

### Upcoming Events

#### May 12

*Protecting Your Trademarks:  
An Essential Part of the  
Marketing Plan*

Presented by Roger Bora of  
Thompson Hine's Intellectual  
Property group in conjunction  
with the Dayton chapter of  
the American Marketing  
Association

11:30 a.m. – 1:00 p.m.  
Old Courthouse  
125 E. 1st Street  
Dayton

To register, please click [here](#).

## Competitor's Use of Trademark to Drive Sponsored Advertisements May Be Actionable in All Jurisdictions Despite Circuit Split on the Issue

The placement of sponsored advertisements on Internet search engine web sites has seen exponential growth since its inception in 2004. Many companies have grown accustomed to placing sponsored ads on search engine web sites in an effort to gain better visibility for their products and services. To place ads on these sites, however, advertisers must first link their sponsored ads with keyword search terms, words that might be used in a search such as "automobile parts," "life insurance" or "first-aid kits." Once a keyword search term is selected and purchased from a search engine provider like Google or Yahoo, sponsored ads linked to that keyword will appear next to the results of a search for that term. Users of search engines that display sponsored ads may decide to click on the ads and visit the advertisers' web sites to review their products or services.

Generally, there are no issues when a company uses descriptive or generic keywords such as "concrete polish," "body lotion" or "college loans." However, an advertiser that decides to use a competitor's trademark as a keyword search term to trigger sponsored ads on Internet search engines exposes itself to the potential for liability for trademark infringement and must understand the risks associated with this advertising practice.

Notwithstanding the number of cases filed since 2004 alleging trademark infringement for the use of proprietary trademarks as keyword search terms and as meta-tags (which create a similar legal issue), whether such practices constitute actionable trademark infringement remains unsettled in the United States. See, for example, the recent Second Circuit decision in *Rescuecom v. Google*, decided April 3, 2009. Moreover, even in those jurisdictions where trademark use has been held to exist, the difficulties in proving confusion suggest that there is no real remedy for use by a competitor of your trademark as a meta-tag or sponsored link keyword, regardless of the jurisdiction in which the action is filed.

Accordingly, some have argued that such use of a competitor's trademark can be done with impunity. However, litigation has been very much focused on technical trademark infringement. Causes of action brought under unfair competition law have not been reported and are likely to be found outside the scope of the existing circuit split, which could thus become largely irrelevant. Most importantly, cases brought on an unfair competition theory do not face the burden of proving likelihood of confusion.

Given the potential risks involved, companies using competitors' trademarks to trigger sponsored ads or as meta-tags in a web site should review their current practice and determine whether those



risks outweigh the rewards. To minimize your company's risks of trademark infringement claims, and to see whether your competitors are infringing your trademarks, consider the following:

- Use descriptive or generic keyword search terms rather than your competitors' trademarks;
- Conduct searches on the United States Patent and Trademark Office database to see whether your selected keyword search terms are registered trademarks;
- If you decide to use a competitor's trademark as a keyword search term, do not use that mark within the sponsored advertisement itself; and
- Conduct searches for your own trademark(s) on the Google search engine to see if your competitors' advertisements appear as sponsored links. If they do, your competitor is likely using your trademark(s) to gain better visibility on the Internet.

To learn more about the legal implications of using competitors' trademarks as keyword search terms, click [here](#) to read an article by Tony Handal, a partner in Thompson Hine's Intellectual Property group.

#### **FOR MORE INFORMATION**

If you would like more information, please contact:

|             |              |  |
|-------------|--------------|--|
| Tony Handal | 212.908.3912 | <a href="mailto:Tony.Handal@ThompsonHine.com">Tony.Handal@ThompsonHine.com</a> |
| Roger Bora  | 937.443.6817 | <a href="mailto:Roger.Bora@ThompsonHine.com">Roger.Bora@ThompsonHine.com</a>   |

If you do not wish to receive future communications by email, please reply to this email with "unsubscribe" in the subject line.

This advisory bulletin may be reproduced, in whole or in part, with the prior permission of Thompson Hine LLP and acknowledgement of its source and copyright. This publication is intended to inform clients about legal matters of current interest. It is not intended as legal advice. Readers should not act upon the information contained in it without professional counsel.

This document may be considered attorney advertising in some jurisdictions. Some of the design images and photographs in this document may be of actors depicting fictional scenes.

© 2009 THOMPSON HINE LLP. ALL RIGHTS RESERVED.