INTRODUCTION

For several years now, the question of “trademark use” has taken center stage in the debate over trademark liability of online intermediaries. Scholars, courts, trademark holders, and advocacy organizations have all entered the fray, wrangling over whether a trademark use doctrine does, or should, play a gate-keeping role in online trademark disputes. Doctrinally, the debate addresses whether the Lanham Act places any limit on the types of “use” of trademarks that can...
subject one to a claim of infringement. The real conflict, however, has occurred at the normative level: whatever the Lanham Act says or does not say about trademark use, should trademark law limit the definition of infringement to situations in which the defendant has used the mark to brand its own products?

In the courts, the debate has played itself out primarily in a series of cases involving search engines. Most search engines sell keyword-based advertisements, in which advertisers place ads in response to particular keywords in search queries. Sometimes, these keywords are protected trademarks. A string of trademark holders, chafing at the use of their marks to call attention to some third party’s product, have filed infringement suits. Some of the suits target the advertiser, claiming that the keyword-based ads sow confusion over the source of the advertiser’s products or services. Others, however, argue that the search engine itself infringes by making these advertisements possible. These lawsuits raise the question of whether a party can commit direct trademark infringement by helping a third party market its product in potentially confusing ways, rather than using the mark as a brand for its own products or services.

The Second Circuit appears to have settled the issue, at least temporarily, in its recent opinion in Rescuecom Corp. v. Google, Inc. The Rescuecom court held that the Lanham Act contains virtually no limitation on the type of “use” of a mark that can qualify as direct trademark infringement. The case involved keyword advertising, but the court did not limit itself to the online context. Instead, in a highly textual interpretation, the court concluded that the “use” requirement for infringement depends only on whether a defendant directly employs a mark. The employment need not be visible to consumers, nor need it involve consumers in any direct way. Indeed, the “use” can be directed at a party that does not itself experience any confusion about the source or sponsorship of anyone’s products or services. In the Second Circuit, at least, the trademark use requirement for infringement is all but dead.

4. See Dogan & Lemley, Trademark Search Costs, supra note 1, at 802.
6. 562 F.3d 123.
7. Id. at 132.
8. See id. at 129 (because Google is “ recommending and selling” trademarks as keywords to advertisers, and because it “displays, offers, and sells Rescuecom’s mark to Google’s advertising customers when selling its advertising services. . . . Google’s utilization of Rescuecom’s mark fits literally within the terms specified by 15 U.S.C. § 1127.”) (emphasis added). The advertising customers, of course, suffer no confusion about the source or sponsorship of their own products and services.
9. The Rescuecom panel made some wan attempts to distinguish, rather than overrule, another panel opinion in 1-800-Contacts that had found a trademark use requirement in the
Although cloaked in terms of statutory interpretation, the Rescuecom opinion was clearly driven by normative concerns. In particular, the Rescuecom panel thought that adopting a trademark use requirement would immunize search engines from liability, even if they deliberately sowed confusion among consumers. Judge Leval, who authored the opinion, has good company in this belief. Virtually all of the scholars who oppose a trademark use doctrine have voiced the same fear—that a trademark use requirement would give search engines (or, let’s be honest, Google) carte blanche to adopt advertising practices that purposefully deceive consumers.

This assumption, however, is mistaken. As Mark Lemley and I have explained, a trademark use requirement would not provide complete immunity from trademark liability for search engines or anyone else. A use requirement would treat search engines differently than run-of-the-mill infringers based on their status as intermediaries, rather than sellers who brand their products under a protected mark. Confusing branding uses, under a trademark use approach, would constitute direct infringement. Intermediaries like Google could face liability for

Lanham Act. Id. at 128–30. But the court made no bones about its rejection of the trademark use doctrine as a threshold requirement in infringement suits. See id. at 129 (concluding that Google’s “use” of trademarks in the course of selling its own advertising could constitute “use” of those marks “in commerce” for purposes of the Lanham Act).

10. See id. at 130 (“If we were to adopt Google and its amici’s argument, the operators of search engines would be free to use trademarks in ways designed to deceive and cause consumer confusion.”).

11. See, e.g., Lastowka, supra note 1, at 1330 (“Google’s bid for the carte blanche freedom permitted by the trademark use doctrine should be rejected by courts.”); id. at 1396 (suggesting that trademark use requirement would involve “[r]efusing all claims based on a search engine’s sale of placement under terms”); id. at 1396–97 (“If Google were accorded absolutely free reign to index the results it offers in response to user queries, it is not hard to imagine ways that it could abuse its power to the detriment of both trademark owners and the public.”) (emphasis added); Dinwoodie & Janis, supra note 1, at 1600 (contending that if courts adopted a trademark use requirement, “[a] defendant engaged in non-trademark use would ipso facto be immune from liability”); James Grimmelmann, The Structure of Search Engine Law, 93 IOWA L. REV. 1, 62 (“[A] rule that [deliberately deceptive] tactics are categorically immune from trademark scrutiny because search engine spamming is not trademark use seems perverse.”). Mark McKenna, while unpersuaded that current trademark law embodies a trademark use requirement, nonetheless shares my belief that the courts should distinguish between direct and indirect liability, though he would use a different doctrinal vehicle to achieve that distinction. See Mark P. McKenna, The Normative Foundations of Trademark Law, 82 NOTRE DAME L. REV. 1839, 1892–93 (2007) (“[W]hatever laudable effect it might have, the trademark use requirement need not be a feature of a system intended to promote information transmission. Non-source designating uses also have the potential to interfere with information clarity.”); McKenna, Trademark Use, supra note 1, at 819–21 (contending that direct infringement claims against a search engine require confusion over the source of the search engine’s services—something unlikely in the keyword context).

12. See, e.g., Dogan & Lemley, Grounding Trademark Law, supra note 1, at 1686–88, 1701 (noting availability of contributory infringement claims against search engines); Dogan & Lemley, Trademark Search Costs, supra note 1, at 812.
facilitating such infringement, but as contributory rather than direct infringers.

The distinction between direct and contributory infringement is neither semantic nor immunity in disguise. Unlike direct infringement, contributory infringement analysis requires consideration of the full context of an intermediary’s “use” of a protected mark—including the likelihood that the intermediary’s behavior will enable another to infringe, the intermediary’s knowledge of such infringement, its efforts to reduce them, and the extent to which the intermediary’s practices also enable non-infringing, information-facilitating behavior. These factors—which are critical in assessing whether behavior promotes or impedes trademark law’s goals—bear little relationship to the “likelihood of confusion” standard of existing trademark law. It simply makes no sense to apply direct infringement standards to intermediaries such as search engines. A trademark use requirement would allow the development of a distinct set of legal standards for search engines and other parties whose fault—if any—lies in helping others to infringe. In its absence, one of two things will happen: courts will either find intermediaries strictly liable for any infringement by their users, or they will muddy the waters of infringement analysis by importing factors that have little to do with its traditional focus. Either of these outcomes will pollute the integrity of trademark doctrine and disserve the ultimate goals of trademark law.

This essay makes two points. First, it reiterates why a trademark use doctrine offers the best hope for a rational and coherent framework for evaluating the trademark liability of intermediaries. Despite its sometimes caricature-like characterization, the trademark use requirement would cause virtually none of the bad things that its detractors claim. Indeed—and perhaps ironically—it would promote the very goal that it has been charged with obstructing: to import context into trademark liability analysis.

Having fought the good fight for several years, however, I have to concede that the courts are not exactly flocking to the trademark use shores. Indeed, Rescuecom is only the latest in a series of decisions that


14. Dinwoodie and Janis, the most prominent detractors of trademark use, celebrate the centrality of context in trademark analysis. See Dinwoodie & Janis, supra note 1, at 1605–06 (“[O]ur functional analysis of trademark law elevates contextual analysis over an unwise commitment to the purported determinacy of abstract concepts such as trademark use.”); id. at 1621 (celebrating “contextual balancing approach” of infringement suits); id. at 1628 (contending that “[t]rademark use theory, by immunizing uses without regard to context, is unable to regulate potentially confusing uses”).
accept the notion that direct infringement requires a defendant to brand its own products under a mark. The second part of this essay therefore grapples with the increasingly likely reality of a world without a requirement of trademark use. If courts are unwilling to use contributory infringement doctrine as a platform to develop a law of intermediary liability, I contend that they must adapt direct infringement doctrine to accommodate the unique concerns raised by this new kind of defendant. I close with some tentative suggestions for how they might do so.

I. CORRECTING THE RECORD ON TRADEMARK USE

From the beginning, the debate over trademark use has featured a highly influential straw man: the specter of full immunity for search engines. According to its opponents, the trademark use doctrine would protect search engines from liability, even if they knowingly promoted confusion among consumers. The confusion, opponents fear, might come in one of two forms. In the first type, search engines’ failure to distinguish clearly between search results and ads could lead consumers to assume that paid advertisements represent neutral responses to their queries. In the second type, consumers who appreciate the difference between search results and ads might nonetheless assume, wrongly, that a particular ad is sponsored by the trademark holder. Both of these situations involve confusion of a sort, which a search engine could, in theory, deliberately promote. When faced with the choice between full immunity and potential liability, then, courts have unsurprisingly opted for the latter.

That choice, however, is a false one. A trademark use requirement would not fully immunize search engines from liability. But it would force courts to assess their liability under legal theories that match up with their behavior, rather than distorting the direct infringement standard to fit it.

If search engines are truly duping consumers about the difference between search results and ads, then that should indeed concern the courts; but that concern has little to do with trademark law. Indeed,
trademark law is badly under-inclusive in addressing the harms from such behavior. As the Federal Trade Commission has recognized, deceptively blending advertisements and search results would likely violate the consumer protection provision of the FTC Act, and would probably violate similar state statutes as well. The false advertising provisions of the Lanham Act may also provide some relief against search engines that mislead the public as to the integrity of their search results.

example, suggests that the law need not concern itself with search engines that misrepresent the integrity of their search results, because market forces will discipline them. See, e.g., Eric Goldman, Search Engine Bias and the Demise of Search Engine Utopianism, 8 YALE J. L. & TECH. 188, 197–98 (2006); Goldman, supra note 1, at 591. But see, e.g., Oren Bracha & Frank Pasquale, Federal Search Commission? Access, Fairness, and Accountability in the Law of Search, 93 CORNELL L. REV. 1149, 1206–09 (2008) (arguing in favor of some regulation of search engines’ relevancy determinations).

20. Indeed, the consumer advocacy organization Public Citizen filed an amicus brief in the Rescom case, emphasizing the consumer interest in a clear distinction between ads and search results, but arguing that consumer interests weighed against using trademark law to achieve this goal. See Brief for Public Citizen as Amicus Curiae Supporting Affirmance, supra note 3.


23. The Lanham Act provides a cause of action against:

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, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which . . . is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, . . . shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. 1125(a). In some jurisdictions, parties other than the defendant’s direct competitors may make claims, as long as they can establish that they will likely suffer harm from the misrepresentations. See Ortho Pharm. Corp. v. Cosprophar, Inc., 32 F.3d 690, 694 (2d Cir. 1994) (holding that “in order to establish standing to sue . . . a plaintiff must demonstrate a ‘reasonable interest to be protected’ against the advertiser’s false or misleading claims”); Conte Bros. Auto., Inc. v. Quaker State-Slick 50, Inc., 165 F.3d 221, 233–35 (3d Cir. 1998) (holding that non-competition is relevant, but not dispositive, and a flexible test should be implemented
But the nature of the wrong—implicitly false representations made by a search engine about the nature of its information product—simply does not map to the multi-factor “likelihood of confusion” analysis of trademark infringement law.24

The second concern—that keyword-based advertising enables the placement of particular ads, for particular products, that confuse consumers about a product’s source—does sound in trademark law. While it may make sense to hold search engines responsible for that confusion in some circumstances, the question is how to define those circumstances. At the heart of the trademark use debate lies a choice between two different doctrinal vehicles—direct infringement and contributory infringement—for evaluating a search engine’s conduct in particular cases, and measuring that behavior against trademark law’s normative goals. The contributory liability standard is better equipped for that task.

_Doctrinal fit._ Historically and doctrinally, the distinction between direct and contributory infringement exists for the very purpose of treating sellers engaged in “passing off” differently than parties whose fault lies in helping to perpetrate the sellers’ deception.25 It’s not that the

to determine standing).

24. Trademark law’s likelihood of confusion analysis involves a contextual inquiry into the nature of the plaintiff’s and defendant’s trademarks, products, and marketing and sales devices. In the Second Circuit, for example, in deciding whether a defendant’s “use” is likely to cause confusion, the fact-finder must consider “the strength of [the plaintiff’s] mark, the degree of similarity between the two marks, the proximity of the products, the likelihood that the prior owner will bridge the gap, actual confusion, and the reciprocal of defendant’s good faith in adopting its own mark, the quality of the defendant’s product, and the sophistication of the buyers.” Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961); see also Falcon Rice Mill, Inc. v. Cmty. Rice Mill, Inc., 725 F.2d 336, 346 (5th Cir. 1984) (stating that the likelihood-of-confusion test considers the two parties’ “products, outlets, purchasers, and marketing methods”). This test has no meaning in the abstract; without reference to a particular party offering particular products under the mark, it gives courts no tools for deciding whether a defendant’s use of a mark is likely to cause confusion over the source or sponsorship of unnamed products or services. To hold that a search engine’s sale of keyword-based advertising, alone, creates a likelihood of confusion without inquiry into the nature of the resulting ads or products would run roughshod over the contextual likelihood of confusion standard. See Dogan & Lemley, _Trademark Search Costs, supra_ note 1, at 828 (“Only a factual analysis of the text of the ad, the nature of the site and the reasons for using the mark, and the costs of finding what the consumer was actually looking for can support a finding of consumer confusion.”).

25. Of course, trademark law no longer limits itself to cases of true “passing off,” in which a seller attempts to pass off its goods as originating from the trademark holder. The law now protects against other forms of confusion, including confusion over sponsorship or affiliation between the trademark holder and the defendant’s products or services. See Mark A. Lemley & Mark P. McKenna, _Irrelevant Confusion_ (Stanford Pub. Law, Working Paper No. 1407793, 2009), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1407793 (noting and critiquing some of the excesses of this trend). But the expansion of direct infringement doctrine has not, at least until recently, extended to parties who have not themselves used marks in connection with their own products or services. See Dogan & Lemley, _Grounding
second group deserves impunity; to the contrary, courts have long imposed liability against those who knowingly help others to confuse consumers about the source or sponsorship of their goods. But the legal standards for direct and contributory infringement reflect the different position of these two types of defendants. The direct infringement standard simply doesn’t fit the behavior of secondary infringers—parties who are not themselves selling products or services under a mark. But the contributory infringement standard does, and provides a perfectly adequate means of redress against culpable behavior.

The “likelihood of confusion” standard for direct infringement presumes that the defendant is selling products under the protected mark. The likelihood-of-confusion factors—which include a comparison of the two parties’ marks, products, marketing channels, customers, and sales practices—involves a fact-intensive inquiry into consumer perceptions about the relationship between a defendant’s product and a plaintiff’s mark. As tempting as plaintiffs find it to generalize about the risks of confusion from keyword advertising generally, proof of trademark infringement requires a more exacting analysis, focused on the risk of confusion from particular ads about particular products. For example, consider two different advertisements generated by the keyword TIFFANY®. One of the ads heralds, “TIFFANY JEWELRY HERE!” and leads to a website offering counterfeit jewelry products. The other advertisement announces, “WE’RE NOT TIFFANY, BUT WE HAVE GOOD JEWELRY CHEAP!” No one could seriously doubt that the first example constitutes infringement, and the second a perfectly legitimate non-confusing use of the mark. But who, in the first example, has infringed? Logic suggests that the advertiser—through the combination of its keyword purchase, its false statements, and the products offered at its site—has directly brought about confusion over the source of its products. The likelihood-of-confusion analysis, with its emphasis on seller-specific factors, confirms that instinct. There may well be a reason to hold the search engine legally responsible for that infringement, as discussed in more detail below.

Trademark Law, supra note 1, at 1670 (pointing out that, “before the recent spate of Internet-related cases, no court had ever recognized a trademark claim of the sort that trademark holders are now asserting. Trademark infringement suits have always involved allegations of infringement by parties who use marks in connection with the promotion of their own goods and services.”).


27. For a more detailed discussion, see Dogan & Lemley, Grounding Trademark Law, supra note 1, at 1678–79.

28. If, for example, the vast majority of keyword-based advertisements confuse consumers, courts might decide that search engines have an obligation to take steps to alleviate
engine as a direct infringer, however, ignores the fact that the context of the advertiser’s behavior is what dictates the difference between legitimate and illegitimate uses of the mark.

The centrality of seller-specific context becomes especially critical in cases involving unauthorized but legally protected uses of trademarks. Trademark defenses often turn entirely on the context in which a consumer confronts a defendant’s use of a protected mark. Descriptive fair use, for example, asks whether a defendant has used a term “descriptively, not as a mark, fairly, and in good faith,” and often requires a visual examination of the mark as presented to the consumer. Nominative fair use considers whether a defendant has used a mark accurately to refer to the plaintiff’s product, and its relationship to what the defendant has to offer. Parties that service or re-sell the trademark holder’s product may use protected marks, as long as they don’t deceive the public about any official affiliation or relationship with the trademark holder. So may competitors engaged in comparative advertising. All of that confusion.

29. See, e.g., KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc., 543 U.S. 111, 124 & n.6 (2004) (suggesting that on remand, the court may decide that certain of defendant’s uses of plaintiff’s mark were descriptive and fair, while others—particularly stylized versions—were infringing).

30. See, e.g., New Kids on the Block v. New Am. Pub’g, Inc., 971 F.2d 302, 308 (9th Cir. 1992) (“[W]here the defendant uses a trademark to describe the plaintiff’s product, rather than its own, we hold that a commercial user is entitled to a nominative fair use defense provided he meets the following three requirements: First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.”); Century 21 Real Estate Corp. v. Lendingtree, Inc., 425 F.3d 211, 222 (3d Cir. 2005) (adopting two-step approach for nominative fair use).

31. Compare Volkswagenwerk Aktiengesellschaft v. Church, 411 F.2d 350, 352 (9th Cir. 1969) (upholding decision that Volkswagen repair shop did not infringe by using VW marks, in light of the “prominent use of the word ‘Independent’ whenever the terms ‘Volkswagen’ or ‘VW’ appeared in his advertising,” along with the size, style, and appearance of the marks in the ads, and the fact that defendant avoided stylized versions of the protected marks), with Volkswagenwerk Aktiengesellschaft v. Wheeler, 814 F.2d 812, 818 (1st Cir. 1987) (allowing infringement verdict to stand when defendants “did not clearly distinguish the products and services of [the trademark holder] from their own”). See also Champion Spark Plug Co. v. Sanders, 331 U.S. 125, 130 (1947) (seller of refurbished product may use the original manufacturer’s mark to describe its product, “so long as the article is clearly and distinctively sold as repaired or reconditioned rather than as new”); Nitro Leisure Prods. v. Acushnet Co., 341 F.3d 1356, 1360–65 (Fed. Cir. 2003). Google recently liberalized its keyword advertising policy to allow resellers to use trademarks in the text of ads. See Posting of Dan Friedman to Inside Adwords, Update to U.S. Ad Text Trademark Policy, http://adwords.blogspot.com/2009/05/update-to-us-ad-text-trademark-policy.html (May 14, 2009, 15:38); Google.com, What is Google’s U.S. Trademark Policy?, https://adwords.google.com/support/bin/answer.py?answer=145626.

32. See, e.g., Calvin Klein Cosmetics Corp. v. Lenox Labs., Inc., 815 F.2d 500, 503 (1987) (“An imitator may use in a truthful way an originator’s trademark when advertising that the imitator’s product is a copy so long as that use is not likely to create confusion in the
these defenses involve a painstaking examination of the facts surrounding
the seller's product, advertisement, presentation of the mark, and general
sales practices.33

In short, neither infringement nor its defenses can meaningfully be
evaluated in the abstract. In the keyword advertising context, evaluating
the likelihood of confusion caused by a particular keyword-generated ad
requires a contextual inquiry into a number of facts that have little to do
with the search engine’s sale of the trademark to the advertiser, and
everything to do with the advertiser’s product, statements, and other
behavior.34 Maintaining the law’s focus on these factors—by treating
the advertiser as the direct infringer—would result in more accurate,
contextual, and reality-driven outcomes in these keyword suits.

Indeed, at least some of the nascent case law involving claims

consumer’s mind as to the source of the product being sold.”).

plaintiff sued a competitor who engaged in keyword-based advertising. The court denied the
defendant’s motion to dismiss, explaining that the “surrounding context” of the keyword-based
ads supported the trademark claims, at least against a motion to dismiss. Id. at 288. The court
indicated, however, that:

[T]he likelihood of confusion will ultimately turn on what the consumer saw on the
screen and reasonably believed, given the context. This content and context
includes: (1) the overall mechanics of web browsing and internet navigation, in
which a consumer can easily reverse course; (2) the mechanics of the specific
consumer search at issue; (3) the content of the search results webpage that was
displayed, including the content of the sponsored link itself; (4) downstream content
on the Defendant’s linked website likely to compound any confusion; (5) the web-
savvy and sophistication of the Plaintiff’s potential customers; (6) the specific
context of a consumer who has deliberately searched for trademarked diamonds only
to find a sponsored link to a diamond retailer; and, in light of the foregoing, (7) the
duration of any resulting confusion.

Id. at 289. Several of these factors involve information specific to particular advertisers, rather
than general attributes of keyword-based search. See Boston Duck Tours, LP v. Super Duck
Tours, LLC, 527 F. Supp. 2d 205, 208 (D. Mass. 2007) (“In light of the fact that the
content of the advertisement at issue serves to distinguish the defendant from the plaintiff, this
Court finds that consumer confusion is likely diminished rather than increased.”). Cf. Case C-
236/08, Google Fr. v. Louis Vuitton Malletier, 2009 WL 2997620, ¶ 46 (Sept. 22, 2009)
(noting that claims against Google based on its keyword policy “do not concern the use of
trademarks on the advertisers’ sites, or the products sold on those sites . . . . Those are all
independent uses, and the legality of each must be assessed on its own terms.”).

34. It also requires resolution of some tricky legal questions, including the viability and
scope of the dubious initial interest doctrine. See generally Jennifer Rothman, Initial Interest
Confusion: Standing at the Crossroads of Trademark Law, 27 CARDOZO L. REV. 105 (2005);
Dogan & Lemley, Trademark Search Costs, supra note 1, at 819–28; cf. Hearts on Fire, 603 F.
Supp. 2d at 287 (“The Court concludes that initial interest confusion can support a claim
under the Lanham Act—but only where the plaintiff has plausibly alleged that consumers were
confused, and not simply diverted.”); id. at 287–88 (“In fact, in order for a plaintiff pleading
initial interest confusion to prevail, that confusion must be more than momentary and more
than a ‘mere possibility.’ As with any alleged trademark violation, plaintiffs must show a
genuine and ‘substantial’ likelihood of confusion. The alleged confusion must be truly costly to
the consumer.”) (citations omitted).
against keyword *advertisers* reflects precisely this contextual, ad-specific focus. In *Mary Kay, Inc. v. Weber*, for example, the court rejected the claim that the purchase of keyword-based advertisements, alone, could constitute infringement without examining the text of the resulting ads and the content of the defendant’s website. After examining the ad and the site, however, the court found a genuine issue of material fact as to whether confusion was likely. In *Designer Skin, LLC v. S & L Vitamins, Inc.*, the court found no infringement in the purchase of keyword-based ads by an unauthorized reseller of the trademark holder’s products, concluding that the reseller had a legal right to use the mark in connection with its online sales. And in *Hearts on Fire*, the court refused to dismiss a claim against a keyword advertiser because the context described in plaintiff’s allegations suggested that consumers could well assume an association between the defendant and the trademark holder, and that “on arrival [at defendant’s website] nothing there would immediately alert him to his mistake.”

As these cases demonstrate, the nature and doctrine of direct trademark infringement reflect a heavy emphasis on the circumstances, characteristics, and actions of the seller. Broad claims against search engines based on their sale of keyword advertisements do not fit comfortably into this framework. Courts cannot meaningfully evaluate whether a search engine’s “use” alone causes confusion, without additional information about the actions of an intervening party—the direct infringer. A trademark use requirement would preserve existing conceptions of direct infringement, and avoid the distortions required to fit parties like search engines into the direct infringement mold.

Containing the definition of direct infringement does not—or at least should not—leave trademark holders without recourse against search engines. The doctrine of contributory trademark infringement allows claims against parties that help others to perpetrate infringement. Properly developed, it should provide relief against the kind of unscrupulous search engine behavior that the *Rescuecom* court, and many commentators, seem to fear. I suspect that one reason courts have been reluctant to adopt a trademark use requirement is their lack of confidence in the under-developed contributory infringement doctrine to police search engine malfeasance. The answer, however, is to add heft to that

---

36. “A reasonable juror,” the court held, “could conclude that the Webers, through the language of their sponsored link advertisement, improperly suggested affiliation with Mary Kay.” *Id.* at 858.
37. 560 F. Supp. 2d 811, 817–20 (D. Ariz. 2008). *But see* Australian Gold, Inc. v. Hatfield, 436 F.3d 1228, 1239–40 (10th Cir. 2006) (finding initial interest confusion based on advertiser’s placement of ads keyed to name of product that it was reselling at its site).
38. 603 F. Supp. 2d at 288–89.
doctrine, rather than distorting the standard for direct infringement.

Although long a feature of trademark law, contributory trademark infringement until recently received little attention from the courts. The Supreme Court summarized the doctrine in the Inwood case in 1982:

[If a manufacturer or distributor intentionally induces another to infringe a trademark, or if it continues to supply its product to one whom it knows or has reason to know is engaging in trademark infringement, the manufacturer or distributor is contributorily responsible for any harm done as a result of the deceit.]^40

In the intervening years, the lower courts have developed a sparse, but increasingly coherent, approach to contributory infringement claims under both the “inducement” and the “continuing to provide” prongs of Inwood.

To satisfy the “inducement” requirement, a party must encourage the infringement and specifically intend it to occur. Post-Inwood courts have focused on the context of the relationship between the direct and contributory infringer, to “decide whether or not the [defendant] explicitly or implicitly encouraged the trademark violations.”^41 But inducement does not apply to a mere failure to take precautions to ward off infringement before it occurs. The Supreme Court rejected a “reasonable anticipation” standard for contributory infringement in Inwood,^42 and courts have consistently required both intent and “affirmative acts” before imposing liability for inducement.^43

Despite its demanding standard, this form of liability could well apply to the worst-case scenarios envisioned by courts and commentators. Suppose, for example, that a search engine’s business model specifically contemplated and intended that its advertisers

---

42. 456 U.S. at 854 n.13.
43. See Perfect 10, Inc. v. Visa Int’l Serv. Ass’n, 494 F.3d 788, 807 (9th Cir. 2007) (dismissing contributory trademark infringement claims when plaintiff’s “allegations . . . cite no affirmative acts by Defendants suggesting that third parties infringe [plaintiff’s] mark, much less induce them to do so”); Hard Rock Cafe Licensing Corp. v. Concession Servs., Inc., 955 F.2d 1143, 1149 (7th Cir. 1992) (contributory infringement requires more than a “failure to take precautions against counterfeiting”); Mini Maid, 967 F.2d at 1522 (“In making these determinations of intent and knowledge, a district court should consider the nature and extent of the communication between [the defendant and the direct infringer] regarding the infringing acts; specifically, the court should decide whether or not the [defendant] explicitly or implicitly encouraged the trademark violations.”); Optimum Techs., Inc. v. Henkel Consumer Adhesives, Inc., 496 F.3d 1231, 1243–44 (11th Cir. 2007) (noting absence of evidence of intentional inducement, and countervailing evidence that the defendant had taken steps to prevent infringement from occurring).
systematically deceive consumers about the source of their products and services. In such circumstances, a court could conclude that the search engine’s deliberate behavior rose to the level of inducement. In such a case, the underlying facts relevant to inducement liability—unlike the direct infringement factors—speak directly to the culpability of the search engine in fostering confusion among consumers, rather than attributing to it any and all wrongdoing by its advertisers based on a vicarious imputation of seller-specific facts relevant to the likelihood-of-confusion test.

While inducement focuses on purposeful behavior by a defendant, the second form of Inwood liability applies to parties who continue to support another’s infringement after learning of its existence. The Supreme Court addressed one variation of this behavior—a party’s “continu[ing] to supply its product to one whom it knows or has reason to know is engaging in trademark infringement.” Subsequent courts have extended the Court’s reasoning to other circumstances in which a defendant knowingly contributed to another’s infringement. Thus, in Hard Rock, the court held that a party who continues to provide services to sellers with knowledge of their infringement can satisfy the Inwood

44. See Rescuecom Corp. v. Google Inc., 562 F.3d 123, 130 (2d Cir. 2009) (expressing concern about leaving search engines “free to use trademarks in ways designed to deceive and cause consumer confusion”). As Eric Goldman has pointed out, such a business model would probably not serve the search engine well over the long run, because customers and advertisers would look to more accurate and better-matched alternatives. See Goldman, supra note 1, at 536–37.

45. In Mini Maid, for example, the court instructed the district court to consider the underlying facts to decide whether the defendant intended to participate in the primary party’s infringement:

In making these determinations of intent and knowledge, a district court should consider the nature and extent of communications between a franchisor and its franchisees regarding the infringing acts; specifically, the court should decide whether or not the franchisor explicitly or implicitly encouraged the trademark violations. In addition, the court may wish to consider the extent and nature of the violations being committed. If the infringement is serious and widespread, it is more likely that the franchisor knows about and condones the acts of its franchisees.

46. Inwood, 456 U.S. at 854. Inwood itself involved a defendant drug manufacturer who sold look-alike generic drugs through pharmacists, some of whom committed infringement by passing the drug off as the branded version. Id. at 848–49. The Supreme Court held that the manufacturer could commit infringement if it continued to supply the drugs to pharmacists after learning of their infringement, but found that the Court of Appeals had improperly reversed the district court’s factual finding that the manufacturer lacked knowledge in that case. Id. at 855–59.
standard. This reasoning could well apply to search engines if they “continued to provide” their advertising services to advertisers with the knowledge that the services were being used to infringe others’ marks. But the knowledge must be specific and substantial; mere generalized knowledge of the potentially infringing use of a service cannot justify a contributory infringement claim.

In *Tiffany v. eBay*, for example, the court considered whether eBay had contributorily infringed by allowing its customers to sell fake Tiffany products on its site. The court held that eBay could, indeed, be a contributory infringer if it had continued to provide its auction service to sellers after learning that particular sellers were selling counterfeit goods. Its mere generalized knowledge of infringement using its service, however, was not enough to charge it with infringement, given the substantial quantity of legitimate Tiffany goods sold on eBay. And because it had expeditiously responded to specific complaints when it received them, eBay had not continued to provide its service to parties with knowledge of their infringement, and therefore faced no liability.

A similar analysis could well apply in the search engine context. If trademark holders gave search engines actual notice of infringing ads and the ads were deceptive on their face, the search engine’s failure to take action could constitute infringement under the second prong of *Inwood*.

47. 955 F.2d at 1149; accord Fonovisa, Inc. v. Cherry Auction, Inc., 76 F.3d 259, 265 (9th Cir. 1996) (swap meet operator who had actual knowledge of counterfeit sales on its premises could face contributory trademark liability; “a swap meet can not [sic] disregard its vendors’ blatant trademark infringements with impunity”).

48. See also McCARTHY, supra note 26, § 25:19 (“A defendant who supplies another with instruments by which another commits a tort is liable if he had knowledge that the other would commit a tort with the instrument.”).


50. See Tiffany, 576 F. Supp. 2d at 510 (“Were Tiffany to prevail on its argument that generalized statements of infringement were sufficient to impute knowledge to eBay of any and all infringing acts, Tiffany’s rights in its mark would dramatically expand, potentially stifling legitimate sales of Tiffany goods on eBay.”).

51. Id. at 515–18.

52. The *Tiffany* court appropriately adopted a high threshold for knowledge, insisting on specific and reliable notice of actual infringement. See id. at 510. As in the copyright context, search engines should be protected if they have a reasonable belief that the offending ads were protected as descriptive fair use, nominative fair use, or some other defense, or because they are unlikely to lead to confusion. Cf. Religious Tech. Ctr. v. Netcom On-Line Commc’n Servs., Inc., 907 F. Supp. 1361, 1374 (N.D. Cal. 1995) (“Where a BBS operator cannot reasonably verify a claim of infringement, either because of a possible fair use defense, the lack of
But absent such actual knowledge, the fact that a search engine allowed an advertiser to place a keyword-generated ad should not leave it strictly liable for any infringement that might follow.\footnote{53}

\textit{Protecting non-infringing uses.} Beyond its analytical coherence, a contributory infringement approach offers another important advantage over direct infringement: it gives breathing space for socially beneficial, non-infringing uses of trademarks. Just as the risk of chill helped to push courts toward a secondary liability approach in copyright suits against online intermediaries,\footnote{54} so too should courts consider the risk of over-deterrence in deciding whether to hold search engines strictly liable for infringement enabled by their services.

Contributory infringement doctrine recognizes that perfectly legitimate third-party behavior can sometimes create opportunities for unscrupulous parties to infringe. When infringement ensues, courts have three choices: full immunity, strict liability, or something in between. Full immunity has drawbacks, both because it could insulate deliberate wrongdoing and because it might deprive the trademark holder of a least-cost-avoider means of avoiding future infringement.\footnote{55} At the other extreme, strict liability would over-deter, and give trademark holders effective control over non-infringing uses of the neutral service.\footnote{56} In the

\footnotesize{copyright notices on the copies, or the copyright holder’s failure to provide the necessary documentation to show that there is a likely infringement, the operator’s lack of knowledge will be found reasonable and there will be no liability for contributory infringement for allowing the continued distribution of the works on its system.”). Because trademark holders have more limited rights than copyright holders (who need not establish likelihood of confusion), the law should protect defendants even more aggressively in the trademark context. \textit{See Tiffany}, 576 F. Supp. 2d at 510 & n.37.\footnote{53. Cf. \textit{Tiffany}, 576 F. Supp. 2d at 511 (“[G]eneral knowledge [of some counterfeit sales], however, does not require eBay to take action to discontinue supplying its service to all those who might be engaged in counterfeiting.”). Unlike direct infringement, contributory infringement analysis allows for consideration of a host of factors that should be relevant in assessing intermediary liability. Cf. Ronald J. Mann & Seth R. Belzley, \textit{The Promise of Internet Intermediary Liability}, 47 WM. & MARY L. REV. 239, 266 (2005) (advocating a least-cost-avoider approach to intermediary liability generally, under which, “because the analysis premises the imposition of responsibility on a determination that the intermediary is the least-cost avoider of the misconduct in question, a proper determination requires not only that the gatekeepers be able to detect offenses, but also that they be able to detect and prevent them economically”); see also Michael Grynberg, \textit{Trademark Litigation as Consumer Conflict}, 83 N.Y.U. L. REV. 60, 77 (2008) (contending that trademark law too often focuses narrowly on potential confusion among a subset of consumers, while overlooking the countervailing consumer interests in allowing defendants to use marks for comparative and other purposes).\footnote{54. See, e.g., \textit{Religious Tech. Ctr.}, 907 F. Supp. at 1372–74.\footnote{55. See, e.g., Mann & Belzley, supra note 53, at 249–50.\footnote{56. In \textit{Sony Corp. of Am. v. Universal City Studios, Inc.}, 464 U.S. 417, 440–41 (1984), the Supreme Court used this rationale to reject a broad approach to contributory infringement in the copyright context:}} When a charge of contributory infringement is predicated entirely on the sale of an article of commerce that is used by the purchaser to infringe a patent, the public interest in access to that article of commerce is necessarily implicated. A finding of
search engine context, these non-infringing uses are significant, and serve the very competition-oriented function that lies at the heart of United States trademark law.\textsuperscript{57} Comparative advertisers, critics, sellers of compatible products, and many others all have an interest in using trademarks to identify consumers who have an interest in the trademark holder’s product, and to present them with information and choices that can make them better informed.\textsuperscript{58} Chilling keyword advertising would reduce the availability of this data and would leave consumers worse off.

Contributory infringement offers an attractive middle ground. By requiring specific knowledge or intent, contributory infringement avoids the worst excesses of strict liability and reduces the risk that intermediaries will disable ads that promote, rather than frustrate, trademark law’s information-related goals. At the same time, the existence of the doctrine gives intermediaries an incentive to respond to legitimate and persuasive notices of infringement. “Knowledge,” of course, is highly contextual, and courts will have to decide what level of knowledge suffices for contributory infringement purposes.

In trademark, as in copyright, courts should give breathing room, and find no knowledge when the intermediary had a good faith belief that the advertiser’s use was legal.\textsuperscript{59} Indeed, the case for breathing space

\begin{footnotesize}
\begin{itemize}
\item contributory infringement does not, of course, remove the article from the market altogether; it does, however, give the patentee effective control over the sale of that item. Indeed, a finding of contributory infringement is normally the functional equivalent of holding that the disputed article is within the monopoly granted to the patentee.
\item See Dogan & Lemley, Trademark Search Costs, supra note 1, at 827–28 (discussing non-infringing uses of keyword-based advertisements).
\item See Stacey L. Dogan, Trademarks and Consumer Information, NOUVELLES APPROCHES EN PROPRIÉTÉ INTELLECTUELLE DANS UN MONDE TRANS SYSTÉMIQUE [INTELLECTUAL PROPERTY AT THE EDGE: NEW APPROACHES TO IP IN A TRANSSYSTEMIC WORLD] 321, 331 (2007) (“Just as trademark-conveyed information about product characteristics makes a market more efficient by reducing the search costs of consumers, then, so could trademark-revealed information about consumer preferences promote efficiency by reducing sellers’ costs of reaching people who might have an interest in their products.”). Many scholars and advocacy organizations have described these benefits of keyword-based advertising, and the benefits to consumers from having access to information about competing products, complementary products, and non-commercial commentary regarding the trademark holder. See, e.g., id.; Dogan & Lemley, Grounding Trademark Law, supra note 1, at 1697; Dogan & Lemley, Trademark Search Costs, supra note 1, at 809–10, 821–22; Goldman, supra note 1, passim; Brief of Amicus Curiae Electronic Frontier Foundation, supra note 3; Brief for Public Citizen as Amicus Curiae Supporting Affirmance, supra note 3.
\item See supra note 52. The Digital Millennium Copyright Act has arguably eliminated this breathing space, at least for intermediaries who seek the benefits of its safe harbor provisions. See 17 U.S.C. § 512; see also Mark A. Lemley, Rationalizing Internet Safe Harbors, 6 J. ON TELECOMM. & HIGH TECH. L. 101, 113–15 (2007) (“Notice and takedown therefore rewards overzealous copyright owners who use the DMCA mechanism to rid the Web even of legitimate content, secure in the expectation that ISPs will take everything down rather than risk their eligibility for the safe harbor.”). Mark Lemley has argued that the Lanham Act contains a safe harbor provision that strikes the right balance between trademark holders and
\end{itemize}
\end{footnotesize}
is even stronger in trademark law than in copyright. Unlike copyright, which proscribes the mere act of copying, trademark claims require a showing that a use is likely to cause confusion as to source of sponsorship, and the scope of trademark defenses is quite broad to ensure that trademarks promote, rather than impede, the flow of information in markets. Nonetheless, the risk of contributory liability would encourage intermediaries to respond to cases of obvious infringement. At the very least, then, a robust contributory infringement doctrine would give trademark holders some means of recourse against plainly deceptive keyword-based ads, without having to pursue every individual advertiser.

Skeptics may respond that contributory rather than direct infringement approach offers too much protection to search engines, and puts the onus on trademark holders to identify and give notice of violations of their rights. The alternative, however, would not only tax search engines, but would inevitably chill legitimate, pro-consumer, pro-informational uses of keyword advertising.

*   *   *   *

In sum, the distinction between direct and contributory infringement is an enduring and appropriate one as a matter of doctrine and policy. By differentiating between those who infringe trademarks and those who facilitate infringement, the trademark use requirement would preserve that distinction, and keep trademark law true to its goal of promoting a fair and robust competitive process.

II. THE ALTERNATIVE: EVALUATING INTERMEDIARY LIABILITY UNDER A DIRECT INFRINGEMENT PARADIGM

Despite the advantages of a trademark use requirement, recent trends suggest that judges are not buying it. As a result, courts must now turn to the question of how, doctrinally, to assess the liability of search engines for infringement under the Lanham Act. Notwithstanding my strong preference for a trademark-use-based approach, I remain hopeful that even without that tool, courts can forge a path that recognizes the

intermediaries, by limiting plaintiffs to injunctive relief in cases in which the defendant is an "innocent infringer." See id. at 105–07. The provision applies only to parties who qualify as publishers of third-party content, however, and courts have rarely invoked it. Courts may well provide more robust protection to intermediaries by building breathing space directly into trademark infringement doctrine.

unique role of search engines and other online intermediaries. Both the statute and the case law offer insights into how they might do so.

From a statutory perspective, even if the Lanham Act does not limit trademark claims to those who “use” marks as brands for their own products, the statute leaves no doubt that it reaches only “uses” that themselves are likely to lead to confusion.61 If it’s the defendant’s use that subjects it to a trademark claim, in other words, it’s that same use that must be examined for its confusing effects. Even in a world without a trademark use doctrine, the plaintiff must prove that the defendant’s behavior has caused a likelihood of confusion—and not that it has played a mere but-for role in enabling someone else’s infringing acts. In the search engine context, this means that plaintiffs must prove that trademark-triggered advertising by its very nature confuses consumers as to the source or sponsorship of resulting product ads. If these advertisements do not cause confusion across the board, then search engines have not infringed, even if an errant advertiser has placed a confusing ad. Search engines may well face liability for such ads, but as contributory rather than direct infringers.

The case law suggests that courts may well be up to the task of differentiating between direct and contributory infringement, even in the absence of a trademark use filter. Most recently, in Rescuecom itself, the Second Circuit identified the relevant inquiry as whether Google’s general practice of generating keyword-based ads was inherently confusing to consumers, rather than whether it enabled placement of some confusing ads:

What Rescuecom alleges is that by the manner of Google’s display of sponsored links of competing brands in response to a search for Rescuecom’s brand name (which fails adequately to identify the sponsored link as an advertisement, rather than a relevant search result), Google creates a likelihood of consumer confusion as to

---

61. In relevant part, the Lanham Act reads:
Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any [mark] which . . . is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person . . . shall be liable

. . . .

15 U.S.C. § 1125(a) (2006). It defines infringement of registered marks as:
use in commerce [of] any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . .

Id. § 1114 (emphasis added). The structure of both of these provisions make clear that the defendant’s use must actually cause the likelihood of confusion in order to constitute infringement.
The court’s emphasis on the risk of confusion from Google’s own practices suggests that to prove its allegations, Rescuecom must establish that the act of selling keyword-based ads to advertisers results in a general likelihood of confusion among consumers. If, instead, confusion results from ambiguous or deceptive language in the text of a particular ad or its relationship to a misleading website, the advertiser would be the infringer, with Google’s liability assessed under contributory infringement standards.

The district court decision in *Tiffany v. eBay* further supports the notion that courts can, and should, distinguish between acts committed directly by intermediaries and infringement that their business practices may enable. In its trademark infringement claims, Tiffany complained about two different ways in which eBay allegedly contributed to confusion over the source of counterfeit Tiffany products available on its site. First, it contended that eBay had directly infringed by using the Tiffany mark in advertising its auction site to consumers and purchasing search engine advertisements keyed to the Tiffany mark. Second, Tiffany complained that eBay had allowed sellers to continue to use its site, despite its knowledge that many of them were selling counterfeit Tiffany products. The first claim, which focused on eBay’s own use of the mark, sounded in direct infringement, while the second was treated under contributory infringement standards.

In addressing the direct infringement claim, the district court considered whether eBay had infringed through its own statements or practices using the Tiffany mark. eBay’s advertisements, including those generated through Tiffany as a keyword, visibly presented the Tiffany mark to consumers. Because eBay’s auction site included much legitimate, but used, Tiffany jewelry, the court held that eBay had a right to use the Tiffany name to inform the public about products available on

---

64. *Id.* at 495 (“Tiffany argues that eBay has used Tiffany’s marks by advertising the availability of Tiffany items on the website in several ways—in the eBay home page, through communications with sellers and buyers, and through lists of top search terms and popular brand names.”).
65. *Id.* at 501–18.
66. *Id.* at 495–96, 500–01.
its site. Applying the nominative fair use doctrine, the court concluded that (1) eBay could not adequately identify Tiffany products without the Tiffany mark; (2) eBay used only so much of the mark as necessary to identify those products; and (3) eBay did nothing else to suggest sponsorship or endorsement of its site, or the used products, by Tiffany. The court, in other words, considered the context of eBay’s own use of the mark, and concluded that eBay had a legitimate, non-infringing interest in access to the mark, and had used the mark for that purpose. The fact that third parties had co-opted eBay’s business model for their own fraudulent purposes did not affect eBay’s liability as a direct infringer, but factored into the contributory infringement claims discussed above.

The court’s analysis in Tiffany v. eBay offers guidance for evaluating trademark claims against search engines. Doctrinally, the case confirms that direct infringement inquiries should focus on whether the defendant’s own behavior caused confusion, rather than whether it enabled deceptive acts by others. In the keyword context, this means that plaintiffs must establish that the sale of keywords, in itself, causes confusion among consumers as to the source of products or services, without regard to the content of particular ads. And in evaluating such claims, courts should consider any applicable defenses, including nominative fair use. If the sale of trademark-based keywords has legitimate, non-infringing applications and the search engine has done no more than necessary to enable those applications, then the nominative fair use doctrine should protect it.

To the extent that plaintiffs claim that particular ads generated by the AdWords program are infringing, however, courts should evaluate such claims under contributory infringement doctrine. In these cases, the search engine’s own use may have contributed to the infringement, but the proximate cause of any alleged confusion was the advertiser’s own behavior.

CONCLUSION

The recent trend away from a trademark use requirement is a cause for concern if it means an abandonment of the direct/contributory infringement distinction. Contrary to the fears of many courts and scholars, a trademark use requirement would not mean complete

68. Tiffany, 576 F. Supp. 2d at 497.
69. The dastardly search engine posited by the Second Circuit and trademark use skeptics could well face liability under this standard, if it deliberately sowed confusion among consumers.
immunity for Google or other search engines, should they decide to commit evils against their customers. But it would treat them under different legal standards, as befits their role as contributors to someone else's infringement. Courts have had good reason to cling to the distinction between direct and contributory infringement over the last century. It has maintained the focus of infringement analysis on the likelihood of confusion caused by advertisers and sellers, while allowing trademark holders to reach others who knowingly enabled their deception. Just as importantly, the direct/contributory distinction preserves breathing space for third parties whose behavior makes infringement possible, but also facilitates legitimate, information-facilitating uses of marks.

The trademark use requirement offers the most coherent way to preserve the direct/contributory distinction. Yet even in its absence, the Lanham Act offers tools for treating different parties differently, depending on whether they directly caused confusion or merely enabled someone else to do so. Courts should use these tools to ensure that trademark law serves its goal of informing consumers, rather than depriving them of useful information.