS, <http://www.google.com/webmasters/guidelines.html> (last visited April 2, 2006) (providing “Quality Guidelines” which positively and negatively effect webpage ranking on the search engine) .

⁹⁴ Rothman, *supra* note 9 at 127 (notes omitted).

⁹⁵ See Section II, *supra* (outlining the test in Steinway).

⁹⁶ From personal experience in January 2006, as a result of the outcome of the GEICO case this is not in fact possible as the author once tried to place an ad for a client with the words “CVS” for “Computer Vision Syndrome” but was denied as this could be interpreted as a reference to the trademarked drugstore.

confusion.⁹⁷ If it is proper referential use, it should be allowed. If it is not, the competitor should be prevented from placing such an ad.⁹⁸

Under a Steinway analysis, the consumer searches for GEICO, locates All-State (for example), but would have to believe All-State had a relationship to or was GEICO. This is unlikely,⁹⁹ but if found, the rest of the factors will fall into place if the consumer eventually realizes he has located the wrong company but buys insurance from the wrong company anyway. If so, then this is not referential use and is initial interest confusion, harmonizing the two doctrines where one cannot be found without the other.

The question of improper referential use and initial interest confusion comes closest to happening in the *1-800 Contacts* case.¹⁰⁰ In this case, When-U installed software on personal computers which provided pop-up ads in the same category as the site the user was looking for.¹⁰¹ The court got it completely wrong in believing that the software was willingly installed, thus finding no confusion because the user seemingly knew what was popping up on his computer and why this was so.¹⁰² Rather, it was placed there through less than honest means such as bundled with software that may or may not have explained the product correctly in the privacy statement, as a result of clicking on mislabeled ads on websites, and the like.¹⁰³ Thus, the facts of the case should be examined, not from a perspective of, for example, the *New Kids on the Block* case where

⁹⁷ AMF v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979) (see note 6, *supra*) (applying the confusion factors would seem to indicate confusion).

⁹⁸ New Kids on the Block v. News Am. Publ'g, Inc., 971 F.2d 302, 308 (9th Cir. 1992).

⁹⁹ Unless the located company had a name very similar to GEICO, but this would be actual confusion (*see* Lanham Act § 1207.01 (1997 & Supp. 2005) (referring to confusingly similar marks)).

¹⁰⁰ 1-800 Contacts, Inc. v. WhenU.com, 309 F. Supp. 2d 467 (S.D.N.Y. 2003).

¹⁰¹ *Id.* at 471

¹⁰² *Id.*

¹⁰³ The court appears to have misunderstood the facts of the case, but personal experience in removal of When-U from numerous computers and the inclusion of When-U on commercial lists of spyware indicate the unwillingness of users to have the software on their computer.

the trademarked name was used as a reference as part of a poll in a newspaper¹⁰⁴, but from a perspective of a competitor unscrupulously putting his own placards with competing products indiscriminately upon competitor's billboards.

The analysis to focus on when deciding the *1-800 Contacts* case is whether it be initial interest confusion based upon confusion as to the source of the goods as when a competitor places their own label on top of the trademark on a billboard advertising related goods in an indiscriminate manner. When the *1-800 Contacts* case is viewed in this light, the means of using domain names, IP addresses, and the like, which the court analyzes correctly, become irrelevant because the test is consumer-centric.¹⁰⁵ Thus, the test should be based on the consumer's experience because the consumer is ultimately the one who must be confused.

Applying the Steinway factors to the billboard hypothetical, this would be at least initial interest confusion. The consumer's attention would be attracted to the billboard and he would (1) intend to locate the product represented by the billboard only to (2) locate the competitor's similar mark, believing it was the true advertiser of the services advertised on the billboard. Assuming he would (3) realize that he has been fooled by the competitor's label placed over the actual mark, then this would meet step 3. If however, he never realizes his mistake, this would be actual confusion and the analysis can stop here. Supposing he does realize his mistake, depending on the goods, he may (4) buy the product sold by the competitor and (5) cause a loss of a sale to the rightful advertiser. Therefore, placing a competing ad over another's mark would be initial interest confusion or perhaps actual confusion.

¹⁰⁴ *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 308 (9th Cir. 1992).

¹⁰⁵ *Zacchini V. Scripps-Howard Broadcasting Co.*, 433 U.S. 562 (1977).

Using the Steinway factors, the test looks very similar in the *When-U* case as it did in the billboard hypothetical. *When-U*'s actions constitute initial interest confusion. The consumer, in the present case was (1) looking for 1-800 Contacts products. The consumer locates (2) a competitor who placed its pop-up on top of the site the consumer was looking for. More so than the billboard hypothetical, the consumer is likely to (3) realize that the pop-up is not in fact related to the underlying website because it is a separate window (or, again, this would be actual confusion). If the consumer is (4) likely to buy the product from the *When-U* pop-up, which is evidenced by the fact that *When-U* is providing such pop-ups and thus believes there must be commercial value in doing so, and if this (5) causes a loss of sale to 1-800 Contacts, then this is initial interest confusion. Thus, *When-U* is a case where there is more than referential use because there is confusion as to the source and so becomes initial interest confusion.

c. Search Costs

The search cost theory of trademarks supports the correctly applied initial interest confusion doctrine. Landes and Posner define search costs as a way to ensure that when a consumer purchases a product, he will be assured to get the same product and the same quality of product every time.¹⁰⁶ They further state that the consumer will be able to avoid defective products which will lessen the time it takes to locate the correct product.¹⁰⁷ Even if all of the steps of the Steinway analysis are transgressed, the

¹⁰⁶ Landes & Posner, *supra*, note 34.

¹⁰⁷ *Id.*

consumer will not think less of the mark or product he was originally seeking because he has knowingly bought a competing product. This is because under the Steinway analysis for initial interest confusion, the consumer would have to realize that the product he is buying is not the product he was originally seeking.¹⁰⁸

However, it appears that the initial interest confusion doctrine is contradictory to the search cost theory since the confusion at the outset increases search costs. Thus, it takes a consumer additional time to locate the original product he was seeking.¹⁰⁹ The good for the consumer greatly outweighs this momentary increase in search costs. The time it takes to search continues to decrease as time goes by and technological advances happen. Further, the minimal extra time it takes a consumer to search is more than offset by the fact that competition is a greater good for consumers.¹¹⁰

Ultimately, the ability to compete helps businesses as well since they are able to market their products more effectively to the consumer.¹¹¹ Thus, since confusion is only at the outset¹¹² and redirected sales are not as a result of the confusion, the increase in search costs is negligible compared to the benefit received by allowing a competitor to peak the interest of a consumer. Consumers, and ultimately businesses with the increased ability to compete, benefit. Increased competition and redirecting of initial interest should not be prohibited because this benefits and is the basis of our economic system. If

¹⁰⁸ See Section II, *supra*.

¹⁰⁹ Dogan & Lemley, *supra* note 1, at 797 (notes omitted) (referencing *Am. Home Prods. Corp. v. Barr Labs., Inc.*, 656 F. Supp. 1058, 1068 (D.N.J. 1987) (construing New Jersey and federal trademark statutes to render unlicensed imitation "irrelevant unless confusion also is shown"); see also *Conopco, Inc. v. May Dep't Stores Co.*, 46 F.3d 1556, 1565 (Fed. Cir. 1994) (finding no infringement when private label retailer "packages its product in a manner to make it clear to the consumer that the product is similar to the national brand, and is intended for the same purposes")).

¹¹⁰ *Id.*

¹¹¹ Rothman, *supra*, note 23 at 1020.

¹¹² *Id.* at 129 (explaining, "One of the greatest dangers of initial interest confusion is that it is often used to deny consumers access to information about the goods and services offered by competing sellers").

confusion occurs, then this should be prohibited because this is harmful to consumers and the economy.

VI. The Court's Should be Urged to Return to the Steinway Analysis

Unfortunately, while the initial interest confusion doctrine, as originally intended, was clear and made sense, the Steinway court did not spell out the steps required. Court's have often entirely overlooked many of the steps and really found "initial interest", but not confusion.¹¹³ Since the ability to compete is a cornerstone of a free market system, this ability must be protected and not hindered.¹¹⁴ As judges have more often than not gotten this wrong, especially in cases of online commerce, where the subset of the population who are judges are more likely to be confused than those who actual conduct commerce in the digital world, another solution must be found.

Since judges are, as the case law discussed in this paper shows, not applying the doctrine correctly, a non-judicial solution must be found. Solutions involve doing nothing, increasing awareness of the correct mode for which the initial interest confusion doctrine should be utilized, or remove the doctrine from judicial use completely.

Removing the initial interest doctrine by statute could be a safe course of action. The occurrence of actual initial interest confusion, as outlined in *Steinway*, is rare. The

¹¹³ See *SMC Promotions v. SMC Promotions*, 2005 WL 292492 (C.D. Cal. Feb. 7, 2005); *Cartier, Inc. v. Four Star Jewelry Creations, Inc.*, 348 F. Supp. 2d 217 (S.D.N.Y. Dec. 10, 2004).

¹¹⁴ Landes & Posner, *Economic Structure of Intellectual Property* 23 (2003), see also *FTC v. Brown Shoe Co.*, 384 U.S. 316 (1966); Adam Smith, *WEALTH OF NATIONS* ch. VIII. (1776).

potential for misuse is far greater than its use.¹¹⁵ However, the absence of the doctrine would mean only actual confusion would prohibit a defendant from improperly using a mark. This is a more difficult test and opens the door for misuse by businesses sensing a relaxation in trademark law. Thus, the type of confusion the doctrine is designed to protect, which is rare currently, would become more prevalent.

Another solution is to do nothing and let the courts and the market sort things out. The market is correcting such problems without the need for trademark protection.¹¹⁶ An incorrect application of the initial interest confusion doctrine would have a detrimental effect on commerce. Search engines that return the most accurate results are the most sought after by consumers and the market is fluid enough that mass exoduses from one search engine to another take place in a relatively short amount of time.¹¹⁷ Therefore, there is simply no need for government protection or interference. If consumers are confused by the search results, they will find a better search engine.

However, if the government were to step in and ensure a search for a trademark returns only that trademark, this provides at least two problems. First, consumers may come to expect search results for popular trademarks to be so accurate that any mistake by a search engine where a competing site is returned would cause initial interest

¹¹⁵ *Lamparello v. Falwell*, No. 04-2011 (4th Cir. Aug. 24, 2005) (stating that the Fourth Circuit will not apply the initial interest confusion doctrine and spending much time in dicta to completely discredit the doctrine).

¹¹⁶ See Brett Frischmann, *An Economic Theory of Infrastructure and Commons Management*, 89 *Minnesota Law Rev.* 917 (2005) (for a discussion of market failures with rivalrous goods).

¹¹⁷ For example, see U.S. Patent No 6,526,440 (filed January 30, 2001) to Bharat (disclosing the returning of results based on local inter-connectivity” where results are returned based on the number of links between the results themselves which in a search for Playboy, for example, would place Playboy.com high on the list due to the number of other sites linking to it and as noted by the demise of Webcrawler, Altavista, Northern Lights, Excite, Lycos, and other once mammoth search engines as well as the Yahoo categorical searches due to the superiority of the Google approach.)

confusion similar to requiring a newsstand to only sell magazines from one publisher.¹¹⁸ Second, trademarks are registered by class whereas web searches are conducted across all classes.¹¹⁹ Thus, limiting searches would interfere with commerce by overextending marks beyond their registrations and unfairly disadvantaging competition. Interference in this respect would have a negative effect upon commerce. Rather, the initial interest confusion test should be applied correctly.

The initial interest confusion doctrine may be correctly decided in court over time as consumers, and ultimately judges, gain greater understanding of commerce on the Internet.¹²⁰ However, this may come at cost such as with the negative effects on commerce in cases like *GEICO v. Google*.¹²¹ Such costs might include the increased time and effort for which Google and other search engines have needed to spend changing and maintaining their software to protect marks in ways which should not need to be protected. The uncertainty of litigation and disparity of outcomes amongst the courts also makes businesses more cautious and competition less fierce. While search engine technology continues to advance to the point where metatags, keywords, and categorical lists are a thing of the past, the resources spent on protecting the unprotectable are ultimately a loss to consumers who would otherwise benefit from an even greater and faster advances to technology.

¹¹⁸ See section II, *supra* (outlining the test from the Steinway case).

¹¹⁹ Lanham Act § 43(a), 15 U.S.C. § 1401.03(a) (1997 & Supp. 2005); Rothman, *Standing at a Crossroads*, 27 CARDOZO L. REV. 105, 135 (2005) (quoting Webster's Ninth New Collegiate Dictionary 902 (1987) (defining "playboy" as "a man who lives a life devoted chiefly to the pursuit of pleasure" and "playgirl" as "a woman who lives a life devoted chiefly to the pursuit of pleasure"))).

¹²⁰ See *Lamparello v. Falwell*, No. 04-2011 (4th Cir. Aug. 24, 2005) (finding no confusion in fallwell.com, a site criticizing Jerry Falwell's views and rectifying a similar, but oppositely and wrongly decided case, *Jews for Jesus v. Brodsky*, 993 F.Supp. 282 (DNJ 1998)).

¹²¹ *GEICO v. Google*, 330 F.Supp.2d 700 (2004).

Therefore, it is proposed that plaintiff's lawyers be educated in the likelihood of confusion test as well as the Steinway factors for initial interest confusion so that the Lanham Act can be correctly applied.¹²² Just as, for example, the Trademark Manual provides lists of factors to be considered in determining the nature of a mark,¹²³ a similar analysis should always take place with reference to the likelihood of confusion test. This will provide a clear and uniform test to be used by all courts. While the factors are mostly the same from court to court with some choosing the "Poloroid test"¹²⁴, others, "the Sleekcraft factors"¹²⁵, and still others choose other tests, uniformity is lacking.

Getting the proper Steinway test to the courts will result in greater uniformity of the law and trademark owners will have a better understanding of what to expect. In this non-invasive way, that is, without making substantial change to the court created doctrines already in existence, but by having them applied correctly, commerce will be improved. Improvement of commerce is the end goal of trademarks.

V. Conclusion

Infringement in trademarks, in the simplest sense, prohibits a business or individual from confusion by preventing consumers from believing that the goods or services being sold are that of the rightful trademark owner. In *Steinway v. Steinweg*, the court extended the concept to initial interest confusion, where a consumer is confused

¹²² Lanham Act § 43(a), 15 U.S.C. § 1401.03(a) (1997 & Supp. 2005).

¹²³ See Trademark Manual of Examining Procedure (the "TMEP"), Second Edition, Revision 1.1 (August 1997) § 1209.01(b) (outlining the factors and previous litigation where descriptiveness was and was not found so as to provide guidelines for trademark examiners and the general public).

¹²⁴ *Polaroid v. Polarad* 287 F.2d 492, 496 (2d Cir. 1961).

¹²⁵ *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 349 (9th Cir. 1979).

about his purchase only at the outset of his search for the product. The consumer then realizes the mistake of his initial belief, but continues to buy the competing product, nevertheless. While the test itself makes sense, the doctrine has been little used in brick and mortar cases, but is recently being overused and improperly extended beyond the original holding in digital cases. The doctrine must be reexamined in light of the original holding in the *Steinway* case and the Lanham Act should be amended to reflect the correct holding so as to help, rather than impede, commerce.