Digital Trademarks II: 
Metadata, Search Engines, and Trademarks

READINGS

In this section, we'll move away from domain names briefly and discuss a few other ways that trademark disputes can arise in eCommerce:

*Brookfield Communications v. West Coast Entertainment, 174 F.3d 1036 (9th Cir. 1999)* (pdf, 32 kb, edited)


We must venture into cyberspace to determine whether federal trademark and unfair competition laws prohibit a video rental store chain from using an entertainment-industry information provider's trademark in the domain name of its web site and in its web site's metatags.

Brookfield Communications, Inc. ("Brookfield") appeals the district court's denial of its motion for a preliminary injunction prohibiting West Coast Entertainment Corporation ("West Coast") from using in commerce terms confusingly similar to Brookfield's trademark, "MovieBuff." Brookfield gathers and sells information about the entertainment industry. Founded in 1987 for the purpose of creating and marketing software and services for professionals in the entertainment industry, Brookfield initially offered software applications featuring information such as recent film submissions, industry credits, professional contacts, and future projects. These offerings targeted major Hollywood film studios, independent production companies, agents, actors, directors, and producers.

Sometime in 1996, Brookfield attempted to register the World Wide Web ("the Web") domain name "moviebuff.com" with Network Solutions, Inc. ("Network Solutions"). n2 but was informed that the requested domain name had already been registered by West Coast. Brookfield subsequently registered "brookfieldcomm.com" in May 1996 and "moviebuffonline.com" in September 1996. n3 Sometime in 1996 or 1997, Brookfield began using its web sites to sell its "MovieBuff" computer software and to offer an Internet-based searchable database marketed under the "MovieBuff" mark. Brookfield n4 sells its "MovieBuff" computer software through its "brookfieldcomm.com" and "moviebuffonline.com" web sites and offers subscribers online access to the consumers who are not interested in purchasing Brookfield's professional level alternative, The Studio System, and includes comprehensive, searchable, entertainment-industry databases and related software applications containing information such as movie credits, box office receipts, films in development, film release schedules, entertainment news, and listings of executives, agents, actors, and directors. This "MovieBuff" software comes in three versions - (1) the MovieBuff Pro Bundle, (2) the MovieBuff Pro, and (3) MovieBuff - and is sold through various retail stores, such as Borders, Virgin Megastores, Nobody Beats the Wiz, The Writer's Computer Store, Book City, and Samuel French Bookstores.

n1 The parties quibble over whether the exact date was in December 1993 or in January 1994, but this dispute is irrelevant.
MovieBuff database itself at its "inhollywood.com" web site.

n3 It also registered "inhollywood.com," but exactly when it did so is unclear from the record.

On August 19, 1997, Brookfield applied to the Patent and Trademark Office (PTO) for federal registration of "MovieBuff" as a mark to designate both goods and services. Its trademark application describes its product as "computer software providing data and information in the field of the motion picture and television industries." Its service mark application describes its service as "providing multiple-user access to an on-line network [**5] database offering data and information in the field of the motion picture and television industries." Both federal trademark registrations issued on September 29, 1998. Brookfield had previously obtained a California state trademark registration for the mark "MovieBuff" covering "computer software" in 1994.

In October 1998, Brookfield learned that West Coast - one of the nation's largest video rental store chains with over 500 stores - intended to launch a web site at "moviebuff.com" containing, inter alia, a searchable entertainment database similar to "MovieBuff." West Coast had registered "moviebuff.com" with Network Solutions on February 6, 1996 and claims that it chose the domain name because the term "Movie Buff" is part of its service mark, "The Movie Buff's Movie Store," on which a federal registration issued in 1991 covering "retail store services featuring video cassettes and video game cartridges" and "rental of video cassettes and video game cartridges." West Coast notes further that, since at least 1988, it has also used various phrases including the term "Movie Buff" to promote goods and services available at its video stores in Massachusetts, including "The Movie Buff's Gift Guide"; "The Movie Buff's Gift Store"; "Calling All Movie Buffs!"; "Good News Movie Buffs!"; "Movie Buffs, Show Your Stuff!"; "the Perfect Stocking Stuffer for the Movie Buff!"; "A Movie Buff's Top Ten"; "The Movie Buff Discovery Program"; "Movie Buff Picks"; "Movie Buff Series"; "Movie Buff Selection Program"; and "Movie Buff Film Series."

On November 10, Brookfield delivered to West Coast a cease-and-desist letter alleging that West Coast's proposed offering of online services at "moviebuff.com" would constitute trademark infringement and unfair competition in violation of sections 32 and 43(a) of the Lanham Act, 15 U.S.C. ß ß 1114, 1125(a). n4 Soon thereafter, Brookfield applied ex parte for a temporary restraining order ("TRO") enjoining West Coast "from using ... in any manner ... the mark MOVIEBUFF, or any other term or terms likely to cause confusion therewith, including moviebuff.com, as West Coast's domain name, ... as the name of West Coast's website service, in buried code or metatags on their home page or web pages, or in connection with the retrieval of data or information on other goods or services."

n4 Brookfield also asserted a trademark dilution claim under 15 U.S.C. ß 1125(c) and California state law trademark and unfair competition claims.

B . . . Because Brookfield requested that we [] preliminarily enjoin West Coast from using marks confusingly similar to "MovieBuff" in metatags and buried code, we must [] decide whether West Coast can, consistently with the trademark and unfair competition laws, use "MovieBuff" or "moviebuff.com" in its HTML code. n23

n23 As we explained in Part II, metatags are HTML code not visible to Web users but used by search engines in determining which sites
correspond to the keywords entered by a Web user. Although Brookfield never explained what it meant by "buried code," the leading trademark treatise explains that "buried code" is another term for the HTML code that is used by search engines but that is not visible to users. See 3 McCarthy, supra, at 25:69 n. 1. We will use the term metatags as encompassing HTML code generally.

At first glance, our resolution of the infringement issues in the domain name [*1062] context would appear [**70] to dictate a similar conclusion of likelihood of confusion with respect to West Coast's use of "moviebuff.com" in its metatags. Indeed, all eight likelihood of confusion factors outlined in Part V-A - with the possible exception of purchaser care, which we discuss below - apply here as they did in our analysis of domain names; we are, after all, dealing with the same marks, the same products and services, the same consumers, etc. Disposing of the issue so readily, however, would ignore the fact that the likelihood of confusion in the domain name context resulted largely from the associational confusion between West Coast's domain name "moviebuff.com" and Brookfield's trademark "MovieBuff." The question in the metatags context is quite different. Here, we must determine whether West Coast can use "MovieBuff" or "moviebuff.com" in the metatags of its web site at "westcoastvideo.com" or at any other domain address other than "moviebuff.com" (which we have determined that West Coast may not use).

Although entering "MovieBuff" into a search engine is likely to bring up a list including "westcoastvideo.com" if West Coast has included that term in its metatags, the resulting confusion [**71] is not as great as where West Coast uses the "moviebuff.com" domain name. First, when the user inputs "MovieBuff" into an Internet search engine, the list produced by the search engine is likely to include both West Coast's and Brookfield's web sites. Thus, in scanning such list, the Web user will often be able to find the particular web site he is seeking. Moreover, even if the Web user chooses the web site belonging to West Coast, he will see that the domain name of the web site he selected is "westcoastvideo.com." Since there is no confusion resulting from the domain address, and since West Coast's initial web page prominently displays its own name, it is difficult to say that a consumer is likely to be confused about whose site he has reached or to think that Brookfield somehow sponsors West Coast's web site.

Nevertheless, West Coast's use of "moviebuff.com" in metatags will still result in what is known as initial interest confusion. Web surfers looking for Brookfield's "MovieBuff" products who are taken by a search engine to "westcoastvideo.com" will find a database similar enough to "MovieBuff" such that a sizeable number of consumers who were originally looking for Brookfield's [**72] product will simply decide to utilize West Coast's offerings instead. Although there is no source confusion in the sense that consumers know they are patronizing West Coast rather than Brookfield, there is nevertheless initial interest confusion in the sense that, by using "moviebuff.com" or "MovieBuff" to divert people looking for "MovieBuff" to its web site, West Coast improperly benefits from the goodwill that Brookfield developed in its mark. Recently in Dr. Seuss, we explicitly recognized that the use of another's trademark in a manner calculated "to capture initial consumer attention, even though no actual sale is finally completed as a result of the confusion, may be still an infringement." Dr. Seuss, 109 F.3d at 1405 (citing Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 257-58 (2d Cir. 1987)). n24

n24 The Dr. Seuss court discussed initial interest confusion within its purchaser care analysis. As a district court within our circuit recognized in a recent case involving a claim of trademark infringement via metatags usage, "this case ... is not a standard trademark case and does not lend itself to the systematic application of the eight factors." Playboy Enters. v. Welles, 7 F. Supp. 2d 1098 (S.D. Cal. 1998). Because we agree that the traditional eight-factor test is not well-suited for analyzing the metatags issue, we do not attempt to fit our discussion into one of the Sleekcraft factors.

[**73] The Dr. Seuss court, in recognizing that the diversion of consumers' initial interest is a form of confusion against which the Lanham Act protects, relied upon Mobil Oil. In that case, Mobil Oil Corporation ("Mobil") asserted a federal trademark infringement claim against Pegasus Petroleum, alleging that Pegasus Petroleum's use of "Pegasus" was likely to cause confusion with Mobil's trademark, a flying horse symbol in the form of the Greek mythological Pegasus. Mobil established that "potential purchasers would be misled into an initial interest in Pegasus Petroleum" because they thought that Pegasus Petroleum was associated with Mobil. Id. at 260. But these potential customers would generally learn that Pegasus Petroleum was unrelated to...
Mobil well before any actual sale was consummated. See id. Nevertheless, the Second Circuit held that "such initial confusion works a sufficient trademark injury." Id.

Mobil Oil relied upon its earlier opinion in Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons, 523 F.2d 1331, 1341-42 (2d Cir. 1975). Analyzing the plaintiff's claim that the defendant, through its use of the "Grotrian-Steinweg" mark, attracted people really interested in plaintiff's "Steinway" pianos, the Second Circuit explained:

We decline to hold, however, that actual or potential confusion at the time of purchase necessarily must be demonstrated to establish trademark infringement under the circumstances of this case.

The issue here is not the possibility that a purchaser would buy a Grotrian-Steinweg thinking it was actually a Steinway or that Grotrian had some connection with Steinway and Sons. The harm to Steinway, rather, is the likelihood that a consumer, hearing the "Grotrian-Steinweg" name and thinking it had some connection with "Steinway," would consider it on that basis. The "Grotrian-Steinweg" name therefore would attract potential customers based on the reputation built up by Steinway in this country for many years.

Grotrian, 523 F.2d at 1342.

Both Dr. Seuss and the Second Circuit hold that initial interest confusion is actionable under the Lanham Act, which holdings are bolstered by the decisions of many other courts which have similarly recognized that the federal trademark and unfair competition laws do protect against this form of consumer confusion. See Green Prods., [*75] 992 F. Supp. 1070, 1076 (N.D. Iowa 1997) ("In essence, ICBP is capitalizing on the strong similarity between Green Products' trademark and ICBP's domain name to lure customers onto its web page."); SecuraCom Consulting, Inc. v. Securacom Inc., 984 F. Supp. 286, 298 (D.N.J. 1997) ("Infringement can be based upon confusion that creates initial customer interest, even though no actual sale is finally completed as a result of the confusion.") (citing 3 McCarthy § 23:6), rev'd on other grounds, 166 F.3d 182, 186 (3d Cir. 1999) ("In this appeal, [appellant] does not challenge the district court's finding of infringement or order of injunctive relief."); Kompan A.S. v. Park Structures, Inc., 890 F. Supp. 1167, 1180 (N.D.N.Y. 1995) ("Kompan argues correctly that it can prevail by showing that confusion between the Kompan and Karavan lines and names will mistakenly lead the consumer to believe there is some connection between the two and therefore develop an interest in the Karavan line that it would not otherwise have had."); Blockbuster Entertainment Group v. Laylco, Inc., 869 F. Supp. 505, 513 (E.D. Mich. 1994) ("Because the names are so similar and the products sold [*76] are identical, some unwitting customers might enter a Video Busters store thinking it is somehow connected to Blockbuster. Those customers probably will realize shortly that Video Busters is not related to Blockbuster, but under [ Ferrari S.P.A. Esercizio v. Roberts, 944 F.2d 1235 (6th Cir. 1991)] and Grotrian that is irrelevant."); Jordache Enters., Inc. v. Levi Strauss & Co., 841 F. Supp. 506, 514-15 [*1064] (S.D.N.Y. 1993) ("Types of confusion that constitute trademark infringement include where ... potential consumers initially are attracted to the junior user's mark by virtue of its similarity to the senior user's mark, even though these consumers are not actually confused at the time of purchase."); Sara Lee Corp. v. Kayser-Roth Corp., 1992 U.S. Dist. LEXIS 22597, No. 92-00460, 1992 WL 436279, at *24 (W.D.N.C. Dec. 1, 1992) ("That situation offers an opportunity for sale not otherwise available by enabling defendant to interest prospective customers by confusion with the plaintiff's product."); Television Enter. Network, Inc. v. Entertainment Network, Inc., 630 F. Supp. 244, 247 (D.N.J. 1986) ("Even if the confusion is cured at some intermediate point before the deal is completed, the initial [*77] confusion may be damaging and wrongful."); Koppers Co. v. Krupp-Koppers GmbH, 517 F. Supp. 836, 844 (W.D. Pa. 1981) ("Securing the initial business contact by the defendant because of an assumed association between the parties is wrongful even though the mistake is later rectified."). See also Forum Corp. of North America v. Forum, Ltd., 903 F.2d 434, 442 n.2 (7th Cir. 1990) ("We point out that the fact that confusion as to the source of a product or service is eventually dispelled does not eliminate the trademark infringement which has already occurred."). But see Astra Pharm. Prods., Inc. v. Beckman Instruments, Inc., 718 F.2d 1201, 1206-08 (1st Cir. 1983) (suggesting that only confusion that affects "the ultimate decision of a purchaser whether to buy a particular product" is actionable); Teletech Customer Care Mgmt. (Cal.), Inc. v. Tele-Tech Co., 977 F. Supp. 1407, 1410, 1414 (C.D. Cal. 1997) (finding likelihood of initial interest confusion but concluding that such "brief confusion is not cognizable under the trademark laws").

Using another's trademark in one's metatags is much like posting a sign with another's trademark in front of one's store. Suppose West [*78] Coast's competitor (let's call it "Blockbuster") puts up a billboard on a highway reading - "West Coast Video: 2 miles ahead at Exit 7" - where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast's store will pull off at Exit 7 and drive around looking for it. Unable to locate West Coast, but seeing the Blockbuster store right by the highway entrance, they may simply rent there. Even consumers who prefer West
Whenever a search performed on an Internet search engine listed Niton's web site, it also listed RMD's site. Although the opinion did not speak in terms of initial consumer confusion, the court made clear that its issuance of preliminary injunctive relief was based on the fact that RMD was purposefully diverting people looking for Niton to its web site. See id. at [*81] 104-05.

Consistently with Dr. Seuss, the Second Circuit, and the cases which have addressed trademark infringement through metatags use, we conclude that the Lanham Act bars West Coast from including in its metatags any term confusingly similar with Brookfield's mark. West Coast argues that our holding conflicts with Holiday Inns, in which the Sixth Circuit held that there was no trademark infringement where an alleged infringer merely took advantage of a situation in which confusion was likely to exist and did not affirmatively act to create consumer confusion. See Holiday Inns, 86 F.3d 619 at 622 (holding that the use of "1-800-405-4329" - which is equivalent to "1-800-HzeroLIDAY" - did not infringe Holiday Inn's trademark, "1-800-HOLIDAY"). Unlike the defendant in Holiday Inns, however, West Coast was not a passive figure; instead, it acted affirmatively in placing Brookfield's trademark in the metatags of its web site, thereby creating the initial interest confusion. Accordingly, our conclusion comports with Holiday Inns.

C

Contrary to West Coast's contentions, we are not in any way restricting West Coast's right to use terms in a manner which would constitute [*82] fair use under the Lanham Act. See New Kids on the Block v. New Amer. Publ'g, Inc., 971 F.2d 302, 306-09 (9th Cir. 1992); see also August Storck K.G. v. Nabisco, Inc., 59 F.3d 616, 617-18 (7th Cir. 1995). It is well established that the Lanham Act does not prevent one from using a competitor's mark truthfully to identify the competitor's goods, see, e.g., Smith v. Chanel, Inc., 402 F.2d 562, 563 (9th Cir. 1968) (stating that a copyist may use the originator's mark to identify the product that it has copied), or in comparative advertisements, see New Kids on the Block, 971 F.2d at 306-09. This fair use doctrine applies in cyberspace as it does in the real world. See Radio Channel Networks, Inc. v. Broadcast.Com, Inc., 1999 U.S. Dist. LEXIS 2577, No. 98-4799, 1999 WL 124455, at *5-*6 (S.D.N.Y. Mar. 8, 1999); Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp. 2d 1161 (C.D. Cal. 1998); Welles, 7 F. Supp. 2d at 1103-04; Patmon Motor Werks, Inc. v. Gateway Marine, Inc., 1997 U.S. Dist. LEXIS 20877, No. 96-2703, 1997 WL 811770, at *3-*4 & n.6 (N.D. Cal. Dec. 18, 1997); see also Universal Tel-A-Talk, 1998 WL 767440, at *9.
In *Welles*, the case most on point, Playboy sought to enjoin former [*83*] Playmate of the Year Terri Welles ("Welles") from using "Playmate" or "Playboy" on her web site featuring photographs of herself. See 7 F. Supp. 2d at 1100. Welles's web site advertised the fact that she was a former [*1066*] Playmate of the Year, but minimized the use of Playboy's marks; it also contained numerous disclaimers stating that her site was neither endorsed by nor affiliated with Playboy. The district court found that Welles was using "Playboy" and "Playmate" not as trademarks, but rather as descriptive terms fairly and accurately describing her web page, and that her use of "Playboy" and "Playmate" in her web site's metatags was a permissible, good faith attempt to index the content of her web site. It accordingly concluded that her use was permissible under the trademark laws. See id. at 1103-04.

We agree that West Coast can legitimately use an appropriate descriptive term in its metatags. But "MovieBuff" is not such a descriptive term. Even though it differs from "Movie Buff" by only a single space, that difference is pivotal. The term "Movie Buff" is a descriptive term, which is routinely used in the English language to describe a movie devotee. "MovieBuff" is not. [*84*] The term "MovieBuff" is not in the dictionary. See *Merriam-Webster's Collegiate Dictionary* 762 (10th ed. 1998); *American Heritage College Dictionary* 893 (3d ed. 1997); *Webster's New World College Dictionary* 889 (3d ed. 1997); *Webster's Third New Int'l Dictionary* 1480 ( unabridged 1993). Nor has that term been used in any published federal or state court opinion. In light of the fact that it is not a word in the English language, when the term "MovieBuff" is employed, it is used to refer to Brookfield's products and services, rather than to mean "motion picture enthusiast." The proper term for the "motion picture enthusiast" is "Movie Buff," which West Coast certainly can use. It cannot, however, omit the space.

Moreover, West Coast is not absolutely barred from using the term "MovieBuff." As we explained above, that term can be legitimately used to describe Brookfield's product. For example, its web page might well include an advertisement banner such as "Why pay for MovieBuff when you can get the same thing here for FREE?" which clearly employs "MovieBuff" to refer to Brookfield's products. West Coast, however, presently uses Brookfield's trademark not to reference [*85*] Brookfield's products, but instead to describe its own product (in the case of the domain name) and to attract people to its web site in the case of the metatags). That is not fair use.

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VII

As we have seen, registration of a domain name for a Web site does not trump long-established principles of trademark law. [*86*] When a firm uses a competitor's trademark in the domain name of its web site, users are likely to be confused as to its source or sponsorship. Similarly, using a competitor's trademark in the metatags of such web site is likely to cause what we have described as initial interest confusion. These forms of confusion are exactly what the trademark laws are designed to prevent.

Accordingly, we reverse and remand this case to the district court with instructions to enter a preliminary injunction in [*1067*] favor of Brookfield in accordance with this opinion.

REVERSED and REMANDED.
Plaintiffs Marianne Bihari and Bihari Interiors, Inc. (collectively "Bihari") move to preliminarily enjoin defendants Craig Gross and Yolanda Truglio (collectively "Gross") from using the names "Bihari" or "Bihari Interiors" in the domain names or metatags of any of their websites ("the Gross websites"), claiming that such use violates the Anticybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C. § 1125(d)(1), and infringes on Bihari's common-law service mark in violation of § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A). Additionally, Bihari moves to enjoin defendants from publishing defamatory statements against Bihari and Bihari Interiors on the Gross websites, contending that the defamatory statements constitute common law libel.

II. Background

A. The Failed Contract

Marianne Bihari is an interior designer who has been providing interior design services in New York City, New Jersey, Connecticut, California, Florida and Italy since 1984. See 3/3/00 Affidavit of Marianne Bihari in Support of Plaintiffs' Motion for a Preliminary Injunction ("Bihari Aff.") P 2. Since 1989, she has been continuously doing business as Bihari Interiors or Marianne Bihari d/b/a Bihari Interiors. See id. The Bihari Interiors name is well known, particularly in the New York City high-end residential interior design market. See id. PP 2, 4. Bihari does not engage in paid advertising to promote her services; rather, she relies on referrals from clients and other design-industry professionals. See id. P 3.

Craig Gross is a former client of Bihari Interiors. See id. P 1. Yolanda Truglio is Gross's girlfriend. See id. P 21. On February 12, 1998, Gross, on behalf of 530 East 76th Street, Inc., retained Bihari Interiors to provide interior and architectural design services for his condominium apartment on East 76th Street ("the Contract"). See Amended Complaint P 13; Defendants' Answer to Plaintiffs' Amended Complaint ("Answer") P 14.
and the Contract was never completed. See Amended Complaint PP 17-25.

On June 14, 1999, Gross filed suit against Marianne Bihari and Bihari Interiors in New York State Supreme Court alleging fraud and breach of contract ("the State Suit"). See id. P 26. On August 12, 1999, Gross submitted an amended verified complaint in the State Suit ("the First Amended Complaint"). On April 3, 2000, the state court dismissed two of the fraud claims, but granted Gross a right to replead one of those claims. See Amended Complaint P 94; 8/4/00 Affidavit of Craig Gross in Opposition to Motion for a Preliminary Injunction P 5 ("Gross Aff."). Gross has since filed a second amended complaint which is currently pending in New York State Supreme Court ("the Second Amended Complaint"). See Gross Aff. P 5.

B. The Alleged Harassment

Approximately two months after Gross first filed the complaint in the State Suit, on August 10, 1999, Bihari, Gross and Truglio engaged in settlement negotiations, which were ultimately unsuccessful. See Amended Complaint [*7] PP 27-29. Four days later, Gross registered the domain names "bihari.com" and "bihariinteriors.com". See id. P 31. On August 16, 1999, Bihari received an anonymous facsimile alerting her to the website. See id. P 32. The following day, Bihari accessed the website "www.bihariinteriors.com". See id. P 36. Disturbed by the unauthorized use of her name and her business name in the domain name, as well as the disparaging statements on the website, Bihari contacted her attorney. See Bihari Aff. PP 26, 27. On August 31, 1999, Bihari's attorney sent a letter to Gross demanding that he terminate the website. See Amended Complaint P 40. Rather than complying with Bihari's demand, Gross delivered to Bihari's residence pens bearing the words "www.bihariinteriors.com". n4 See id. P 44. In addition, Bihari alleges that subsequent to the delivery of the pens, Bihari received frequent "hang-up telephone calls" which lasted until approximately November 22, 1999. See id. PP 45, 48. n5 Bihari filed a criminal complaint for aggravated harassment against Gross and Truglio on October 3, 1999, but the District Attorney's office declined to prosecute her case. See id. PP 46, 47.

Bihari was the subject of a criminal complaint several months later. Before the contract relationship between Gross and Bihari deteriorated, Bihari Interiors sold Gross three sofas purchased from a vendor. See Amended Complaint P 49. Bihari Interiors made the initial payments for the sofas. See id. By the terms of the Contract, if Bihari Interiors failed to pay in full by a certain date, the vendor would be free to resell the sofas. See id. P 50. After the payment deadline expired, Gross paid the vendor the balance due on the sofas, thereby avoiding payment of Bihari Interiors' commission. See id. P 51; Answer P 51. The sofas, however, were not delivered to Gross, but to Bihari, who took possession of them pending resolution of the State Suit. See Amended Complaint P 52. Bihari alleges that Gross then filed a criminal complaint [*9] against her for theft of the sofas. See id. P 53. On December 20, 1999, Bihari was arrested, held for approximately six hours, and "charged with criminal possession of stolen property in the fifth degree, a misdemeanor offense." Id. P 56. On January 24, 2000, Bihari was informed that the District Attorney's office had declined to prosecute her case. See id. P 57.

C. The Websites

On March 7, 2000, Bihari served Gross with the instant Complaint and motion for injunctive relief. See id. P 58. Gross then offered to take down the "bihariinteriors.com" website pending a preliminary injunction hearing. See id. P 59. He has since relinquished the domain names "bihari.com" and "bihariinteriors.com" and is taking all necessary steps to return those domain names to Network Solutions, Inc., the provider of domain name registrations. See 8/29/00 Letter of Defendants' Attorney Anne W. Salisbury to the Court ("8/29/00 Salisbury Letter").

On March 7, 2000, the day that Bihari served Gross with the Complaint, Bihari also learned of another website created by Gross, "designscam.com", by using an Internet search engine and searching for the words "Bihari Interiors". [*10] See id. P 60. Bihari discovered that the "designscam.com" website contained the same content as the "bihariinteriors.com" website. See id. PP 60, 61. Then, on March 11, 2000, Gross registered a fourth website, "manhattaninteriordesign.com", containing the identical material as "designscam.com". See id. P 63.

All of the Gross websites use "Bihari Interiors" as metatags embedded within the websites' HTML code. See id. P 66. The description metatags of the Gross websites state "This site deals with the problems experienced when hiring a new [sic] York City (Manhattan) designer. It discusses Marianne Bihari[,]

D. The Website Content

Each of the Gross websites is critical of Bihari and her interior design services. An Internet user accessing any of the websites first sees a large caption reading "The Real Story Behind Marianne Bihari & Bihari Interiors." See id. P 72. Directly beneath this title are three [*11] photographic reproductions of scenic New York. See id. P 73. Beneath the photographs is a counter indicating how many visitors the website has had. As of June 26, 2000, the counter indicated that 9,774 people have visited the website since August 15, 1999. See Print-out of "manhattaninteriordesign.com" Website, Ex. E to Plaintiffs' Amended Notice of Motion. Also appearing on the first page of the websites are various hyperlinks n6 including "Tips on Picking a Designer," "New York City Information," "Who's Who in Interior Design," "Kabalarians Philosophy," "A Humorous Look," "Tell A Friend," "Send E-Mail," "Sign or Read the Guest Book," and "Participate in the Bihari Poll." Id.

A long block of text appears beneath these hyperlinks and it states:

Welcome to the first [*12] 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 & Bihari 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 into a contract with Marianne Bihari & Bihari Interiors - Please Click Here.

See id.; Amended Complaint PP 78, 79.

Below this text a viewer finds additional hyperlinks to "The Initial Meeting," "The Contract," "The Scam," and "The Law Suit" [sic]. See Amended Complaint P 80. Viewers who connect with these links do not immediately receive the information, but are told that if they send an e-mail, they will receive a copy of the requested information. See id. P 81. [*13]

In addition to these comments, the Gross websites contain a "guestbook" where visitors leave messages for other visitors to the websites. See id. P 83. Some of the guestbook entries indicate that potential clients declined to retain Bihari's services because of the Gross websites. See id. P 86. Other messages simply comment or inquire about the Gross websites' design. See Guestbook Entries for "www.bihariinteriors.com" from 3/1/2000 ("Guestbook Entries"), Ex. B. to Bihari Aff. Many other entries disparage Bihari and Bihari Interiors. n7 See Amended Complaint P 87. Bihari alleges that many of the guestbook entries were written by Gross and Truglio, and do not reflect true dissatisfaction with Bihari or Bihari Interiors. See id. P 85. n8

n6 A hyperlink is "highlighted text or images that, when selected by the user, permit[s] [her] to view another, related Web document." Bensusan Restaurant Corp. v. King, 126 F.3d 25, 27 n.1 (2d Cir. 1997).

n7 Bihari provides six examples of disparaging guestbook entries, which she seeks to enjoin:

a. Finally someone who speaks the truth about this horrible interior decorator. I myself fell victim to this company and have been to [sic] ashamed to speak until coming across this web site. Thank you for sharing your suffering. I no longer feel alone. Sincerely, Mr. Taken Advantage.

b. Rumor has it this designer recently stepped over the line ... She may soon find herself in new surroundings (if you know what I mean).

c. Knowing Marianne Bihari this site does not surprise us. . . Rumor has it she is in a little tangle with another showroom in our building. Sincerely, Friends of Bihari Victims.

d. How is it possible that this woman can get away with all you claim? Is there no justice in the world, or at least in New York.

e. My friend invited me to her New Years Eve party last night. Conversation came up about M. Bihari. Is there any truth regarding her arrest?

f. Bihari behind bars? Is this true? If it is, why wouldn't this site have the details. Please enlighten us.

Amended Complaint P 87. [*14]
Bihari submitted two affidavits to support this allegation. The first affidavit was written by her friend George Manos, who stated that of the fifty guestbook entries in the "www.bihariinteriors.com" guestbook, eighteen were signed by individuals who left their e-mail addresses. See 3/2/00 Affidavit of George Manos in Support of Plaintiffs' Motion for a Preliminary Injunction ("Manos Aff.") P 3. Manos sent an e-mail message to those eighteen individuals, but twelve of those e-mail messages were "bounced back" to him. Id. P 4. From this fact, John Running concluded in his affidavit that "some other individuals left the guestbook messages and signed with a phony e-mail address." See Running Aff. P 17.

The "designscam.com" and "manhattaninteriordesign.com" websites also contain a box which presents in blinking green letters the following incomplete statement quoted from Bihari's March 3, 2000 Affidavit: "I was arrested and charged with criminal possession of stolen property in the Fifth Degree." See id. P 62. Gross neither includes the rest of the sentence -- which reveals that [*15] the arrest was for a misdemeanor offense -- nor informs the reader that the District Attorney's Office declined to prosecute the case. See id.

In June 2000, Gross launched amended versions of the "designscam.com" and "manhattaninteriordesign.com" websites. See id. P 90. The new websites are substantially identical to the former version, with two exceptions. See id. First, Gross deleted the statement, "Our goal is to protect you from experiencing the overwhelming grief and aggravation in dealing with someone that allegedly only has intentions to defraud." See id. P 93. Second, he added two hyperlinks - from the words "alleged fraud" and "lawsuit" -- to a copy of the First Amended Complaint in the State Suit. See id. P 94.

E. Motive and Intent

The parties dispute defendants' motive and intent in creating the websites. Bihari alleges that Gross's motive was to harass Bihari and to pressure her into settling the State Suit. See Bihari Aff. P 23. Gross counters that he created the websites because he was disturbed by Bihari's "deceitful practices," and was "dedicated to assisting consumers who are in the process of choosing a designer in New York City, [*16] as well as informing others of my experiences with Bihari." Gross Aff. P 7. While there is no direct proof that Gross's motive is to pressure Bihari to settle the State Suit, there is proof that Gross intends to harm Bihari's business. Gross's specific intent, as memorialized in his own words on his websites, is to warn potential customers of Bihari's "alleged ill intentions" and to "protect" them from experiencing "the overwhelming grief and aggravation" he has experienced in dealing with Bihari. Amended Complain P 79. Undeniably, Gross's intent is to cause Bihari commercial harm.

IV. Discussion

A. The Lanham Act Claims

3. Likelihood of Success on the Trademark Infringement Claim

A claim of trademark infringement under ß 43(a) of the Lanham Act requires the plaintiff to show (1) that she has a valid mark that is entitled to protection under the Lanham Act, and (2) that use of that mark by another is likely to cause confusion ... as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of [the defendant's] goods, services, or commercial activities by another person." n10 15 U.S.C. ß 1125(a)(1)(A); Estee Lauder Inc. v. The Gap, Inc., 108 F.3d 1503, 1508-09 (2d Cir. 1997). As discussed more fully below, Bihari has failed to demonstrate a likelihood of success on the merits of this claim because Gross's use [*21] of the "Bihari Interiors" mark in the metatags is not likely to cause confusion and is protected as a fair use.

n10 Section 43(a) of the Lanham Act states:

(1) Any person who, on or in connection with any goods or services, or any container for goods, 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

(A) 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, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, 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.


[*22]

a. The Strength of Bihari's Mark

"Bihari Interiors" is not a registered trademark with the United States Patent and Trademark Office. Rather, Bihari claims that she is entitled to a common-law service mark. n11 Registration is not a prerequisite to protection under § 43(a) of the Lanham Act. See Forschner Group, Inc. v. Arrow Trading Co., 124 F.3d 402, 407 (2d Cir. 1997). The four judicially-developed categories of trademarks, listed in ascending order of their strength are (1) generic, (2) descriptive, (3) suggestive, and (4) arbitrary or fanciful. See Arrow Fastener Co. v. Stanley Works, 59 F.3d 384, 391 (2d Cir. 1995); Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976). A generic mark can never be protected, but a descriptive mark can obtain registration if it has acquired "secondary meaning." See Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc., 192 F.3d 337, 344 (1999). "Fanciful, arbitrary and suggestive marks are deemed inherently distinctive. Their intrinsic nature serves to identify a particular source of a product, so they will be automatically protected" without a showing of secondary meaning. Id. A term is descriptive [*23] if it "tells something about a product, its qualities, ingredients or characteristics." Estee Lauder Inc., 108 F.3d at 1509. In contrast, a term is suggestive if it "requires imagination, thought, and perception to reach a conclusion as to the nature of the goods" or services it represents. Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc., 973 F.2d 1033, 1039 (2d Cir. 1992).

n11 Service marks are essentially trademarks used in the sale of services, instead of goods. Both service marks and trademarks are governed by identical standards. See, e.g., Lane Capital Management v. Lane Capital Management, 192 F.3d 337, 344 n.2 (2d Cir. 1999). A service mark includes words used "to identify and distinguish the services of one person, including a unique service, from the services of others and to indicate the source of the services, even if that source is unknown." 15 U.S.C. § 1127.

Generally, personal names used as trademarks are regarded as descriptive [*24] terms, protected only if they have acquired distinctive and secondary meaning. See Lane Capital, 192 F.3d at 345; Abraham Zion Corp. v. Lebow, 761 F.2d 93, 104 (2d Cir. 1985). However, "Bihari Interiors" is a suggestive rather than a descriptive mark because it suggests Bihari's services. The mark requires an imaginative leap to correctly identify Bihari's services. The word "interiors" does not immediately identify interior design services. It could as easily describe a company producing home furnishings, seat covers for automobiles n12 or services such as carpet cleaning or wall painting. As a suggestive mark, "Bihari Interiors" is inherently distinctive and entitled to protection.


b. Commercial [*25] Use

The plain language of the Lanham Act makes apparent that § 43(a) is only applicable to commercial uses of another's mark. First, the statute only applies to actions taken by individuals "in connection with any goods or services." 15 U.S.C. § 1125(a)(1); see also Int'l Ass'n of Machinists and Aerospace Workers, AFL-CIO v. Winship Green Nursing Ctr., 914 F. Supp. 651, 654, n.2 (D. Me.) (the statutory language "in connection with goods or services" serves the purpose of keeping most applications of the Lanham Act "within the realm of 'commercial speech' so that 'conflicts with the First Amendment are minimized'"), aff'd, 103 F.3d 196 (1st Cir. 1996). Second, § 43(a) is limited to uses likely to cause confusion "as to the origin, sponsorship, or approval of [the defendant's] goods, services, or commercial activities ...." 15 U.S.C. § 1125(a)(1)(A) (emphasis added). Third, § 43(a) is limited by 15 U.S.C. § 1125(c)(4)(B), which states that "noncommercial use of a mark" is not actionable under the Lanham Act. See 15 U.S.C. § 1125 [*26] (c)(4)(B); Planned Parenthood Federation of America, Inc. v. Bucci, 1997 U.S. Dist. LEXIS 3338, 97 Civ. 0629, 1997 WL 133313, at * 7 (S.D.N.Y. Mar. 24, 1997).

The commercial use requirement in § 43(a) tracks the commercial speech doctrine as developed by the United States Supreme Court. See Central Hudson Gas & Elec. Corp. v. Public Serv. Comm. of New York, 447 U.S. 557, 561, 65 L. Ed. 2d 341, 100 S. Ct. 2343 (1980). Following the Supreme Court's precedent, the Second Circuit has explained that 'the 'core notion' of commercial speech includes 'speech which does no more

"The mere use of another's name on the Internet ... is not per se commercial use." Bally Total Fitness Holding Corp. v. Faber, 29 F. Supp. 2d 1161, 1166 (C.D. Cal. 1998). Nor do the Gross websites offer any "commercial transaction." Defendants are not interior designers and do not sell visitors any products or services. However, [*27] the Gross websites contain hyperlinks to other websites which promote the services of other interior designers. See supra Part II.D. The Gross websites effectively act as a conduit, steering potential customers away from Bihari Interiors and toward its competitors, thereby transforming his otherwise protected speech into a commercial use. See Jews For Jesus v. Brodsky, 993 F. Supp. 282, 308 (D. N.J. 1998) (defendant's site devoted to criticizing the Jews for Jesus movement is commercial because it includes a hyperlink to another Internet site which sells certain merchandise).

c. Likelihood of Confusion

Plaintiffs argue that inclusion of "Bihari" and "Bihari Interiors" in the metatags of the Gross websites is likely to cause confusion. Plaintiffs overstate their case. See Memorandum of Law in Support of Plaintiffs' Motion for a Preliminary Injunction ("Pl. Mem.") at 29 ("It is impossible for even the most sophisticated Internet viewer to ascertain at first glance that Gross's web site is NOT sponsored by Bihari or BIHARI INTERIOURS."); Supplemental Memorandum of Law in Support of Plaintiffs' Motion for a Preliminary Injunction ("Pl. Sup. Mem.") at 8. [*28] Because the purpose of the websites is to injure Bihari Interiors commercially, no reasonable viewer would believe that the disparaging comments regarding Bihari's business ethics -- comments which appear on the first page of the websites -- are endorsed by Bihari. Moreover, in the instant case, there is no "lengthy delay between attempting to access plaintiff's home page and learning that one has failed to do so." See Planned Parenthood, 1997 WL 133313, at *8 (finding likelihood of confusion where viewer misled by website to believe that it is the Planned Parenthood website and deception is not clarified until user links to other pages of the website). Therefore, any likelihood of confusion is minimal. n13

n13 The likelihood of confusion question generally requires analysis of the classic eight factor test established in Polaroid Corp. v. Polarad Elecs. Corp., 287 F.2d 492, 495 (2d Cir. 1961). However, the Polaroid factors are of little assistance here. The Gross websites do not sell any goods or directly compete with Bihari Interiors. Even in the Internet context, this case is unique. In instances in which a website uses another entity's trademark in the domain name, application of the Polaroid factors is simple because the defendant has adopted a mark -- namely, the website domain name -- that incorporates or is strikingly similar to another mark. See, e.g., Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036 (9th Cir. 1999) (defendant adopted domain name of "moviebuff.com"); New York State Society of Certified Public Accountants v. Eric Louis Assoc., 79 F. Supp. 2d 331, 340 (S.D.N.Y. 1999) (defendant adopted domain name of "www.nysscpa.com") even though the New York State Society of Certified Public Accountants already had a trademark in "NYSSCPA"); Jews For Jesus, 993 F. Supp. at 290 (defendant adopted domain name of "jewsforjesus.org"); Planned Parenthood, 1997 WL 133313, at *7 n.9 (defendant adopted domain name of "www.plannedparenthood.com") . However, the Gross websites no longer use the "Bihari Interiors" mark in the domain name. This makes the Polaroid factors inapplicable. See Brookfield Communications, 174 F.3d at 1062 (stating that using mark in metatags is less likely to cause actual confusion).

[*29]

d. Initial Interest Confusion

Even if actual confusion is unlikely, Plaintiffs argue that there is a likelihood of "initial interest confusion." See Pl. Sup. Mem. at 7-10. Accepting, arguendo, the concept of initial interest confusion in an Internet case, n14 Bihari has failed to prove a likelihood of initial interest confusion.

n14 Although the Second Circuit has not explicitly applied this doctrine in an Internet case, the Ninth Circuit has. See Brookfield Communications, 174 F.3d at 1062-63 (relying on Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 257-58 (2d Cir. 1987)). In addition, at least two courts in the Second Circuit have analyzed a trademark case involving metatags by applying the initial interest confusion doctrine. See New York State Society of Certified Public Accountants, 79 F. Supp. 2d at 341; OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp. 2d 176, 190 (W.D.N.Y. 2000); but see BigStar
[*30]

An infringement action may be based on a claim that the alleged infringement creates initial consumer interest, even if no actual sale is completed as a result of the confusion. In the cyberspace context, the concern is that potential customers of one website will be diverted and distracted to a competing website. The harm is that the potential customer believes that the competing website is associated with the website the customer was originally searching for and will not resume searching for the original website.

The Ninth Circuit recently provided a useful metaphor for explaining the harm of initial interest confusion in cyberspace:

Using another's trademark in one's metatags is much like posting a sign with another's trademark in front of one's store. Suppose West Coast's, [the defendant], competitor (let's call it "Blockbuster") puts up a billboard on a highway reading -- "West Coast Video: 2 miles ahead at Exit 7" -- where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast's store will pull off at Exit 7 and drive around looking for it. Unable to locate West Coast, but seeing the Blockbuster store right by [*31] the highway entrance, they may simply rent there. Even consumers who prefer West Coast may find it not worth the trouble to continue searching for West Coast since there is a Blockbuster right there.

Brookfield Communications, 174 F.3d at 1064. n15

n15 Use of the highway billboard metaphor is not the best analogy to a metatag on the Internet. The harm caused by a misleading billboard on the highway is difficult to correct. In contrast, on the information superhighway, resuming one's search for the correct website is relatively simple. With one click of the mouse and a few seconds delay, a viewer can return to the search engine's results and resume searching for the original website.

The highway analogy pinpoints what is missing in this case. Inserting "Bihari Interiors" in the metatags is not akin to a misleading "billboard," which diverts drivers to a competing store and "misappropriates [plaintiff's] acquired goodwill." Id. ("The fact that there is only initial consumer confusion [*32] does not alter the fact that [the defendant] would be misappropriating [the plaintiff's] good will."). Far from diverting "people looking for information on Bihari Interiors," as plaintiffs allege, see Pl. Sup. Mem. at 8, the Gross websites provide users with information about Bihari Interiors. Furthermore, the Gross websites cannot divert Internet users away from Bihari's website because Bihari does not have a competing website. See BigStar Entertainment, 105 F. Supp. 2d at 209-10 (stating that initial interest confusion does not arise where parties are not in close competitive proximity).

Furthermore, users are unlikely to experience initial interest confusion when searching the Internet for information about Bihari Interiors. In support of their motion, Plaintiffs' counsel provided a typical search result when "Bihari Interiors," is entered into the search field. See MetaCrawler Search Results from March 16, 2000 ("3/16/2000 Search Results"), Ex. C to 3/16/00 Letter from Brian Maas, Esq., Counsel for Bihari, to Court ("3/16/00 Maas Letter"). The search revealed twelve websites, eight of which appear to be the Gross websites. Of those eight, five bear [*33] the heading "Manhattan Interior Design Scam - Bihari Interiors." Each website with that heading contains the following description underneath the title: "This site deals with the problems experienced when hiring a New York City (Manhattan) designer. It discusses Marianne Bihari[,] fraud and deceit and ...." 3/16/2000 Search Results, Ex. C to 3/16/2000 Maas Letter, at 1 (ellipses in original).

An Internet user who reads this text, and then sees the domain name of "designscam.com" or "manhattaninteriordesign.com", is unlikely to believe that these websites belong to Bihari Interiors or Bihari. n16 See Brookfield Communications, 174 F.3d at 1062 (relying on search engine results and different domain names to show that level of confusion is less severe when mark is included as a metatag as compared to mark's inclusion in domain name).

n16 The other three bear the headings "Bihari Poll", "Info Page", and "Guestbook". The description underneath the "Bihari Poll" heading states, in part: "After visiting this site I would: never hire Marianne Bihari or Bihari Interiors ...." 3/16/2000 Search Results, Ex. C to 3/16/2000 Maas Letter, at 2 (ellipses in original). The "Info Page" description states, "If you are thinking of hiring Marianne Bihari or Bihari Interiors, please feel free to e-mail us. We will be more than glad to share with you our ...." Id. (ellipses in original). The description underneath the "Guestbook" title states, in part, "I almost hired Ms. Bihari. . . Hi, I was refered [sic] to this web
site by my real estate broker in Manhattan. If any one [sic] on this posting board can recommend a very creative architect / designer it would be greatly appreciated.” Id. (ellipses in original). No reasonable person would believe that any of these three websites were sponsored or endorsed by Bihari.

[*34]

The few decisions holding that use of another entity's trademark in metatags constitutes trademark infringement involved very different circumstances. Niton Corp. v. Radiation Monitoring Devices, Inc., 27 F. Supp. 2d 102 (D. Mass. 1998), for example, provides a good example of the use of metatags to divert a competitor's customers. First, Radiation Monitoring Devices ("RMD") and Niton Corporation ("Niton") were direct competitors. Second, RMD did not simply use Niton's trademark in its metatag. Rather, RMD directly copied Niton's metatags and HTML code. As a result, an Internet search using the phrase "home page of Niton Corporation" revealed three matches for Niton's website and five for RMD's website. See id. at 104. RMD obviously was taking advantage of Niton's good will to divert customers to the RMD website.

Similarly, in Playboy Enters., Inc. v. Asiafocus Int'l, Inc., 1998 U.S. Dist. LEXIS 10459, No. Civ. A. 97-734-A, 1998 WL 724000, at *3, *6-*7 (E.D. Va. Apr. 10, 1998), the court enjoined use of the marks "Playboy" and "Playmate" in the domain name and metatags of defendant's website. The defendant provided adult nude photos on webpages located at "asian-playmates.com" and "playmates-asian.com". The "Playboy" and "Playmate" trademarks were embedded in the metatags such that a search for Playboy Enterprises Inc.'s ("Playboy") website would produce a list that included "asian-playmates.com". See id. at *3, *5-*6; see also Playboy Enters., Inc. v. Calvin Designer Label, 985 F. Supp. 1220, 1221 (N.D. Cal. 1997) (preliminarily enjoining defendant's website, "www.playboyxxx.com" and repeated use of the "Playboy" trademark in defendant's metatags). Defendants in these cases were clearly attempting to divert potential customers from Playboy's website to their own.

Even Brookfield Communications, where initial interest confusion was first applied to metatags, presents convincing proof of diversion. Brookfield sought to protect its trademark in its "MovieBuff" software, which provides entertainment-industry information. Brookfield had created a website offering an Internet-based searchable database under the "Moviebuff" mark. The defendant, West Coast, a video rental store chain, registered a site at "moviebuff.com" which also contained a searchable entertainment database. The court held that defendant's [*36] use of the "moviebuff.com" domain name constituted trademark infringement. See 174 F.3d at 1061. The court also enjoined West Coast from using any term confusingly similar to "moviebuff" in the metatags based on the initial interest confusion caused by the use of Brookfield's mark, which would redound to West Coast's financial benefit. See id. at 1065.

In each of these cases, the defendant was using the plaintiff's mark to trick Internet users into visiting defendant's website, believing either that they were visiting plaintiff's website or that the defendant's website was sponsored by the plaintiff. As more fully discussed below, see infra Part IV.A.3.e, Gross's use of the "Bihari Interiors" mark in the metatags is not a bad-faith attempt to trick users into visiting his websites, but rather a means of cataloging those sites.

e. The Fair Use Doctrine


"Fair use is established when the challenged term is a use, otherwise than as a mark, ... of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party ...." 15 U.S.C. ß 1115(b)(4). In other words, "fair use permits others to use a protected mark to describe aspects of their own goods." Car-Freshener Corp. v. S.C. Johnson & Son, Inc., 70 F.3d 267, 270 (2d Cir. 1995). It is not necessary that the plaintiff's mark be classified as "descriptive" to benefit from the fair use defense. See id. at 269-270. Instead, the central considerations are whether the defendant has used the mark (1) in its descriptive sense, and (2) in good faith. See id.

(i) Use of the Term in its Descriptive Sense

The requirement that a trademark [*38] 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. See Nihon Keizai Shimbun, Inc. v. Comline Bus. Data, Inc., 166 F.3d 65, 73-74 (2d Cir. 1999)
(permitting fair use defense where defendant, a company that gathers news articles and sells "abstracts" summarizing the articles, routinely used the plaintiff's mark in the reference line of its abstracts to identify the source of the article abstracted by the defendant); Restatement (Third) of Unfair Competition ß 28 cmt. a (1995) (fair use defense protects a subsequent user's use of a personal name designation "if the name is used solely to indicate truthfully the named person's connection with the goods, services, or business."). Applying this general rule to the metatag context, Professor McCarthy states: "The fair use defense applies ... if another's trademark is used in a meta tag solely to describe the defendant or defendant's goods or services ...." 4 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition ("McCarthy"), ß 25:69 at 25-137 (4th ed. 1999). This position finds [*39] support in recent cases. In Playboy Enters., Inc. v. Welles, 7 F. Supp. 2d 1098 (S.D. Cal. 1998), Playboy sought to enjoin Terri Welles, a former "Playmate of the Month" and "Playmate of the Year", from utilizing the trademarked terms "Playboy" and "Playmate" in the metatags of Welles's website. The court denied the injunction, holding that use of the trademarked terms in the metatags is a fair use. The court stated:

With respect to the meta tags, the court finds there to be no trademark infringement where defendant has used plaintiff's trademarks in good faith to index the content of her website. The meta tags are not visible to the websurfer although some search engines rely on these tags to help websurfers find certain websites. Much like the subject index of a card catalog, the meta tags give the websurfer using a search engine a clearer indication of the content of a website. The use of the term Playboy is not an infringement because it references not only her identity as a "Playboy Playmate of the Year 1981," but it may also reference the legitimate editorial uses of the term Playboy contained in the text of defendant's website.

Id. at 1104; [*40] see also Brookfield Communications, 174 F.3d at 1066 (stating that West Coast can use Brookfield's trademark on its website to "legitimately ... describe Brookfield's product. For example, [West Coast can] ... include an advertisement banner such as 'Why pay for MovieBuff when you can get the same thing here for FREE?'").

Here, Gross has included "Bihari Interiors" in the metatags of his websites because the websites provide information about Bihari Interiors and Marianne Bihari. Gross has not used the terms "Bihari Interiors" and "Bihari" in the metatags as a mark, but rather, to fairly identify the content of his websites. In short, Gross uses the "Bihari Interiors" mark in its descriptive sense only.

Moreover, use of the "Bihari Interiors" mark in the metatags of his websites is the only way Gross can get his message to the public. See Bally Total Fitness, 29 F. Supp. 2d at 1165 ("Prohibiting [the defendant] from using Bally's name in the machine readable code would effectively isolate him from all but the most savvy of Internet users."). A broad rule prohibiting use of "Bihari Interiors" in the metatags of websites not sponsored by Bihari [*41] would effectively foreclose all discourse and comment about Bihari Interiors, including fair comment. Courts must be particularly cautious of overextending the reach of the Lanham Act and intruding on First Amendment values. Cf. Rogers v. Grimaldi, 875 F.2d 994, 998 (2d Cir. 1989) (holding that movie titles using a celebrity's name will not be actionable under the Lanham Act unless the title has no artistic relevance to the underlying work or if the title misleads as to the source or the content of the work); 4 McCarthy, ß 27:91 at 27-140 ("Whether through the use of statutory interpretation or concern for free speech, traditional protections for commentators and critics on business and commercial affairs must not be jettisoned. It is important to create critical breathing space for legitimate comment and criticism about products and services."). The Second Circuit's warning in a recent Internet case to proceed cautiously when dealing with the frontier of expressive speech on the Internet is particularly instructive:

In considering whether domain names constitute expressive speech, we observe that the lightning speed development of the Internet poses challenges [*42] for the common-law adjudicative process -- a process which, ideally while grounded in the past, governs the present and offers direction for the future based on understandings of current circumstances. Mindful of the often unforeseeable impact of rapid technological change, we are wary of making legal pronouncements based on highly fluid circumstances, which almost certainly will give way to tomorrow's new realities.

Name.Space, Inc. v. Network Solutions, Inc., 202 F.3d 573 (2d Cir. 2000) (stating that top level domain names may, one day, constitute expressive speech).

(ii) Gross's Good Faith

To benefit from the defense of fair use, Gross must have acted in good faith. The inquiry into a defendant's good faith focuses on whether "the defendant adopted its mark with the intention of capitalizing on plaintiff's reputation and goodwill and any confusion between his and the senior user's product." Lang v. Retirement Living Pub. Co., Inc., 949 F.2d 576, 583 (2d Cir. 1991).
Bihari argues, in a conclusory fashion, that Gross did not adopt the "Bihari Interiors" mark in good faith. Rather, Gross intended to divert individuals searching for information about Bihari Interiors to his websites. See Pl. Mem. at 33; Pl. Sup. Mem. at 8. This argument is not persuasive. Metatags serve as a cataloging system for a search engine. Gross has the right to catalog the contents of his websites. Furthermore, the fact that Gross knew of the prior use of the "Bihari Interiors" mark does not in itself prove a lack of good faith. "Prior knowledge of [plaintiff's] trade name does not give rise to a necessary inference of bad faith, because adoption of a trademark with actual knowledge of another's prior registration ... may be consistent with good faith." Lang, 949 F.2d at 583-84; Restatement (Third) of Unfair Competition § 28 cmt. d ("Knowledge of a prior trademark use of the term does not in itself prove a lack of good faith.").

In addition, the domain names of the Gross websites and the disclaimer prove that Gross is using "Bihari Interiors" in good faith. The domain names of his websites in no way confuse Internet users into believing that his site is actually that of Bihari Interiors. See, e.g., Planned Parenthood, 1997 WL 133313, at *8-*10 (defendant's anti-abortion website violates the Lanham Act because, among other reasons, it was registered at "www.plannedparenthood.com", and the site greeted users with "Welcome to the PLANNED PARENTHOOD HOME PAGE"). Moreover, the Gross websites include a disclaimer: "Keep in mind that this site reflects only the viewpoints and experiences of one Manhattan couple ...." See Amended Complaint P 92. Although a disclaimer cannot insulate Gross from liability, it indicates good faith use of the service marks and weighs in Gross's favor. See Consumers Union of United States, Inc. v. General Signal Corp., 724 F.2d 1044, 1053 (2d Cir. 1983) ("Disclaimers are a favored way of alleviating consumer confusion as to source or sponsorship"); Welles, 7 F. Supp. 2d at 1104. Even if the Gross websites are mean-spirited and vindictive, bad faith cannot be imputed as well to Gross's use of the "Bihari Interiors" mark in the metatags. See Nihon Keiza Shimbun, 166 F.3d at 74 (holding that use of plaintiff's mark is in good faith even though "other aspects of defendants' behavior may have evidenced bad faith.").

V. Conclusion

For the foregoing reasons, Bihari's motion for a preliminary injunction is denied in its entirety. A pretrial conference is scheduled for October 2, 2000 at 2:30 p.m.

SO ORDERED:
Shira A. Scheindlin
U.S.D.J.

Dated: New York, New York
September 25, 2000
ALICEMARIE H. STOTLER, UNITED STATES DISTRICT JUDGE.

[*1072] ORDER (1) DENYING PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION; (2) GRANTING DEFENDANTS' REQUEST FOR JUDICIAL NOTICE; (3) ISSUING FINDINGS OF FACT AND CONCLUSIONS OF LAW

I. . . .

FACTUAL BACKGROUND

Defendants operate search engines on the Internet. n1 When a person searches for a particular topic in either search engine, the search engine compiles a list of sites matching or related to the user's search terms, and then posts the list of sites, known as "search results."

n1 The Court notes that Netscape's search engine is co-branded with Excite, and programmed by Excite, but for purposes of this Motion, the Court treats them both as search engine operators.

Defendants sell advertising space on the search result pages. Known as "banner ads," the advertisements are commonly found at the top of the screen. The ads themselves are often animated and whimsical, and designed to entice the Internet user to "click [**3] here." If the user does click on the ad, she is transported to the web site of the advertiser.

As with other media, advertisers seek to maximize the efficacy of their ads by targeting consumers matching a certain demographic profile. Savvy web site operators accommodate the advertisers by "keying" ads to search terms entered by users. That is, instead of posting ads in a random rotation, defendants program their servers to link a pre-selected set of banner ads to certain "key" search terms. Defendants market this context-sensitive advertising ability as a value-added service and charge a premium.

Defendants key various adult entertainment ads to a group of over 450 terms related to adult entertainment, including the terms "playboy" and "playmate." Plaintiff contends that inclusion of those terms violates plaintiff's trademarks rights in those words.

III. PARTIES' CONTENTIONS

Plaintiff has a trademark on "Playboy(R)" and "Playmate(R)." Plaintiff contends that defendants are infringing and diluting its trademarks (1) by marketing and selling the group of over 450 words, including "playboy" and "playmate," to advertisers, (2) by programming the banner ads to run in response [**4] to the search terms "playboy" and "playmate," (i.e., "keying"), and (3) by actually displaying the banner ad on the search results page. As a result, plaintiff contends, Internet users are diverted from plaintiff's official web site and web sites sponsored or approved by plaintiff, which generally will be listed as search results, to other adult entertainment web sites. Plaintiff further argues that defendants intend to divert the users to the non-PEI sites. Plaintiff does not contend, however, [*1073] that defendants infringe or dilute the marks when defendants' search engines generate a list of Web sites related to "playboy" or "playmate."
Defendants respond that while plaintiff may have a trademark on "Playboy(R)" and "Playmate(R)," defendants do not actually "use" the trademarks qua trademarks. Moreover, even if defendants do use the trademarks, defendants argue that a trademark does not confer an absolute property right on all uses of the protected terms, and that defendants' use of the terms is permitted. Finally, defendants dispute that they have any intent to divert users from clicking on search results (such as PEI's sites) to clicking on banner ads.

IV. DISCUSSION

B. Law and The Internet

"The Internet is a unique and wholly new medium of worldwide human communication." Reno v. ACLU, 521 U.S. 844, 117 S. Ct. 2329, 2334, 138 L. Ed. 2d 874 (1997) (citation omitted). The parties and the Court are conversant with the workings of the Internet, as well as with the constantly expanding body of law that seeks to craft a legal contour for it. The Court is mindful of the difficulty of applying well-established doctrines to what can only be described as an amorphous situs of information, anonymous messenger of communication, and seemingly endless stream of commerce. Indeed, the very vastness, and manipulability, of the Internet forms the mainspring of plaintiff's lawsuit.

C. Trademark [*6] Use

Integral to plaintiff's success on the merits of its case, on either the infringement or dilution theory, is a showing that defendants use plaintiff's trademarks in commerce. See Memorandum of Points & Authorities [Excite], pg. 13 (e.g., "Excite is deriving substantial and direct revenue by selling banner advertisements keyed to the PEI marks"); Memorandum of Points and Authorities [Netscape], pg. 14 (same). Plaintiff does not so show. Rather, plaintiff can only contend that the use of the words "playboy" and "playmate," as keywords or search terms, is equivalent to the use of the trademarks "Playboy(R)" and "Playmate(R)." However, it is undisputed that an Internet user cannot conduct a search using the trademark form of the words, i.e., Playboy(R) and Playmate(R). Rather, the user enters the generic word "playboy" or "playmate." It is also undisputed that the words "playboy" and "playmate" are English words in their own right, and that there exist other trademarks on the words wholly unrelated to PEI. Thus, whether the user is looking for goods and services covered by PEI's trademarks or something altogether unrelated to PEI is anybody's guess. Plaintiff guesses that [*7] most users searching the Web for "playboy" and "playmate" are indeed looking for PEI sites, goods and services. Based on that theory, plaintiff argues that since defendants also speculate that users searching for "playboy" and "playmate" are looking for things related to Playboy(R) and Playmate(R), defendants use the trademarks when they key competing adult entertainment goods and services to the generic "playboy" and "playmate."

Plaintiff has not shown that defendants use the terms in their trademark form, i.e., Playboy(R) and Playmate(R), when marketing [*1074] to advertisers or in the algorithm that effectuates the keying of the ads to the keywords. Thus, plaintiff's argument that defendants "use" plaintiff's trademarks falls short.

D. Trademark Infringement and Dilution

Even if use of the generic "playboy" and "playmate" were construed to be use the trademark terms Playboy(R) and Playmate(R), plaintiff still must show that the use violates trademark law. Plaintiff has asserted two theories, trademark infringement and trademark dilution.

1. Infringement

"The core element of trademark infringement is the likelihood of confusion, i.e., whether the similarity of the marks [**8] is likely to confuse customers about the source of the products." Official Airline Guides, Inc. v. Goss, 6 F.3d 1385, 1391 (9th Cir. 1993). Assuming arguendo that defendants' use of "playboy" and "playmate" is use of plaintiff's marks, plaintiff must still show that confusion is likely to result from that use. Plaintiff has not so shown.

Rather, plaintiff relies on the recent case from the Court of Appeals for the Ninth Circuit, Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036, 1999 WL 232014, *22-*24 (9th Cir. 1999), for the proposition that defendants cause "initial interest confusion" by the use of the words "playboy" and "playmate." Initial interest confusion, as coined by the Ninth Circuit, is a brand of confusion particularly applicable to the Internet. Generally speaking, initial interest confusion may result when a user conducts a search using a trademark term and the results of the search include web sites not sponsored by the holder of the trademark search term, but rather of competitors. Id. The Ninth Circuit reasoned that the user may be diverted to an un-sponsored site, and only realize that she has been diverted [**9] upon arriving at the competitor's site. Once there, however, even though the user knows she is not in the site initially sought, she may stay. In that way, the competitor has captured the trademark holder's potential visitors or customers. Id.
Brookfield is distinguishable from this case, and where applicable, supportive of defendants' position.

First, the trademark at issue in Brookfield was not an English word in its own right. In Brookfield, the Court compared Brookfield's trademark "MovieBuff" with competitor West Coast's use of the domain name "moviebuff.com," and found them to be "essentially identical" despite the differences in capitalization, which the Court considered "inconsequential in light of the fact that Web addresses are not caps-sensitive." Id. at *14. However, the Court held that West Coast could use the term "Movie Buff" (or, presumably, "movie buff") with the space, as such is the "proper term for the 'motion picture enthusiast' .... It cannot, however, omit the space." Id. at 26. On the other hand, "in light of the fact that it is not a word in the English language, when the term 'MovieBuff' is employed, it is used to refer to Brookfield's [*10] products and services, rather than to mean 'motion picture enthusiast.'" Id. at *26.

As English words, "playboy" and "playmate" cannot be said to suggest sponsorship or endorsement of either the web sites that appear as search results (as in Brookfield) or the banner ads that adorn the search results page. Although the trademark terms and the English language words are undisputedly identical, which, presumably, leads plaintiff to believe that the use of the English words is akin to use of the trademarks, the holder of a trademark may not remove a word from the English language merely by acquiring trademark rights in it.

Second, the use by defendant of plaintiff's trademark in Brookfield was more suspect because the parties compete in the same market -- as online providers of film [*1075] industry information. See Id., at *16-17 ("not only are they not non-competitors, the competitive proximity of their products is actually quite high"). The Ninth Circuit analogized the capture of unsuspecting Internet users by a competitor to highways and billboards:

Suppose West Coast's competitor ... puts up a billboard on a highway reading -- "West Coast Video: 2 miles ahead at Exit 7" -- where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast's store will pull off at Exit 7 and drive around looking for it. Unable to locate West, Coast, but seeing the Blockbuster store right by the highway entrance, they may simply rent there.

Brookfield, at *24. Although the customer is not confused as to where she ultimately rents a video, Blockbuster has misappropriated West Coast's goodwill through causing initial consumer confusion. Id. The customer has been captured by the competitor in much the same way that defendant in Brookfield captures Internet users looking for plaintiff's web site.

Here, the analogy is quite unlike that of a devious placement of a road sign bearing false information. This case presents a scenario more akin to a driver pulling off the freeway in response to a sign that reads "Fast Food Burgers" to find a well-known fast food burger restaurant, next to which stands a billboard that reads: "Better Burgers: 1 Block Further." The driver, previously enticed by the prospect of a burger from the well-known restaurant, now decides she wants to explore other burger [*12] options. Assuming that the same entity owns the land on which both the burger restaurant and the competitor's billboard stand, should that entity be liable to the burger restaurant for diverting the driver? That is the rule PEI contends the Court should adopt.

2. Dilution

Trademark dilution is defined as "the lessening of the capacity of a famous mark to identify and distinguish goods or services." 15 U.S.C. § 1127. However, dilution is "not intended to serve as a mere fallback protection for trademark owners unable to prove trademark infringement." I.P. Land Trading ApS v. Kohler Co., 163 F.3d 27, 48 (1st Cir. 1998).

To establish dilution, plaintiff must show that "(1) [defendants have] made use of a junior mark sufficiently similar to the famous mark to evoke in the relevant universe of consumers a mental association of the two that (2) has caused (3) actual economic harm to the famous mark's economic value by lessening its former selling power as an advertising agent for its goods and services," Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div'n of Travel Dept., 170 F.3d 449, 459 (4th Cir. 1999). Dilution generally occurs through the blurring of a [*13] famous mark or tarnishment of the mark, but is not limited to these categories. See Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 1326 (9th Cir. 1998). Plaintiff has not shown blurring of its marks, which would occur if defendants used the marks to identify defendants' goods or services. Id. at 1326 n.7. First, as discussed supra, plaintiff has not shown that defendant use its marks Playboy(R) and Playmate(R). Further, plaintiff has not presented any evidence that defendants' use of the words "playboy" and "playmate" causes any severance of the association between plaintiff and its marks Playboy(R) And Playmate(R), much less in the minds of Internet users.

Plaintiff has also failed to show tarnishment, which occurs when a famous mark is associated improperly with an inferior or offensive product or service. Id. at 1326 n.7. Plaintiff contends that because the content of the banner ads is more sexually explicit that PEI's
content, PEI's marks are being tarnished. Again, plaintiff's argument is based on the incorrect assumption that defendants use plaintiff's marks, rather than the generic words "playboy" and "playmate." But even if the defendants [*1076] could be said to [**14] use plaintiff's marks, plaintiff would still be required to show that associating marks admittedly famous for adult entertainment with other purveyors of adult entertainment somehow harms plaintiff's marks. Whether PEI is a cut above the rest, as it contends, is undercut by the fact that PEI's marks are associated with other purveyors of adult entertainment in other marketing channels, as defendants' exhibits graphically establish. Adoption of plaintiff's tarnishment would secure near-monopoly control of the placement of plaintiff's marks and the associated goods and services on the Internet, where, arguably, "placement" is a nebulous concept. A greater showing of harm is required.

V. CONCLUSION

Accordingly, and for the foregoing reasons, the plaintiff's motion is denied. The Court hereby adopts and issues the parties' proposed Findings of Fact and Conclusions of Law, as modified, appended hereto. The Court grants defendants' Request for Judicial Notice.

IT IS SO ORDERED.