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## Promatek Industries, Ltd. v. Equitrac Corporation: Perpetuating the Metatag Fallacy

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**PROMATEK INDUSTRIES, LTD. V.  
EQUITRAC CORPORATION<sup>1</sup>:  
PERPETUATING THE METATAG  
FALLACY**

I. INTRODUCTION

We have seen the future, and it is computerized. Who among us can say that he or she could have possibly predicted the rise and importance of the Internet? That each morning people across the globe would log onto computers to communicate and research? While some may have known it was coming, few could have understood the complexities and intricacies that would be involved in the computer revolution. And just as none of us had the foresight, neither did the law. Trademark law was forged before the advent of the Internet. Now, as the Internet is becoming more and more important and more and more lucrative, trademark law is forced to adapt as cases concerning trademarks and the Internet are brought to the court's attention.

This comment will begin with an explanation of domain names and metatags. It will then explore the traditional purposes of trademark law. Next the comment will utilize case law to explain how the traditional trademark likelihood of confusion test has been applied in the context of the internet and the development of the initial interest confusion doctrine. It will explain a fair use exception to a likelihood of confusion in metatags. Then the comment will turn to the traditional nominative use doctrine and the application of that doctrine in the context of the internet. The comment will then discuss the use of trademarked generic words on the internet.

The comment will then explain the principle case, *Promatek Industries, Ltd. v. Equitrac Corporation*.<sup>2</sup>

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1. *Promatek Industries, Ltd. v. Equitrac Corporation*, 300 F.3d 808 (Ill. 2002).

2. *Id.*

The comment will critique the *Promatek* court's use of a likelihood of confusion test and the initial interest confusion doctrine. It will argue that the court should instead have used a nominative use analysis, and predict an outcome had that analysis been used. It will argue that even if a nominative use analysis were inappropriate, in light of case law, there was no likelihood of confusion or risk of initial interest confusion. Finally, it will argue that even if there were a likelihood of confusion, in light of case law, the court should have considered a possible fair use.

Finally, the comment will argue that the *Promatek* decision perpetuates a misconception in common law concerning the nature of metatags and that as a result the internet will be less useful to consumers and competition on the internet will be stifled.

## II. BACKGROUND

### *A. Domain Names and Meta tags*

The World Wide Web allows users from across the globe to communicate and share information.<sup>3</sup> One tool used to do this is the internet web page.<sup>4</sup> Web pages displayed on the internet are written in a language called Hypertext Markup Language (HTML).<sup>5</sup> Each page is assigned an address or domain name.<sup>6</sup> If the address is know to a user searching for a particular site, he or she might type in the address of the site; if the address is unknown he or she might guess at the address according to the name of the company searched for.<sup>7</sup> The user might also enlist the help of a search engine to find the site he or she seeks.<sup>8</sup> Search engines compile a list of sites that might be of interest to a user based on

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3. *Brookfield Communications, Inc. v. West Coast Entertainment Corporation*, 174 F.3d 1036, at 1044 (Cal. 1999).

4. *Id.*

5. *Bihari v. Gross*, 119 F. Supp. 2d 309, at 312 (N.Y. 2000).

6. *Brookfield*, 174 F.3d at 1044.

7. *Id.*

8. *Id.* at 1045.

the keywords a user indicates are related to his or her search.<sup>9</sup>

In the nineties, in an attempt to aid search engines and consumers, a new tag was added to the HTML, called a metatag.<sup>10</sup> This tag allowed Webpage designers to describe the contents of their sites so that indexing machines could better compile lists of sites that match a web users requested terms.<sup>11</sup>

There are two kinds of metatags.<sup>12</sup> The first kind of metatag is the keyword.<sup>13</sup> Keyword metatags consist of terms written into the HTML that describes a site's content.<sup>14</sup> The terms relate to the content of the site even though the terms themselves are not necessarily used on the site.<sup>15</sup> The second type is the description metatag.<sup>16</sup> These longer metatags quickly describe the contents of the page.<sup>17</sup> Description metatags appear under each web address on a search results page.<sup>18</sup> They are intended to help a web user determine if he or she is interested in visiting the page.<sup>19</sup>

Metatags are intended to make the web more useful for consumers and search engines.<sup>20</sup> They provide engines with an efficient way to compile search lists and allow consumers to more easily navigate the web and decide which sites are applicable to their interests.<sup>21</sup>

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9. *Id.*

10. F. Gregory Lastowka, *Note: Search Engines, HTML, and Trademarks: What's the Meta For?*, 86 VA. L. REV. 835, at 843-844 (2000).

11. *Id.*

12. *Id.* at 845.

13. *Id.*

14. *Id.*

15. *Id.*

16. Lastowka, *supra* note 10 at 846.

17. *Id.*

18. *Id.*

19. *Id.*

20. *Id.*

21. For a more in-depth discussion of search engine's use of metatags and other methods for creating search lists, and the possible misuses of metatags, see Lastowka, *supra* note 8; William Romanos, *ARTICLE: Internet Accuracy Wars: How Trademark Used in Deceptive Metatagging should be Dealt with to Increase Economic Efficiency*, 7 U. BALT. INTEL. PROP. J. 79 (1998); Mark Sableman, *ARTICLE: Link Law Revisited: Internet Linking Law Five Years*

### *B. Purpose of Trademark Law*

The law has recognized property rights in certain words, phrases, and symbols since the seventeenth century.<sup>22</sup> The primary purpose of trademark law has been to identify the source of goods and services and to prevent manufacturers or service providers from putting their competitor's marks on their own products.<sup>23</sup> Trademark law regards doing so as misappropriating the competitor's mark and "free-riding" on the competitor's good will and reputation.<sup>24</sup> Trademark law seeks to prevent manufacturers and service providers from "capitalizing on the investment of time, money, and resources of [their] competitors."<sup>25</sup> However, trademark law emphasizes the value of a balance between protected and unprotected words: it does not want to afford so much protection to trademark holders that communication is made difficult because of the removal of words from the public domain.<sup>26</sup>

### *C. The Likelihood of Confusion Doctrine as applied to Domain Names and Metatags*

#### *1. Brookfield Communications, Inc. v. West Coast Entertainment Corporation*<sup>27</sup>

In the context of the Internet, the ninth circuit has found that the likelihood of consumer confusion caused by use of another's

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*Later*, 16 BERKELEY TECH. L.J. 1273 (2001).

22. *New Kids on the Block v. News America Publishing*, 971 F.2d 302, at 305-306 (Cal. 1992).

23. *Id.* at 305.

24. *Id.*

25. *Id.*

26. *Id.* at 306.

27. *Brookfield Communications, Inc. v. West Coast Entertainment Corporation*, 174 F.3d 1036.

trademark is of utmost importance.<sup>28</sup> In *Brookfield*, the Ninth Circuit addressed the use of a registered trademark in a competitor's domain name and metatags.<sup>29</sup> It found that use impermissible.<sup>30</sup>

Brookfield gathers and sells information about the entertainment industry.<sup>31</sup> It markets its software that provides those services under the trademark "MovieBuff."<sup>32</sup> In 1996, Brookfield attempted to register the domain name "moviebuff.com" but found that the name had already been registered by West Coast Video.<sup>33</sup> West Coast is a large movie rental store chain that has used such phrases as "The Movie Buff's Gift Guide" and "Calling All Movie Buffs" in marketing.<sup>34</sup> Brookfield informed West Coast that it intended to file a trademark infringement suit if West Coast used its registered moviebuff.com web site.<sup>35</sup> West Coast disregarded the warning and launched its site.<sup>36</sup> Brookfield filed suit to enjoin West Coast from using the domain name moviebuff.com and the word "moviebuff" in its metatags.<sup>37</sup>

The court first determined that Brookfield "has a valid, protectable trademark interest in the 'MovieBuff' mark."<sup>38</sup> Next, it turned to an analysis of the likelihood of consumer confusion that would be caused by West Coast's use of Brookfield's mark.<sup>39</sup> The court stated that "the core element of trademark infringement is the likelihood of confusion, i.e., whether the similarity of the marks is likely to confuse customers about the source of the products."<sup>40</sup>

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28. *Id.* at 1053.

29. *Id.* at 1041.

30. *Id.* at 1066.

31. *Id.* at 1041.

32. *Id.* at 1042.

33. *New Kids on the Block*, 971 F.2d at 1042.

34. *Id.*

35. *Id.*

36. *Id.*

37. *Id.* at 1043.

38. *Id.* at 1046-1053.

39. *New Kids on the Block*, 971 F.2d at 1053.

40. *Id.*

The court looked to nine factors, set out in *Sleekcraft*,<sup>41</sup> to assess the likelihood of confusion: “[1] similarity of the conflicting designations; [2] relatedness or proximity of the two companies’ products or services; [3] strength of Brookfield’s mark; [4] marketing channels used; [5] degree of care likely to be exercised by purchasers in selecting goods; [6] West Coast’s intent in selecting its mark; [7] evidence of actual confusion; [9] and likelihood of expansion in product lines.”<sup>42</sup>

The court first applied these factors to the use of “MovieBuff” in West Coast’s domain name.<sup>43</sup> Many factors weighed in Brookfield’s favor.<sup>44</sup> First, the court found that the infringed and infringing mark were essentially identical because they had similar meanings and sounds.<sup>45</sup> It found that although the plaintiff and defendant were in different lines of business, they were certainly not non-competitors in that they each provided information via the internet concerning the entertainment world.<sup>46</sup> Second, the court held that “many forms of customer confusion are likely to result” because both companies used the internet as a marketing tool.<sup>47</sup> The court did find, however, that some factors weighed in West Coast’s favor.<sup>48</sup> Brookfield offered little evidence that its mark, though suggestive of the services the company offered, was exceptionally strong.<sup>49</sup> The factor of intent was found to be indeterminate because it is unclear whether or not West Coast’s intent in launching the site was to confuse consumers into associating its site with Brookfield.<sup>50</sup> The court found the final three factors, degree of purchaser care, evidence of actual confusion and likelihood of expansion, to be inapplicable to its

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41. *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, at 348-349 (9<sup>th</sup> Cir. 1979).

42. *Brookfield*, 174 F.3d at 1053-1054.

43. *Id.* at 1054-1061.

44. *Id.*

45. *Id.* at 1055.

46. *Id.* at 1056.

47. *Id.*

48. *Brookfield*, 174 F.3d at 1058.

49. *Id.*

50. *Id.* at 1059.

analysis.<sup>51</sup> The court concluded that, taken together, the factors weighed in favor of Brookfield.<sup>52</sup>

The court next turned to the question of the use of Brookfield's trademark in West Coast's metatags.<sup>53</sup> The court found that the outcome of an analysis of the *Sleekcraft* factors would be the same as it was in the context of the domain name.<sup>54</sup> However, the court found a greater likelihood of consumer confusion in the case of trademark use in metatags because of the risk of initial interest confusion.<sup>55</sup> Initial interest confusion occurs when consumers are attracted by the notion that a particular product or service is related to a trademark they recognize.<sup>56</sup> Once consumers begin to learn more about that product or service, they may realize that it is not related to or endorsed by the famous mark.<sup>57</sup> At this point, however, the damage has been done.<sup>58</sup> A competitor causing initial interest confusion has attracted consumers to his or her product or service through the use of another's good will and reputation.<sup>59</sup> There is particular risk of initial interest confusion occurring in the Internet context of metatags.<sup>60</sup> A consumer using a famous mark as a key word is likely to think that a site using that mark as a metatag is related to the company the mark represents.<sup>61</sup> Therefore the court found a high likelihood of confusion caused by West Coast's use of "moviebuff" in its metatags.<sup>62</sup>

Finally, the court made clear that its decision in no way limited West Coast's fair use of the term "MovieBuff."<sup>63</sup> It asserted that it is perfectly permissible for West Coast to use the mark on its site

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51. *Id.* at 1060.

52. *Id.* at 1061.

53. *Id.*

54. *Brookfield*, 174 F.3d at 1062.

55. *Id.*

56. *Id.* at 1063.

57. *Id.*

58. *Id.*

59. *Id.* at 1064.

60. *Brookfield*, 174 F.3d at 1064.

61. *Id.*

62. *Id.*

63. *Id.* at 1065.



to criticize Brookfield's product or to compare that product to its own.<sup>64</sup> The court distinguished *Brookfield* from *Playboy Enterprises, Inc. v. Welles*<sup>65</sup> because Welles use of Playboy's trademarks in her web site's metatags was "a permissible, good faith attempt to index the content of her web site" and was a nominative use.<sup>66</sup> The *Brookfield* court also indicated that the *Welles* court came to that conclusion because playboy and playmate are English words and therefore should not be proscribed from being used in metatags.<sup>67</sup> The court distinguished the word "MovieBuff" which is not an English word and therefore is not necessary to use in metatags describing a website from the words "playboy" and "playmate."<sup>68</sup>

## 2. *Bihari Interiors, Inc. v. Gross*<sup>69</sup>

Other courts have also addressed the question of trademark use in metatags.<sup>70</sup> In *Bihari*, a New York court evaluated a claim of infringement brought by an interior designer against a critic and former client.<sup>71</sup> Marianne Bihari was the owner of an interior design company, Bihari Interiors.<sup>72</sup> The defendant, Gross, was a former client whose dealings with Bihari went bad.<sup>73</sup> Shortly after filing suit against Bihari, Gross registered the domain names "bihari.com" and "bihariinteriors.com."<sup>74</sup> Though Gross had relinquished registration of the domain names at the time of trial, he continued to operate web sites criticizing Bihari.<sup>75</sup> Those sites

64. *Id.*

65. *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796 (9<sup>th</sup> Cir. 2001); see *infra* text accompanying notes

66. *Brookfield*, 174 F.3d at 1066.

67. *Id.*

68. *Id.*

69. *Bihari Interiors, Inc. v. Gross*, 119 F. Supp. 2d 309 (N.Y. 2000).

70. *Id.*

71. *Id.*

72. *Id.* at 312.

73. *Id.*

74. *Bihari*, 119 F.Supp. 2d at 312.

75. *Id.* at 313.

utilized several metatags related to Bihari and her business.<sup>76</sup> Bihari brought suit to enjoin Gross' use of her trademarks in domain names and metatags.<sup>77</sup>

The first frame of Gross' critical sites featured a large caption reading "The Real Story Behind Marianne Bihari & Bihari Interiors."<sup>78</sup> That first page contained several links including "Tips on Picking a Designer," "Sign or Read Guest Book," and "Participate in the Bihari Poll."<sup>79</sup> Under these links was the purpose statement of the site, indicating Gross' intent to warn others about the pitfalls of hiring Bihari.<sup>80</sup> Below the statement were a variety of other links including "The Contract" and "The Scam."<sup>81</sup>

The court held that because Gross had relinquished them, Bihari no longer had a claim as to trademark infringement concerning the domain names.<sup>82</sup> Next the court turned to the possibility that the use of Bihari's trademark in metatags was an infringement.<sup>83</sup> The court specifically looked to the likelihood of consumer confusion.<sup>84</sup> The court found that the use of Bihari's marks was not likely to

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76. *Id.*

77. *Id.* at 311.

78. *Id.* at 314.

79. *Id.*

80. Specifically, the disclaimer reads:

"Welcome to the first web site designed to protect people from the alleged ill intentions of Marianne Bihari & Bihari Interiors. Keep in mind that this site reflects only the view points and experiences of one Manhattan couple that allegedly fell prey to Marianne Bihari & Bihari Interiors. There possibly may be others that have experienced similar alleged fraud and deceit from Marianne Bihari & Biahri Interiors. Please feel free to e-mail us if you think you were victimized by Marianne Bihari & Bihari Interiors. Our goal is to protect you from experiencing the overwhelming grief and aggravation in dealing with someone that allegedly only has intentions to defraud. If you think you need advice before entering a contract with Marianne Bihari & Bihari Interiors-Please Click Here." *Id.*

81. *Bihari*, 119 F.Supp. 2d at 314.

82. *Id.* at 316.

83. *Id.*

84. *Id.* at 316-325.

cause confusion and was a permissible fair use.<sup>85</sup>

The court found little likelihood of confusion because a consumer visiting Gross' site was made aware that the site was not sponsored by Bihari because of the unflattering comments about her and her business.<sup>86</sup> Furthermore this realization came immediately upon entering the site.<sup>87</sup> It was not necessary for a visitor to poke around before discovering that he or she was not, in fact, on Bihari's site.<sup>88</sup>

The court also found that Bihari did not adequately prove a likelihood of initial interest confusion.<sup>89</sup> When an internet user searched using the metatag "Bihari Interiors," twelve websites are found to be relevant, eight of which were run by Gross.<sup>90</sup> Users interested only in positive information about Bihari would not be tempted to enter one of these eight because under each site's address was the following content description: "This site deals with the problems experienced when hiring a New York City (Manhattan) designer. It discusses Marianne Bihari[,] fraud and deceit and . . ." <sup>91</sup> As the court puts it, "an internet user who reads this text. . . is unlikely to believe that these websites belong to Bihari Interiors or Bihari."<sup>92</sup> The court went on to distinguish the case before it from *Brookfield*.<sup>93</sup> That case and others with similar results involved the defendant's use of the plaintiff's mark to "trick Internet users into visiting defendant's website."<sup>94</sup> In contrast, Gross used Bihari's mark "not [as] a bad faith attempt to trick users into visiting his websites, but rather [as] a means of cataloging those sites."<sup>95</sup>

The court next held that even if confusion were likely, Gross'

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85. *Id* at 317.

86. *Id* at 319.

87. *Bihari*, 119 F.Supp. 2d at 319.

88. *Id*.

89. *Id*.

90. *Id* at 320.

91. *Id*.

92. *Id*.

93. *Bihari*, 119 F.Supp. 2d at 321.

94. *Id*.

95. *Id*.

use of Bihari's marks was permissible because it was a fair use.<sup>96</sup> The fair use doctrine allows someone to use another's trademarks in order to describe his or her own product or service.<sup>97</sup> In order for Gross' to be a fair use the court was required to find that he used Bihari's marks "(1) in [their] descriptive sense, and (2) in good faith."<sup>98</sup>

The court stated that "[t]he requirement that a trademark be used in its descriptive sense is met where the mark is used in an index or catalog, or to describe the defendant's connection to the business claiming trademark protection."<sup>99</sup> The court went on to quote Professor McCarthy who states that fair use is permissible in metatags only when the plaintiff's mark is used only to identify the defendant's goods or services.<sup>100</sup> Gross used Bihari's mark in its descriptive sense because it was necessary to describe his service, criticism of the designer.<sup>101</sup> He required the use of the mark to describe the contents of his site.<sup>102</sup>

The court next concluded that Gross acted in good faith in using Bihari's mark.<sup>103</sup> Simply because Gross' site contained criticism of Bihari, the court would not impute bad faith.<sup>104</sup> Gross used Bihari's mark out of necessity.<sup>105</sup> Additionally, the court was persuaded that Gross used the marks in good faith when he added a disclaimer to his site explicitly stating its purpose and goal.<sup>106</sup>

The *Bihari* court concluded that no confusion or initial interest confusion was likely and that even if confusion resulted from Gross' use of Bihari's mark, that use was permissible fair use.<sup>107</sup>

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96. *Id.*

97. *Id.* at 322.

98. *Id.*

99. *Bihari*, 119 F.Supp. 2d at 322.

100. *Id.*

101. *Id.* at 322-323.

102. *Id.*

103. *Id.* at 323.

104. *Id.* at 324.

105. *Bihari*, 119 F.Supp. 2d at 323.

106. *Id.*

107. *Id.* at 327.

*D. The Nominative Use Doctrine: New Kids on the Block v. News America Publishing*<sup>108</sup>

In *New Kids*, the Ninth Circuit carved out a nominative fair use exception to trademark infringement.<sup>109</sup> The New Kids on the Block were a popular rock and roll group in the early 1990's.<sup>110</sup> In addition to selling their music, the New Kids sold a variety of other merchandise and services, t-shirts and posters for example, to capitalize on their popularity.<sup>111</sup> The New Kids also set up a 900 number that fans could call for a fee to talk to other New Kids fans and to leave a message for their favorite New Kid.<sup>112</sup>

The defendant newspapers conducted polls in their papers asking fans to dial a 900 number for a fee to vote for their favorite New Kid.<sup>113</sup> The New Kids believed that in doing so, the newspapers had violated their trademark and filed suit.<sup>114</sup>

The court began with a discussion of the importance and goal of trademark law.<sup>115</sup> It stated that trademark law is meant to prevent a manufacturer or service provider from misappropriating his or her competitor's good will and thus capitalizing on his or her

108. *New Kids on the Block v. News America Publishing*, 971 F.2d 302 (9<sup>th</sup> Cir. 1992).

109. *Id.*

110. *Id.* at 304.

111. *Id.*

112. *Id.*

113. USA Today's announcement featured a picture of the New Kids and the question: "Who's the best on the block?" The announcement stipulated that any proceeds from the 900 number would go to charity. The announcement ended with the following statement: "New Kids on the Block are pop's hottest group. Which of the five is your fave? Or are they a turn off? . . . Each call costs 50 cents. Results in Friday's Life section."

The Star's announcement was made in conjunction with an article about the New Kids concert. It asked: "Which of the New Kids on the Block would you most like to move next door? STAR wants to know which cool New Kid is the hottest with our readers." The Star's 900 number cost 95 cents per minute.  
*Id.*

114. *New Kids on the Block*, 971 F.2d at 304-305.

115. *Id.* at 305.

competitor's investment of time, money, and resources.<sup>116</sup> The court pointed out that this goal is not applicable when another's trademark is used for certain permissible purposes.<sup>117</sup> The court expressed concern that in some circumstances "it is often virtually impossible to refer to a particular product for the purposes of comparison, criticism, point of reference or any other such purpose without using the mark."<sup>118</sup> The *New Kids* court cited *Volkswagenwerk Aktiengesellschaft v. Church*<sup>119</sup> as an example of a court's consideration of this concern.<sup>120</sup> The *Volkswagenwerk* court found that Volkswagen could not prevent an automobile repair shop from using the Volkswagen mark in indicating that it specialized in Volkswagen service.<sup>121</sup> The defendant did not in any way suggest that his shop was sponsored or endorsed by Volkswagen and it was necessary for him to use the mark in order to indicate his specialty.<sup>122</sup> In that case, the defendant did not use the mark in an attempt to capitalize on the plaintiff's good will and reputation.<sup>123</sup>

The *New Kids* court found that "[s]uch *nominative use* of a mark- where the only word reasonably available to describe a particular thing is pressed into service- lies outside the strictures of trademark law."<sup>124</sup> The court announced a three-part test for determining nominative use.<sup>125</sup> In order to be a nominative use, the defense must prove that, "[f]irst, 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,

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116. *Id.*

117. *Id.* at 306.

118. *Id.*

119. *Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350 (9<sup>th</sup> Cir. 1969).

120. *New Kids*, 971 F.2d at 307.

121. *Volkswagenwerk*, 411 F.2d at 352.

122. *Id.*

123. *Id.*

124. *New Kids*, 971 F.2d at 308.

125. *Id.*

suggest sponsorship or endorsement by the trademark holder.”<sup>126</sup>

Next the court applied the test to the case at hand.<sup>127</sup> It first determined that there was no way, without substantial difficulty, for the defendant newspapers to identify the subject matter of their polls without the use of the trademark, *New Kids on the Block*.<sup>128</sup> On this point, the court asked “how could someone not conversant with the proper names of the individual New Kids talk about the group at all?”<sup>129</sup> Next, the court determined that the newspapers used the mark only as much as was necessary to indicate that the New Kids were the subject of the polls.<sup>130</sup>

Finally, the court turned to the final prong of the nominative use analysis.<sup>131</sup> On this point, the New Kids argued that the use of their mark was not simply nominative because the newspapers were profiting from the polls.<sup>132</sup> The New Kids felt that the money their fans spent on the polls would subtract from the money fans would spend on other New Kids merchandise and services, including the New Kids’ own 900 numbers.<sup>133</sup> The court rejected this argument and concluded that “[w]here, as here, the use does not imply sponsorship or endorsement, the fact that it is carried on for profit and in competition with the trademark holder’s business is besides the point.”<sup>134</sup> The court found the newspapers’ uses of the New Kids’ mark to be permissible nominative use.<sup>135</sup>

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126. *Id.*

127. *Id.*

128. *Id.*

129. *Id.*

130. *New Kids on the Block*, 971 F.2d at 308.

131. *Id.*

132. *Id.* at 309.

133. *Id.*

134. *Id.*

135. *Id.* at 310.

*E. The Nominative Use Doctrine as applied to Domain Names and Metatags: Playboy Enterprises, Inc. v. Welles*<sup>136</sup>

The Ninth Circuit applied the nominative use test set out in *New Kids on the Block* to domain names and metatags in *Playboy v. Welles*.<sup>137</sup> Terri Welles was the “Playboy Playmate of the Year 1981.”<sup>138</sup> At the time of the suit, Welles was no longer employed by Playboy.<sup>139</sup> She had opened her own company revolving around a website which offered information about Welles, free photos, membership in her photo club, her biography, and information about her services as a spokesperson.<sup>140</sup> Playboy filed a trademark infringement suit against Welles for four uses of its mark on her site: “(1) the terms ‘Playboy’ and ‘Playmate’ in the metatags of the website; (2) the phrase ‘Playmate of the Year 1981’ on the masthead of the website; (3) the phrases ‘Playboy Playmate of the Year 1981’ and ‘Playmate of the Year 1981’ on various banner ads, which may be transferred to other websites; and (4) the repeated use of the abbreviation ‘PMOY ‘81’ as the watermark on the pages of the website.”<sup>141</sup>

The court adopted the *New Kids* test for nominative use.<sup>142</sup> It rejected the plaintiff’s argument that it should apply the *Sleekcraft* factors for likelihood of confusion because “in cases in which the defendant raises a nominative use defense, the [New Kids] three-factor test should be applied instead of the test for likelihood of confusion set forth in *Sleekcraft*.”<sup>143</sup> In applying the nominative use test, the court found the use of Playboy’s marks in the headlines and banner advertisements nominative.<sup>144</sup> The use of the trademarks in headlines and banners was necessary for Welles to

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136. *Playboy Enterprises, Inc. v. Welles*, 279 F.3d 796 (9<sup>th</sup> Cir. 2002).

137. *Id.*

138. *Id.* at 799.

139. *Id.*

140. *Id.*

141. *Id.* at 800.

142. *Welles*, 279 F.3d at 801; *see New Kids*, 971 F.2d at 308-309.

143. *Id.*; *see Sleekcraft*, 599 F.2d at 348-349.

144. *Id.*



identify herself and she used only enough of the marks to do so.<sup>145</sup> Additionally, Welles included the year in which she was the Playmate of the Year, clearly indicating to consumers that she was no longer endorsed or sponsored by Playboy.<sup>146</sup> The court came to the opposite conclusion concerning the watermark.<sup>147</sup> There, Welles' use was not nominative because it was not necessary to repeat her title so many times in order for identification.<sup>148</sup>

The court also applied the New Kids test to Welles' use of the terms "playboy" and "playmate" in her website's metatags and concluded that the use was nominative.<sup>149</sup> Welles had no other practical way to identify herself.<sup>150</sup> Requiring Internet users to come up with long descriptive phrases in order to find her site<sup>151</sup> would be impractical and would undermine the utility of the Internet.<sup>152</sup> The use of the trademarks in the site's metatags was necessary to "the free flow of information on the Internet."<sup>153</sup> The second and third prongs of the New Kids test also weighed in Welles' favor.<sup>154</sup> She used only so much of the marks as was reasonable and did nothing to suggest sponsorship or endorsement by Playboy.<sup>155</sup>

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145. *Id* at 802.

146. *Id* at 803.

147. *Id* at 804.

148. *Welles*, 279 F.3d at 804.

149. *Id* at 803.

150. *Id*.

151. The court suggested that if Welles were not permitted to use the trademarks in her metatags, she would be forced to describe herself through the use of ridiculous descriptive phrases such as "the nude model selected by Mr. Hefner's organization. . ."

*Id* at 804.

152. *Id*.

153. *Id*.

154. *Welles*, 279 F.3d at 804.

155. *Id*.

*F. The Use of Generic Trademarked Words as Search Terms:*  
*Playboy Enterprises, Inc. v. Netscape Communications Corp.*<sup>156</sup>

In *Playboy v. Netscape* the Ninth Circuit further explored the complexities of trademark law as applied to search terms. Defendants Netscape and Excite are search engines that compile lists of websites that match search terms typed in by internet users.<sup>157</sup> Defendants sold space on search results pages to advertisers who were given the option to pay extra in order for their ads to be “keyed” to certain search terms.<sup>158</sup> Adult entertainment ads were keyed to a list of 450 search terms.<sup>159</sup> Two such terms were “playboy” and “playmate.”<sup>160</sup>

PEI contended that Netscape infringed and diluted its trademark by marketing and selling its trademarked words to advertisers, by programming ads to run in response to searches for these words, and by actually displaying the ads.<sup>161</sup> It claimed that the banner ads, keyed by PEI’s trademarks, diverted attention from PEI’s site, and that this was the intention of defendants.<sup>162</sup>

The defendants countered that they did not actually use the plaintiff’s trademarks and instead used English words, and that even if the court found that defendants’ use of “playboy” and “playmate” was a use of PEI’s trademarks, the use was permissible and any diversion from PEI’s site was unintentional.<sup>163</sup>

The court began its analysis by declaring that PEI had not shown that defendants were, in fact, using its trademarks.<sup>164</sup> Both “playboy” and “playmate” are English words with generic meanings entirely separate from those meanings associated with

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156. *Playboy Enterprises, Inc. v. Netscape Communications Corp.*, 55 F.Supp. 2d 1070 (Cal. 1999); *aff’d*, 202 F.3d 278 (9<sup>th</sup> Cir. 1999).

157. *Id.* at 1072.

158. *Id.*

159. *Id.*

160. *Id.*

161. *Id.*

162. *Netscape*, 55 F.Supp. 2d at 1072.

163. *Id.* at 1073.

164. *Id.*

PEI's trademarks.<sup>165</sup> Additionally, many other companies that are not associated with PEI own trademarks on the words.<sup>166</sup> Although the court discussed the merits of PEI's claims if the words used by Netscape were deemed trademarks,<sup>167</sup> it ultimately held that the defendants were not using "playboy" and "playmate" in their trademark forms and therefore could not be infringing or diluting PEI's marks.<sup>168</sup> Those English words were found to be necessary to express ideas.<sup>169</sup>

The *Netscape* court distinguished the case before it from *Brookfield*, in which the mark at issue, "MovieBuff," was not an English word.<sup>170</sup>

### III. PROMATEK INDUSTRIES, LTD. V. EQUITRAC CORPORATION<sup>171</sup>

#### *A. Introduction*

Promatek Industries and Equitrac Corporation are competitors in the cost-recovery system market.<sup>172</sup> The cost-recovery system market consists of the sale and service of "integrated systems for managing and recovery of office expenses such as photocopies, telephone and fax usage, postage, computer services, and online time."<sup>173</sup> Cost-recovery services are important because "[t]hose firms that can successfully implement management systems will be in the best position to compete in the twenty-first century"<sup>174</sup> and because "effective document accounting is key to controlling

165. *Id.*

166. *Id.*

167. *Id.* at 1074-1076.

168. *Netscape*, 55 F.Supp. 2d at 1074.

169. *Id.* at 1073.

170. *Id.* at 1074.

171. *Promatek Industries, Ltd. v. Equitrac Corporation*, 300 F.3d 808 (2002).

172. *Id.* at 810.

173. <http://www.copitrak.com/company.htm> (last visited Nov. 24, 2002).

174. *Id.*

overhead and a critical first step to increase productivity.”<sup>175</sup>

Promatek holds the trademark to the word “Copittrak” and markets many of its cost-recovery products and services under the mark.<sup>176</sup> Under the mark Copittrak, Promatek offers a “comprehensive line of expense management hardware and software products.”<sup>177</sup> In addition to providing products, Copittrak is “as committed to service and support as [it is] to [its] products.”<sup>178</sup>

Equitrac is also “dedicated to [cost-recovery] production innovation and exceptional customer service.”<sup>179</sup> It touts itself as the “world’s leading provider of automated Cost Recovery and Document Accounting Systems for the Professional and Commercial markets.”<sup>180</sup> In addition to servicing the products it sells, Equitrac also maintains and services Copittrak products.<sup>181</sup>

At the advice of the company’s marketing department, Equitrac’s web designer programmed certain words and phrases as metatags on Equitrac’s web site.<sup>182</sup> One such metatag was “Copitrack” since Equitrac provides service for Copittrak products.<sup>183</sup> When Promatek learned of Equitrac’s use of its trademark in Equitrac’s metatags, Promatek brought suit.<sup>184</sup> Equitrac immediately attempted to make reparations.<sup>185</sup> It contacted all the search engines known to it and requested that

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175. <http://www.equitrac.com/company/default.htm> (last visited Nov. 24, 2002).

176. *Promatek*, 300 F.3d at 1.

177. <http://www.copittrak.com/company.htm> (last visited Nov. 24, 2002).

178. *Id.*

179. <http://www.equitrac.com/company/default.htm> (last visited Nov. 24, 2002).

180. *Id.*

181. *Promatek*, 300 F.3d at 810.

182. *Id.*

183. Notably: Equitrac’s web designer unintentionally misspelled “Copittrak.” Both parties agree that in using the metatag “Copitrack,” Equitrac intended to use “Copittrak.” *Id.*

184. *Id.* at 811.

185. *Id.*

they not link Equitrac and Copittrak.<sup>186</sup> Equitrac also removed the metatag from its website.<sup>187</sup>

Promatek was not satisfied and requested that the court grant a preliminary injunction preventing Equitrac from using the mark “Copittrak” on its website.<sup>188</sup> The district court granted the injunction and instructed Equitrac to put language on its website that disclaimed any association with Copittrak and stating that Copittrak products and services could be found at Promatek’s website.<sup>189</sup> The disclaimer gave the URLs of both Copittrak’s and Promatek’s websites.<sup>190</sup>

Equitrac appeals from the preliminary injunction arguing that the disclaimer informs Equitrac customers of its competitor, Promatek, and directs its customer to that competitor.<sup>191</sup> However, Promatek feels that absent the disclaimer injunction of the use of its mark on the site and in metatags, Promatek customers will continue to be directed to Equitrac’s site when they search for Promatek’s trademark, Copittrak.<sup>192</sup>

### B. Discussion

In order to be granted a preliminary injunction, Promatek was required to “demonstrate a likelihood of success on the merits, that it has no adequate remedy at law, and that it will suffer irreparable harm if the relief is not granted.”<sup>193</sup> The court also evaluated any irreparable harm that might be caused to Equitrac if the injunction

186. *Id.*

187. *Promatek*, 300 F.3d at 811.

188. *Id.*

189. Equitrac was required to put the following disclaimer on its website: If you were directed to this site through the term “Copittrak,” that is in error as there is no affiliation between Equitrac and that term. The mark “Copittrak” is a registered trademark of Promatek Industries, Ltd., which can be found at [www.promatek.com](http://www.promatek.com) or [www.copittrak.com](http://www.copittrak.com). *Id.*

190. *Id.*

191. *Id.*

192. *Id.*

193. *Promatek*, 300 F.3d at 811.

were granted.<sup>194</sup>

### 1. Likelihood of Success

In order to assess Promatek's likelihood of success, the court first declared that the mark's registration was prima facie evidence of the mark's validity.<sup>195</sup> The court next explored the likelihood of consumer confusion caused by Equitrac's use of the mark.<sup>196</sup> The court enunciated seven factors it weighed when determining the likelihood of confusion: "(1) the similarity between the marks in appearance and suggestion, (2) the similarity of the products, (3) the area and manner of concurrent use of the products, (4) the degree of care likely to be exercised by consumers, (5) the strength of the plaintiff's marks, (6) any evidence of actual confusion, and (7) the defendant's intent to palm off its goods as those of the plaintiff's."<sup>197</sup> The court remarked that the similarity of the marks, Equitrac's intent, and evidence of actual confusion are of particular importance.<sup>198</sup>

Through an analysis of these factors, the court concluded that there was a strong likelihood of consumer confusion.<sup>199</sup> First, Equitrac used the work "Copitrack" which is similar and admittedly intended to be "Copitrak."<sup>200</sup> Second, Equitrac's use of the trademark refers to Promatek's product.<sup>201</sup> Third, Equitrac and Promatek are direct competitors.<sup>202</sup> Finally, the court held that the factor that weighed most heavily in Promatek's favor was the degree of care exercised by the consumers.<sup>203</sup>

The degree of care factor weighed against Equitrac because

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194. *Id.*

195. *Id.* at 812.

196. *Id.*

197. *Id.*

198. *Id.*

199. *Promatek*, 300 F.3d at 812.

200. *Id.*

201. *Id.*

202. *Id.* at 812.

203. *Id.*

Equitrac's use of Promatek's mark would lead to initial interest confusion.<sup>204</sup> The court held that confusion would be caused because Equitrac's use of the trademark would lure consumers to its site.<sup>205</sup> The court analogized this case to *Brookfield*.<sup>206</sup> The *Brookfield* court also dealt with initial interest confusion caused by use of trademarks in metatags.<sup>207</sup> The *Promatek* court found that by attracting consumers to its website through the use of Promatek's trademark, Equitrac was misappropriating Promatek's good will and reputation.<sup>208</sup> Even if consumers do not buy at Equitrac's site, the damage has been done, Equitrac has used Promatek's mark to tempt consumers into exploring Equitrac's website.<sup>209</sup>

Because Promatek's trademark was valid and there was likely to be initial interest confusion caused by Equitrac's use of that mark, the court found that there was a likelihood that Promatek would succeed on the merits of its trademark infringement claim.<sup>210</sup>

## 2. Adequate Remedy at Law

In order to grant a preliminary injunction, the plaintiff must demonstrate that it has no adequate remedy at law and that it would suffer irreparable harm if the defendant were not enjoined from infringing the plaintiff's trademark.<sup>211</sup> In order to prove this, the plaintiff does not need to show actual business loss and injuries arising from trademark infringement are presumed to be irreparable.<sup>212</sup>

The *Promatek* court found that Promatek did not have an adequate remedy at law because (1) Promatek suffered irreparably,

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204. *Id.*

205. *Promatek*, 300 F.3d at 812.

206. *Id.* at 813.

207. *Id.*

208. *Id.*

209. *Id.*

210. *Id.*

211. *Promatek*, 300 F.3d at 813.

212. *Id.*

(2) Promatek would continue to suffer by the misappropriation of its goodwill, and (3) damages in place of an injunction could not easily be assessed.<sup>213</sup>

### 3. *Balancing of Harms*

Finally, the court weighed the harm that Equitrac would suffer from the injunction against the harm Promatek would suffer if Equitrac's misappropriation were not enjoined.<sup>214</sup> The court also weighed the effect of the injunction on the public.<sup>215</sup> The court found that not granting the injunction would be more harmful to Promatek than granting it would be to Equitrac.<sup>216</sup>

Equitrac argued that it has not yet made a sale because of its use of Promatek's trademark.<sup>217</sup> Equitrac claimed that the products that both it and Promatek sold would be bought by only the most sophisticated consumers who would be careful about which brand they were buying.<sup>218</sup> It claimed that "consumers of products and services provided by Equitrac and Promatek are sophisticated business people who are not likely to be confused between Equitrac and Copitrak and are not likely to buy based on a visit to a website."<sup>219</sup> Finally, Equitrac argued that the language on its website alerting consumers to Promatek's site is harmful to Equitrac's business.<sup>220</sup>

The court rejected the proposed arguments because Equitrac had not provided any evidence in support of its arguments.<sup>221</sup> It found that the harm suffered by Promatek, the misappropriation of the goodwill of its mark, outweighed any possible unproven harm to

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213. *Id.*

214. *Id.*

215. *Id.*

216. *Id.*

217. *Promatek*, 300 F.3d at 813.

218. *Id.*

219. *Id.*

220. *Id.*

221. *Id.*



Equitrac.<sup>222</sup> The court also found that an injunction was in the public interest because it prevented initial interest consumer confusion.<sup>223</sup>

### C. Conclusion

Finally, Equitrac argued that the lower court should not have issued a preliminary injunction without an evidentiary hearing.<sup>224</sup> The party seeking an evidentiary hearing must show that it has “and intends to introduce evidence that if believed will so weaken the moving party’s case as to affect the judge’s decision on whether to issue the injunction.”<sup>225</sup> Equitrac claims that an injunction was not proper because the court “failed to find, and did not receive evidence to contradict, Equitrac’s position that it was entitled to advertise that it was capable of servicing Copitrak equipment.”<sup>226</sup> The court rejected this argument stating that Equitrac was not enjoined from using the Copitrak mark on its website for the legitimate purposes of indicating that it services those products, making comparisons, or including information concerning the lawsuit.<sup>227</sup> However, Equitrac was properly enjoined from using Promatek’s trademark in its metatags because of the potential for initial interest consumer confusion.<sup>228</sup>

## IV. ANALYSIS

### A. The Promatek court’s application of Brookfield

The *Promatek* court relied heavily on *Brookfield*.<sup>229</sup> This

222. *Id.*

223. *Promatek*, 300 F.3d at 813.

224. *Id.* at 814.

225. *Id.*

226. *Id.*

227. *Id.*

228. *Id.*

229. *Promatek*, 300 F.3d at 812-814.

reliance was incorrect because of crucial differences between the two cases. The *Brookfield* court analyzed Brookfield's claim of trademark infringement under a likelihood of consumer confusion test.<sup>230</sup> The court found it particularly important that there might be initial interest confusion caused by the use of Brookfield's mark in West Coast's site's metatags.<sup>231</sup> The *Brookfield* court found that there was a risk that consumers who typed in the keyword "moviebuff" would visit West Coast's site even though their intention was to find Brookfield's site.<sup>232</sup> The effect of the initial interest confusion was that West Coast would benefit from the good will attached to Brookfield's mark.<sup>233</sup>

In following *Brookfield*, the *Promatek* court also found a risk of initial interest confusion.<sup>234</sup> It found that Internet users searching for Copitrak might inadvertently be directed to Copitrak's competitor, Equitrac's, site.<sup>235</sup> In coming to this conclusion, the *Promatek* court ignored a crucial difference between its case and *Brookfield*. Equitrac serviced Copitrak products and gave information about the service on its website<sup>236</sup> while West Coast made no mention of its competitor on its site.<sup>237</sup> Therefore, Equitrac's use of its competitor's mark was nominative because it was used to describe services Equitrac provided to products bearing its competitor's mark,<sup>238</sup> while Brookfield's use of its competitor's mark served no nominative purpose.<sup>239</sup> The *Brookfield* court pointed out the potential for this future distinguishing factor at the end of its opinion.<sup>240</sup> It made clear that West Coast was not enjoined from using Brookfield's mark so long as it did so with a nominative purpose, such as criticism or

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230. *Brookfield*, 174 F.3d at 1053-1054.

231. *Id.* at 1062.

232. *Id.*

233. *Id.*

234. *Promatek*, 300 F.3d at 812.

235. *Id.*

236. *Id.* at 810.

237. *Brookfield*, 174 F.3d 1036.

238. *Promatek*, 300 F.3d at 810.

239. *Brookfield*, 174 F.3d 1036.

240. *Id.* at 1065-1066.

comparison.<sup>241</sup> The *Promatek* court erred in failing to recognize this distinction.

*B. Promatek in light of the test for nominative use*

*1. Appropriateness of a nominative use test*

The *Promatek* court should have applied a nominative use test as set out in *New Kids*<sup>242</sup> and as applied to metatags in *Welles*.<sup>243</sup> In *Welles*, the court opted to apply the test for nominative use rather than the test for likelihood of confusion because “in cases in which the defendant raises a nominative use defense, the [New Kids] three-factor test should be applied instead of the test for likelihood of confusion set forth in *Sleekcraft*.”<sup>244</sup> Although there is no indication in the opinion as to whether or not *Equitrac* raised a nominative use defense,<sup>245</sup> because *Equitrac* services *Copitrak* products,<sup>246</sup> a nominative use analysis was appropriate in light of the holding of *Volkswagenwerk*.<sup>247</sup> The *Volkswagenwerk* court found that the defendant repair shop’s use of the plaintiff’s mark was a necessary nominative use to communicate that the shop specialized in servicing the plaintiff’s product, even though there is no indication in the opinion that the defendant raised a nominative use defense.<sup>248</sup> In *Promatek*, as in *Volkswagenwerk*, the defendant provides service for products manufactured by the plaintiff and necessarily must use the plaintiff’s mark to indicate that it provided that service.<sup>249</sup> Because the *Volkswagenwerk* court did not require the defendant to raise a nominative use defense in

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241. *Id.*

242. *New Kids on the Block*, 971 F.2d at 308.

243. *Welles*, 279 F.3d at 803-804.

244. *Id.* at 801.

245. *Promatek*, 300 F.3d 808.

246. *Id.* at 1.

247. *Volkswagenwerk*, 411 F.2d 350.

248. *Id.*

249. *Promatek*, 300 F.3d at 810.

order to apply a nominative use exception to trademark infringement,<sup>250</sup> the *Promatek* court was also free to apply the *New Kids* nominative use test.

## 2. Application of the *New Kids* factors for nominative use.

The first factor a defendant must prove under the *New Kids* test is that the product whose mark he or she has used is not readily identifiable without the use of the actual mark.<sup>251</sup> In *Welles*, the court held that this factor was satisfied because a former Playboy Playmate of the Year had no practical way to identify herself to internet users without using the trademarks “playboy” and “playmate” in her metatags.<sup>252</sup> It pointed out that to disallow this use would impair the utility of the internet by forcing users to come up with long descriptive phrases to get around the use of trademarks.<sup>253</sup> Equitrac’s use of the term Copitrak in its metatags and on its website was also likely to be found to be the only practical way to communicate that it serviced Copitrak products.<sup>254</sup> To disallow Equitrac’s use of the word Copitrak would severely impair the efficiency and utility of the Internet. Users who own Copitrak products are likely to turn to the Internet when seeking service. Users searching for Copitrak service providers might not be aware that they have a choice in the matter. In order to ensure that those users are aware that they have a variety of service companies from which to choose, a user who types in the keyword “Copitrak” should not be directed only to Promatek’s site. Instead, an internet user should be given the option to choose from all of the companies providing the service, not simply the company that owns the mark. If Equitrac were required to replace its use of “Copitrak” with a long phrase describing the product, it is unlikely that users would be able to find the site. Therefore the first *New Kids* factor would likely be satisfied because Copitrak’s product

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250. *Volkswagenwerk*, 411 F.2d 350.

251. *New Kids*, 971 F.2d at 308.

252. *Welles*, 279 F.3d at 803.

253. *Id* at 803-804.

254. *Promatek*, 300 F.3d at 810.

was not readily identifiable without the use of the trademark.

Next the defendant must prove that it has only used so much of the mark as is necessary to identify the product or service.<sup>255</sup> The *Welles* court found that Welles' only used so much of the marks as was necessary when she did not use the marks so excessively that her site would appear above the plaintiff's in searches for playboy or playmate.<sup>256</sup> This requirement would also likely be satisfied in *Promatek* because Equitrac also did not use the Copitrak mark excessively.<sup>257</sup> Equitrac also used only the word Copitrak itself; it did not go so far as to copy Copitrak's font or distinctive look.<sup>258</sup> Therefore, the second factor would likely be satisfied because Equitrac does not repeat the trademark or use the trademark excessively on its site or in its metatags.

Finally, under the *New Kids* analysis, a defendant must prove that it has done nothing in conjunction with its use of the mark to suggest sponsorship or endorsement by the trademark owner.<sup>259</sup> The *Welles* court found this factor satisfied because the use of the trademarked terms "playboy" and "playmate" in Welles' metatags did not suggest sponsorship or endorsement by the plaintiff.<sup>260</sup> This third factor would also likely be satisfied in *Promatek* because Equitrac's use of "Copitrak" in its metatags and on its website only indicated that it provided service to Copitrak products.<sup>261</sup> In fact, just as Welles' site explicitly read that she was not in any way endorsed or sponsored by Playboy,<sup>262</sup> Equitrac has gone so far as to affirmatively renounce sponsorship and endorsement through a disclaimer on its site further indicating that it is not associated with the mark holder.<sup>263</sup>

As stated above, because of *Promatek*'s factual similarity to

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255. *New Kids*, 971 F.2d at 308.

256. *Welles*, 279 F.3d at 804.

257. *Promatek*, 300 F.3d at 810.

258. *Id.*

259. *New Kids*, 971 F.2d at 308.

260. *Welles*, 279 F.3d at 804.

261. *Promatek*, 300 F.3d at 810.

262. *Welles*, 279 F.3d at 799.

263. *Promatek*, 300 F.3d at 811.

*Volkswagenwerk*, the court should have assessed the possibility that Equitrac's use of Promatek's mark was nominative under the *New Kids* test. Given the analysis of the *New Kids* factors for nominative use, it is clear that if the court had correctly taken this approach, it would have likely found an injunction preventing Equitrac from using Promatek's mark in its metatags inappropriate because Promatek would be unlikely to succeed on the merits of its claim.

### 3. Reply to possible objections to nominative use.

The *Promatek* court might have chosen not to allow Equitrac's use of the mark in its metatags and because, unlike *Netscape*, in which the defendants were using English words rather than trademarks to key ads,<sup>264</sup> Equitrac used distinctive marks deserving of protection.<sup>265</sup> While it is true that Equitrac used non-English words in their trademarked form,<sup>266</sup> because its use was nominative and necessary for the free flow of information, its use of those terms should have been ruled permissible. The *Netscape* court found the words "playboy" and "playmate" necessary to express ideas.<sup>267</sup> Similarly, Equitrac's use of the word "Copitrak" is necessary to express the fact that it services Copitrak products.<sup>268</sup> When it allowed the use of the generic English words "playboy" and "playmate" to key ads, the *Netscape* court distinguished its case from *Brookfield* in which the trademarked term, "MovieBuff," was not an English word.<sup>269</sup> However, the court would be incorrect to rely on *Netscape*'s comparison to *Brookfield* because neither *Netscape* nor *Brookfield* discussed the *Promatek*'s crucial issue of nominative use.

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264. *Netscape*, 55 F.Supp. 2d at 1073-1074.

265. *Promatek*, 300 F.3d at 810.

266. *Id.*

267. *Netscape*, 55 F.Supp. 2d at 1073-1074

268. *Promatek*, 300 F.3d at 810.

269. *Netscape*, 55 F.Supp. 2d at 1074-1075.

### C. Likelihood of Confusion

Assuming that the court was correct in applying a likelihood of confusion test in lieu of a nominative use test, the results were still incorrect. The court should have relied on *Bihari*.<sup>270</sup>

Like the marks used in the *Bihari* defendant's website, the marks used by Equitrac were not likely to cause confusion, initial interest or otherwise.<sup>271</sup> A consumer who was transported to Equitrac's site might not instantly realize that the site did not belong to Promatek because both companies provided similar goods and services.<sup>272</sup> However, this is of little importance because metatags do not cause instant transportation.<sup>273</sup> Instead, a user searching for the term "Copittrak" would be directed to a list of search results.<sup>274</sup> This results page would state each matching site's address and usually a short description of each site's content.<sup>275</sup> A user searching for Copittrak's site would surely choose the site entitled "copittrak.com" in lieu of "equitrac.com." Like the *Bihari* defendant,<sup>276</sup> Equitrac did not use Promatek's metatag to trick consumers, but to catalogue the content of its site, part of which was information about Copittrak product services provided by Equitrac.<sup>277</sup> Because of the manner in which metatags work, consumer confusion was not likely in either case.

However, even if confusion were likely, the *Promatek* court was obliged to put Equitrac's use of the trademarks to the test for fair use as defined in *Bihari*.<sup>278</sup> Equitrac's use was fair if it used the Copittrak mark in its descriptive sense and in good faith.<sup>279</sup> Equitrac was likely to have satisfied both prongs of the fair use

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270. *Bihari*, 119 F.Supp. 2d 309.

271. *Id.* at 317.

272. *Promatek*, 300 F.3d at 810.

273. *Bihari*, 119 F.Supp. at 312.

274. *Id.*

275. *Id.*

276. *Id.* at 321.

277. *Promatek*, 300 F.3d at 810.

278. *Bihari*, 119 F.Supp. at 322.

279. *Id.*; citing 15 U.S.C. § 115 (b) (4)

test. It was nearly impossible to describe Equitrac's service of Copitrac products without using Promatek's mark.<sup>280</sup> The use of the mark in metatags was required to describe the content of Equitrac's site. Additionally, there was no evidence that Equitrac used the marks in bad faith to fool Promatek's customers.<sup>281</sup> Just as the *Bihari* court was especially persuaded that the defendant did not act in bad faith in using the plaintiff's mark in its metatags when its site included a disclaimer,<sup>282</sup> the *Promatek* court should have taken Equitrac's disclaimer as evidence of its good faith intent in using the marks.<sup>283</sup>

Had the court adopted the analysis provided by *Bihari*, it would have likely found confusion unlikely. Under *Bihari*, even if court were to find some possibility of confusion, Equitrac's use of Promatek's mark would likely have been found to be fair and therefore permissible.

#### *V. Impact of the Decision*

In following *Brookfield v. West Coast*, the *Promatek v. Equitrac* decision perpetuated misconceptions concerning the function and consequences of imbedded metatags. As the *Brookfield* court did, the court here "incorrectly assumed that search engines respond to a user's queries by taking the user to actual responsive websites."<sup>284</sup> This is not the case.<sup>285</sup> When an internet user keys in a search term the user is given a list of results that use that search term as an embedded metatag.<sup>286</sup> The user never sees the metatag but is instead given the addresses and brief descriptions of the

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280. *Promatek*, 300 F.3d at 810.

281. *Promatek*, 300 F.3d 808.

282. *Bihari*, 119 F.Supp. at 314.

283. *Promatek*, 300 F.3d at 811.

284. Jonathan A. Weininger, *Notes and Comments: Trademark Metatagging: Lanham Act Liability or Pareto Optimality?*, 23 WHITTIER L. REV. 469 at 495 (2001).

285. *Id.*

286. *Id.*



resulting sites.<sup>287</sup> Because the user is not transported to any given site, initial interest confusion is in actuality not all that likely.<sup>288</sup> A user is given a choice between many sites and will choose from those sites based on their domain names and descriptions.<sup>289</sup> Of course this leaves serious risk of initial interest confusion caused by misappropriation of trademarks in domain names because a user seeing a mark in a domain name might assume that the site is associated with the owner of the mark.<sup>290</sup> However, this risk is not nearly so real in the case of metatags that a user never sees.<sup>291</sup>

If the law is going to adapt to the fast-paced, constantly changing world of technology, it is critical that the court understand the inner workings of the technology around which it is forming case law. With the adoption of the reasoning used in *Brookfield*, the *Promatek* court adopted a misconception about the inner workings of the Internet and brought that misconception into case law in the Seventh Circuit.<sup>292</sup>

The *Brookfield* court suggested, and the *Promatek* court followed, an inappropriate metaphor to describe the use of another's trademark in one's own metatags.<sup>293</sup> *Brookfield* described the use as if Blockbuster Video had put a billboard on the highway reading "Next Exit West Coast Video."<sup>294</sup> When a consumer, attracted by the West Coast mark exits the highway, he or she finds a Blockbuster instead.<sup>295</sup> That consumer may choose to just rent at Blockbuster rather than search for the West Coast, even though he or she might prefer West Coast.<sup>296</sup>

However, as discussed above, this analogy might apply to the use of a competitor's mark in domain names, but it is not

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287. *Id.*

288. *Id.*

289. *Id.*

290. Congress has addressed the misappropriation of trademarks in domain names in 15 U.S.C. §1125 (d).

291. Weininger, *supra* note 282 at 495.

292. *Id.*

293. *Brookfield*, 174 F.3d at 1064.

294. *Id.*

295. *Id.*

296. *Id.*

applicable to the manner in which metatags really function.<sup>297</sup> One commentator has suggested a more correct metaphor that should be used to guide courts in lieu of the Brookfield metaphor.<sup>298</sup> Imagine that a consumer enters a supermarket to buy Crest toothpaste.<sup>299</sup> He or she is unfamiliar with the store layout and consults the hanging signs describing the contents of each aisle.<sup>300</sup> After locating the proper aisle, the consumer will be confronted with a variety of choices.<sup>301</sup> The Crest toothpaste will certainly be there, but so will the Aquafresh and Mentadent.<sup>302</sup> If the consumer chooses the Aquafresh paste, this is due to no misappropriation of Crest's mark.<sup>303</sup> Metatags function in the same manner.<sup>304</sup> They do not transport a consumer to one product; they are instead used to key a variety of choices from which a consumer might choose.<sup>305</sup>

The preceding supermarket metaphor brings up a second negative effect of the *Promatek v. Equitrac* decision: because competitors will be barred from using each other's trademarks in metatags, competition will be stifled.<sup>306</sup> In the preceding metaphor, the toothpaste shopper, after finding the toothpaste aisle by searching for Crest, is given a chance to peruse the packages of each paste and choose the one he or she feels is superior to the rest.<sup>307</sup> As a consequence, each paste will aim to be better than the other. If the shopper's search had only resulted in Crest, the shopper would have bought Crest. Crest would have had no fear that the shopper would find a superior paste through browsing and will therefore have no incentive to improve its toothpaste.

The Internet is fast becoming a consumer tool with users doing more and more of their shopping via the web. In order to give

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297. Weinger, *supra* note 282 at 495.

298. *Id.* at 498.

299. *Id.*

300. *Id.*

301. *Id.*

302. *Id.*

303. Weinger, *supra* note 282 at 498.

304. *Id.* at 495.

305. *Id.*

306. *Id.* at 497.

307. *Id.* at 498.

companies incentive to create better products, it is necessary to foster competition on the Internet. If a search for a trademark yields only the owner of that mark's site, consumers will not be given a choice and trademark owners will feel less pressure to create superior products.

Finally, the court's ruling in *Promatek v. Equitrac* will cause the internet to be less useful to consumers. It is a goal of the Internet to maximize the free flow of information. To prohibit Equitrac from using the term Copittrak in its metatags would inhibit that goal. As consumers searching for a type of product or service with no easy description grapple with what to use as a search term, their searches will become increasingly less fruitful. Information about products and services will not flow nearly as freely, consumers will not be given as much of a choice and as a result of decisions such as *Brookfield* and *Promatek*, the utility of the Internet will be undermined.

## VI. CONCLUSION

The internet has truly become more than just a means of communication; it has become a commercial entity. As the internet has become more and more commercial, the law has been forced to adapt in order to mediate between commercial competitors on the internet. Because the internet has become so important to competitors and consumers, it is crucial that the courts develop case law that is fully informed about the function of different aspects of the internet.

The court in *Promatek Industries, Ltd. v. Equitrac Corporation* adopted a precedent that perpetuates misconceptions about how internet metatags function. As a result, internet consumers will have more difficulty in navigating the internet and finding what they seek and will be given fewer choices. Competition will be stifled when well-established competitors are assured that internet users will more easily find well-established companies. U.S. courts should make it a primary goal to develop this new body of Internet Intellectual Property case law with an informed understanding of the internet to insure the continued utility of this

new genre.

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