

Trademark tussle heats up over Web marketing

By
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GARDEN CITY – A trademark turf war has erupted over whether marketers can use trademarked

company names to drive business to their own Web sites.

Firms are duking it out in court over whether search engines violate firms' rights by selling trademarks as "key words," text used by search engines to give surfers immediate and easy access to Web sites.

In a separate battle, part of a major marketing melee, firms are fighting over whether pop-up ads also violate trademarks when they're triggered by trademarked firms' names.

"The global perspective is whether using a trademark to draw people to your market constitutes illegal use," said Keith Weltsch, trademark attorney at Garden City-based Scully, Scott, Murphy & Presser. "Google and Yahoo! say this is competition. It's a new form of competition."

Companies such as Government Employees Insurance Co., or GEICO, which have gone to court to block competitors from tapping their trademarked name, contend that surfers who type in a trademarked name are being directed unfairly to their competitors.

The U.S. District Court for the Eastern District of Virginia in



LIZARD SLAYER: GEICO lost its fight to block Google from selling "key words" related to its trademark, giving competitors a way to tap the power of the insurer's trademark.

December ruled that Google and fellow search engine operator Overture Services Inc. weren't violating the GEICO trademark simply by selling rights to listings based on its name.

But the courts also said that, if ads in particular cases cause brand confusion, that could constitute a violation.

"It's OK to use the trademark of a third party to direct advertising traffic to your Web site," Weltsch said, adding the decision at least

preserved the right to sell trademarked "key words." "The decision was, Google is permitted to do this."

But he added that the ads themselves may not be legal, because it's possible that they might create the improper impression that they're endorsed by the trademark owner.

"If trademark owners are able to present evidence that search-engine users are confused by the use of the trademarks of other entities as keywords, the door has been opened to a ruling that this may constitute trademark infringement," Weltsch said.

While firms like GEICO contend they're simply seeking to stop firms from taking a free ride on their name, watchdog group Public Citizen says their efforts could put a chill on free speech.

Public Citizen filed an amicus brief on behalf of Google, stating that surfers have the right to find a wide range of information.

Restricting that would restrict free speech and essentially dam the free flow of information, the group states.

Companies are also challenging pop-up ads as an infringement on their rights, since these pesky ads are often triggered by trademarks.

1-800 Contacts challenged WhenU.com, a pop-up company, for violating its trademark by sending in pop-up ads for competitors.

But the Second Circuit Court of Appeals June 27 weighed in on WhenU's side, rather than with the trademark holder.

The right of the competitor to use a trademark to trigger ads "was not infringement," said Weltsch. "The theory behind it is that there's a directory that's created by WhenU. Simply putting 1-800-contacts in that directory of names does not constitute trademark use." ■

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