

January 2007

## Rescuecom Corp. v. Google, Inc.

Arielle G. Lenza  
*New York Law School Class of 2008*

Follow this and additional works at: [https://digitalcommons.nyls.edu/nyls\\_law\\_review](https://digitalcommons.nyls.edu/nyls_law_review)



Part of the [Intellectual Property Law Commons](#)

---

### Recommended Citation

Arielle G. Lenza, *Rescuecom Corp. v. Google, Inc.*, 52 N.Y.L. SCH. L. REV. 137 (2007-2008).

This Case Comments is brought to you for free and open access by DigitalCommons@NYLS. It has been accepted for inclusion in NYLS Law Review by an authorized editor of DigitalCommons@NYLS.

ARIELLE G. LENZA

*Rescuecom Corp. v. Google, Inc.*

ABOUT THE AUTHOR: Arielle G. Lenza is a 2008 J.D. candidate at New York Law School.

*“One of the Web’s ‘dirty little secrets’ is that, in many cases, top search engine results are available to those willing to pay the price.”*<sup>1</sup>

The “dirty little secret” mentioned above is known as “keying”<sup>2</sup> and has been considered a form of web abuse by some scholars.<sup>3</sup> Keying is a practice in which search engines sell terms (i.e., keywords) to advertisers that an Internet user is likely to type into a search box to trigger the advertiser’s website to appear in the user’s search results.<sup>4</sup> Search engines generate revenue from selling keywords.<sup>5</sup> In particular, Google, the leading search engine in the world, has seen an increase in profits which can be attributed to a surge in revenue from keying advertisements.<sup>6</sup> Although keying is not prohibited by a specific law, courts across the country have been called upon to determine if this practice constitutes trademark infringement.<sup>7</sup>

In *Rescuecom Corp. v. Google, Inc.*, the Northern District of New York was presented with the question of whether a search engine’s sale of a company’s trademark as a keyword for advertising purposes satisfied the “use” requirement for trademark infringement under the Lanham Act.<sup>8</sup> The court analyzed the “use” requirement as a threshold matter in determining trademark infringement.<sup>9</sup> This analysis has typically required that a plaintiff satisfy the “use” requirement by demonstrating physical affixation of the trademark to goods or services before a court will consider the other elements of infringement.<sup>10</sup> The court granted Google’s motion to dismiss, holding that the plaintiff failed to establish the “use” requirement because Google did not physically affix its mark to any goods or services.<sup>11</sup> In today’s world, where many companies do business online, this narrow interpretation of the “use” requirement is problematic because it will lead to a weakening of trademark protection for these companies. This

- 
1. Neal S. Greenfield, *Searching Trademarks and Domain Names*, in *TRADEMARK LAW & THE INTERNET: ISSUES, CASE LAW, AND PRACTICE TIPS* 63, 90 (Lisa E. Cristal & Neal S. Greenfield eds., 2d ed. 2001).
  2. *See* *Playboy Enters., Inc. v. Netscape Comm’ns Corp.*, 354 F.3d 1020, 1022 (9th Cir. 2004).
  3. *See* Greenfield, *supra* note 1, at 90–91; *see also* Lisa E. Cristal, *Web Abuse*, in *TRADEMARK LAW & THE INTERNET: ISSUES, CASE LAW, AND PRACTICE TIPS* 331 (Lisa E. Cristal & Neal S. Greenfield eds., 2d ed. 2001).
  4. Rita A. Abbati & G. Peter Albert, Jr., *Metatags, Keywords, and Links: Recent Developments Addressing Trademark Threats in Cyberspace*, 40 *SAN DIEGO L. REV.* 341, 358 (2003).
  5. Cristal, *supra* note 3, at 359.
  6. Graeme B. Dinwoodie & Mark D. Janis, *Confusion Over Use: Contextualism in Trademark Law*, 92 *IOWA L. REV.* (forthcoming 2007), available at <http://ssrn.com/abstract=927996> (at 6–7); *see also* *Search Ads Fire up Google’s Profits*, *BBC NEWS*, Apr. 21, 2005, <http://news.bbc.co.uk/1/hi/business/4470747.stm>.
  7. *See generally* Cristal, *supra* note 3, at 359–361.
  8. 456 F. Supp. 2d 393, 395–96 (N.D.N.Y. 2006).
  9. *Id.* at 400.
  10. *Id.*
  11. *Id.* at 404.

case comment contends that the court should have denied Google's motion to dismiss because the "use" requirement should be interpreted more broadly to protect trademark rights on the Internet.

Plaintiff Rescuecom Corporation is a business that specializes in computer services franchising.<sup>12</sup> It owns sixty-seven franchises that offer services like computer repair, networking, and Internet services.<sup>13</sup> In 1998, Rescuecom registered the trademark "Rescuecom" in the United States and allowed its franchisees to use its trademark.<sup>14</sup> Over the years, plaintiff alleged the corporation has gained a reputation for superior computer services and excellent customer service, making its trademark a "valuable business asset."<sup>15</sup> Rescuecom obtains a large percentage of its business from potential franchisees and customers by using the domain name "Rescuecom.com."<sup>16</sup>

Defendant Google is an Internet search engine that retrieves thousands of search results that correspond to an Internet user's specific search terms.<sup>17</sup> Using those search terms, Google is able to identify the interests of the Internet user and sell "contextual advertising space" to other companies.<sup>18</sup> These companies can then insert advertisements and links to their own websites adjacent to users' search results.<sup>19</sup> Google obtains a substantial profit from this type of advertising.<sup>20</sup>

Google offers two contextual advertising services: AdWords and the Keyword Suggestion Tool.<sup>21</sup> AdWords is a program that allows advertisers to buy keywords that an Internet user is likely to enter as search terms.<sup>22</sup> On the same webpage with the user's search results, Google will also post the advertiser's sponsored hyperlink.<sup>23</sup> Sponsored links appear immediately above or to the right

---

12. *Id.* at 396. The court accepted the facts of this case as true from Rescuecom's complaint. *Id.*

13. *Id.*

14. *Id.*

15. *Id.*

16. *Id.*

17. *Id.*

18. *Id.* at 396-97.

19. *Id.* at 397.

20. *Id.* at 396. Users of the AdWords program must pay a five dollar activation fee. The minimum cost-per-click rate (when an Internet user clicks on your sponsored link) is one cent, but this rate depends on keyword quality, the location of the advertiser, and currency settings. The minimum cost-per-thousand impressions is twenty-five cents, which again depends on the location of the advertiser and currency settings. See <https://adwords.google.com/select/AfpoFinder?countryCode=US> (last visited Sept. 6, 2007).

21. *Rescuecom*, 456 F. Supp. 2d at 397.

22. *Id.*; see Google AdWords Learning Center, <http://www.google.com/adwords/learningcenter/text/18719.html#ctx=tltp> (last visited Sept. 6, 2007) (describing how quality is the most significant factor used to determine the price that an advertiser using AdWords will pay when an Internet user clicks on his ad).

23. *Rescuecom*, 456 F. Supp. 2d at 397.

of the search results for the keyword entered in Google's search box.<sup>24</sup> According to Rescuecom, Google's sponsored links are not always identified as such and are designed to look like other (non-sponsored) search results.<sup>25</sup> Consequently, Internet users may believe that the sponsored links are the most relevant links among the results.<sup>26</sup> Contextual advertisers pay Google based on the amount of clicks that a sponsored link receives.<sup>27</sup> Rescuecom and many of its competitors have bought the Rescuecom trademark as a keyword in the AdWords program.<sup>28</sup> The Keyword Suggestion Tool offers keywords that Google indicates will direct traffic to advertisers' websites.<sup>29</sup> Through the Keyword Suggestion Tool, Google has recommended to Rescuecom's competitors the use of "Rescuecom" as a keyword.<sup>30</sup>

Rescuecom filed a federal trademark claim against Google seeking redress for Google's use of the Rescuecom trademark in its contextual advertising practices.<sup>31</sup> Rescuecom argued that Google used its trademark by selling it to competitors.<sup>32</sup> Rescuecom claimed that Google was (1) free-riding on its good reputation, (2) creating consumer confusion with respect to the presence of sponsored links on search result pages, (3) luring Internet users away from Rescuecom's website, (4) using the Rescuecom trademark as a keyword to trigger sponsored links, and (5) altering the search results that appeared to Internet users.<sup>33</sup> Google moved to dismiss the complaint, arguing that under the Lanham Act, 15 U.S.C. § 1051 *et seq.*, its sale of Rescuecom's trademark did not constitute a trademark "use."<sup>34</sup>

The Northern District of New York granted Google's motion to dismiss Rescuecom's claims.<sup>35</sup> The court relied on *1-800 Contacts, Inc. v.*

---

24. *Id.*

25. *Id.*

26. *Id.*

27. *Id.*

28. *Id.*

29. *Id.*

30. *Id.* For example, the Keyword Suggestion Tool offered by Google could be used by a handbag designer who wants to make the advertising for his handbags more successful. This seller will type in "handbags," and then Google will generate a list of potential keywords to purchase, which includes keywords like "Prada handbags," a popular handbag brand. If the seller purchases this keyword, then the sponsored link for his website will appear at the top of the search results page for "Prada handbags." To see the whole list of suggested keywords, visit <https://adwords.google.com/select/KeywordToolExternal?defaultView=3> (last visited Sept. 6, 2007) and type in "handbags" as the initial keyword.

31. *Rescuecom*, 456 F. Supp. 2d at 395. For the purposes of this case comment, the other claims of false designation of origin, federal dilution of trademark, common law trademark infringement, and state law dilution of trademark brought by Rescuecom will not be addressed. *See id.* at 395–96.

32. *Id.* at 400.

33. *Id.*

34. *Id.* at 395.

35. *Id.* at 404.

*WhenU.com, Inc.*, a Second Circuit case that analyzed the “use” requirement for a trademark infringement claim under the Lanham Act.<sup>36</sup> In *1-800 Contacts, Inc.*, the court held that in order to assert a valid trademark claim a plaintiff must establish that:<sup>37</sup>

(1) [the plaintiff] has a valid mark that is entitled to protection under the Lanham Act; and that (2) the defendant used the mark, (3) in commerce, (4) “in connection with the sale . . . or advertising of goods and services,” (5) without the plaintiff’s consent. In addition, the plaintiff must show that defendant’s use of that mark is “likely to cause confusion . . . as to the affiliation, connection, or association of [defendant] with [plaintiff], or as to the origin, sponsorship, or approval of [the defendant’s] goods, services, or commercial activities by [plaintiff].”<sup>38</sup>

The court held that the “use” element must be established before considering any additional elements of the claim.<sup>39</sup> If a plaintiff cannot establish that defendant “used” its mark, then its trademark claim must fail, even if plaintiff satisfied the other four elements.<sup>40</sup> Following the test set forth in *1-800 Contacts, Inc.*, the *Rescuecom* court held that *Rescuecom*’s infringement claim could not survive Google’s motion to dismiss because *Rescuecom* failed to provide sufficient evidence that Google “used” its trademark.<sup>41</sup> The court reasoned that Google neither affixed *Rescuecom*’s trademark on any goods or services, nor in any way indicated that *Rescuecom* was the source of any goods or services.<sup>42</sup>

The court correctly analyzed *Rescuecom*’s claim by focusing on “use” as a threshold matter, but its analysis was flawed. By interpreting “use” to mean physical affixation of a trademark on goods or services, the court disregarded the fact that the Internet makes it possible for one company to use another company’s trademark to show source or sponsorship without physical affixation.<sup>43</sup> The “use” requirement should have been construed more broadly to protect trademark owners and to prevent consumer confusion and free-riding on the Internet.

---

36. *Id.* at 399–400.

37. *1-800 Contacts, Inc. v. WhenU.com, Inc.*, 414 F.3d 400, 406–07 (2d Cir. 2005).

38. *Id.* (citing 15 U.S.C. § 1125(a)(1)(A) (2000)) (citations omitted).

39. *Rescuecom*, 456 F. Supp. 2d at 399–400 (citing *1-800 Contacts, Inc.*, 414 F.3d at 406–07 for the other elements of a trademark infringement claim that should be determined after the “use” element is satisfied, namely the “in commerce” and “likelihood of confusion” requirements).

40. *Id.* at 401.

41. *Id.* at 403. Trademark use is equivalent to placing “plaintiff’s trademark on any goods, displays, containers, or advertisements, or [using] plaintiff’s trademark in any way that indicates source or origin . . . .” *Id.*

42. *Id.*

43. *Id.*

In *1-800 Contacts, Inc.*, the Second Circuit stressed the importance of the “use” requirement in an infringement claim, noting that without “use” no activity on the part of a defendant is actionable.<sup>44</sup> Treating “use” as a threshold matter in analyzing a trademark infringement claim is also known as the “trademark use” theory and has received some criticism from scholars who believe that this theory will lead to inadequate marketplace regulation on the Internet.<sup>45</sup> However, requiring a plaintiff to establish “use” as a threshold matter has gained strength from the underlying principles and economics of trademark law, as well as statutory language in the Lanham Act.

Historically, trademark law has been based on the concepts of use and association.<sup>46</sup> A symbol gains trademark protection only if it is associated with a good or service in a way that is recognizable by consumers.<sup>47</sup> This idea, known as “commercial magnetism,” is the underlying principle of trademark law and distinguishes trademarks from other intellectual property rights.<sup>48</sup> Trademark law does not grant a trademark owner a property right in a specific symbol to designate his goods or services.<sup>49</sup> Nor does a trademark owner have a monopoly over the use of that symbol because protection is premised on use, not adoption of a symbol.<sup>50</sup> For example, the fair use doctrine may be used to protect another user of the same mark where there is no confusion as to the source of the goods or services.<sup>51</sup>

---

44. *Id.*

45. See Dinwoodie & Janis, *supra* note 6, at 2, 6. This criticism has come from scholars that favor taking a “contextualist approach” to an infringement claim. *Id.* at 95–97. The contextualist approach examines all the elements necessary for trademark infringement simultaneously instead of requiring a finding of “use” before the infringement analysis of the other elements can proceed. *Id.* These scholars claim that “trademark use” theorists put too much emphasis on “use” which historically has been of much greater importance in trademark registration than in the case of infringement. *Id.* at 19. They believe that the “trademark use” theory is flawed because there is no statutory language in the Lanham Act supporting it, and the theory disregards the purpose of infringement, which is to provide a remedy for the creation of existing consumer confusion. *Id.* at 6, 18.

46. Uli Widmaier, *Use, Liability, and the Structure of Trademark Law*, 33 HOFSTRA L. REV. 603, 612 (2004).

47. *Id.* at 605.

48. *Id.* at 606. The importance of “commercial magnetism” for trademark protection is demonstrated by the following logical sequence: “without use of a symbol, consumers cannot perceive [a good or service]; without consumer perception, the symbol cannot exert whatever commercial magnetism it may have over consumers; without commercial magnetism, the symbol does not function as a trademark.” *Id.*

49. *Id.* at 616–17. The author also notes that other forms of intellectual property rights, like copyright and patent, are property rights in gross. *Id.* at 618.

50. *Id.* at 617.

51. See ROBERT P. MERGES ET AL., *INTELLECTUAL PROPERTY IN THE NEW TECHNOLOGICAL AGE* 811–12 (4th ed., 2006) (discussing trademark uses that are not actionable because they do not attempt to profit from consumer confusion or use the trademark of one product on another product to indicate source).

Statutory language within the Lanham Act also supports requiring a plaintiff to demonstrate “use” as a threshold matter. Under the Lanham Act, a mark is “used in commerce”:

- (1) on goods when—
  - (A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and
  - (B) the goods are sold or transported in commerce, and
- (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services.<sup>52</sup>

The term “use in commerce” is found in both the registration and infringement sections of the Lanham Act.<sup>53</sup> Furthermore, the General Provisions Section of the Lanham Act makes clear that the purpose of the act is to regulate commerce by providing a cause of action for deceptive “uses of a mark.”<sup>54</sup> An alleged infringer’s use of a trademarked term is only actionable when it meets the standard for trademark protection established by 15 U.S.C. § 1125(a)(1)(A).<sup>55</sup> It is evident from the construction of the Lanham Act that a trademark infringement claim cannot proceed if a defendant has not affixed its trademark to goods or services.

Furthermore, the economic purposes behind the Lanham Act also support treating “use” as a threshold issue in determining whether a plaintiff has stated a claim for trademark infringement. Professor William Landes and the Honorable Richard Posner have asserted that trademark law is grounded in economic principles in a manner that is not as evident in other forms of intellectual property.<sup>56</sup> Unlike copyright law, for example, Landes and Posner stress that trademarks provide useful information to consumers in an economically efficient manner.<sup>57</sup> They note that fanciful trademarks like “Exxon” are devoid of meaning unless

---

52. 15 U.S.C. § 1127 (2000).

53. 15 U.S.C. §§ 1051, 1114 (2000).

54. 15 U.S.C. § 1127.

55. Widmaier, *supra* note 46, at 624.

56. See WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* 166 (2003).

57. See *id.* at 172. Protection in the form of copyrights and patents is also based on non-economic property theories, like the natural rights and personhood theories. See Tom G. Palmer, *Are Patents and Copyrights Morally Justified? The Philosophy of Property Rights and Ideal Objects*, 13 HARV. J.L. & PUB. POL’Y 817, 818–23 (1990). The natural rights theory proposes that man is entitled to the fruits of his labor because he has removed something from nature and created something new that is worthy of protection. *Id.* Furthermore, the personhood theory proposes that property rights in an object or idea are

they are associated with a specific product.<sup>58</sup> Protection is only granted for that association, and it logically follows that infringement occurs only if a consumer is misled into associating the “Exxon” mark with another product. By associating a specific symbol with a product or service, the cost of searching for the product is lowered.<sup>59</sup> A trademark is not a good; it only has value when associated with a particular brand of products or services.<sup>60</sup> If that mark is then appropriated by an infringer and placed on another brand of products, the information embodied in the association between the trademark and the original brand is destroyed.<sup>61</sup> This causes consumer confusion in the marketplace, leading to the loss of time and money that the trademark owner invested in his brand, and adversely increases consumer search costs.<sup>62</sup> The law must protect trademark owners from free-riders who can duplicate a competitor’s trademark at little expense, but cause consumer confusion and increased search costs.<sup>63</sup>

After considering the underlying principles of trademark law, the statutory construction of the Lanham Act, and the economics of trademark protection, the requirement that “use” be shown before proving the other elements of infringement is an integral part of trademark infringement analysis. Yet, how can this test be reconciled with the manner in which trademarks are “used” on the Internet? Does the Internet require a broader interpretation of the “use” requirement as defined in 15 U.S.C. § 1127 for purposes of analyzing a trademark infringement claim?

The “use” requirement found in 15 U.S.C. § 1127 was enacted before the Internet boom and therefore was concerned only with physical affixation of the mark on goods, documents related to goods, and uses in connection with the sale or advertising of services.<sup>64</sup> However, with the birth of the Internet, keying can be used to create similar associations between trademarks and other products and services without physical branding as in the off-line world.<sup>65</sup> A search engine like Google makes associations for Internet users when it links a trademarked keyword to the sponsored websites of competitors. In this case, the court acknowledged Rescuecom’s assertion that sponsored links often look like the other results on the page and that Internet users may imply from their appearance that they

---

necessary for the development of personality because man’s personality is shaped by his interaction with property. *Id.*

58. LANDES & POSNER, *supra* note 56, at 172.

59. *Id.* at 168.

60. *Id.* at 172.

61. *Id.* at 168.

62. *See id.*

63. *Id.*

64. *See* Dinwoodie & Janis, *supra* note 6, at 19.

65. *See id.* at 19–20.

are the most relevant sites among the results.<sup>66</sup> Rescuecom argued that, as a consequence, Google's keying practices created consumer confusion by suggesting to Internet users that the sponsored links are associated with Rescuecom.<sup>67</sup> A search engine's internal use of a trademark is not only a revenue-generating practice, but also a system of making associations between trademarks and the products and services offered by related competitors whose websites appear in the search results. This form of association satisfies the "use" requirement under the Lanham Act.

Search engines like Google are not passive providers of information.<sup>68</sup> They can be thought of as intermediary association makers. Search engines control a searcher's experiences by making editorial decisions about the websites included in their databases, and then using relevancy algorithms to sort search results.<sup>69</sup> A relevancy algorithm is a method used by search engines to determine the order and relevance of search results.<sup>70</sup> In essence, the keying practice functions as a relevancy algorithm because a publisher's position on the search results page is determined by how much he is willing to pay for placement.<sup>71</sup> Through this algorithm, search engines assign a different meaning to a searcher's keywords.<sup>72</sup> Consequently, the information capital built up in a trademark becomes distorted because a search engine associates one company's trademark with a different product or service.

Associative uses of a trademark usually do not constitute infringement because a junior user is referring to a senior user's trademarked product to communicate some point about the junior user's product.<sup>73</sup> This is permitted for comparative advertising reasons. Comparative advertising fosters competition among similar businesses and helps consumers by ultimately giving them more choices.<sup>74</sup> However, when comparative advertising is used as a disguise for deceptive trade practices, a problem arises. For example, the message being conveyed by a junior user may not communicate something about his product, but rather communicates that the senior user's product is the source of his product.<sup>75</sup> This confusion can occur very easily on the Internet because sponsored links are minimally descriptive and often advertise similar products or services. With key-

---

66. Rescuecom Corp. v. Google, Inc., 456 F. Supp. 2d 393, 397 (N.D.N.Y. 2006).

67. *Id.* at 400.

68. Eric Goldman, *Deregulating Relevancy in Internet Trademark Law*, 54 EMORY L.J. 507, 532 (2005).

69. *Id.* at 533-34.

70. *Id.* at 534.

71. *Id.*

72. *Id.* at 538.

73. *Id.* at 556.

74. *Id.* at 557.

75. *Id.* at 556.

ing, the competitors of a trademarked product are using a trademark, not to convey something about their product, but rather to mislead Internet users into thinking that their product is sponsored by the trademark owner or has some association with that trademark. The court in *Rescuecom* even acknowledged that sponsored links on Google's search results page are deceiving, and that Internet users can infer that those links are the most relevant to their search terms.<sup>76</sup> The trademark system protects against improper uses like this because they create consumer confusion, with a junior user trying to take advantage of the goodwill associated with the senior user.<sup>77</sup>

As mentioned above, Google's keying practice is a relevancy algorithm that filters content based on the amount of money paid rather than the accuracy of the search results.<sup>78</sup> This false filtering can lead to consumer confusion and increased search costs because Internet users may incorrectly think that the sponsored links they receive from Google are from the senior user.<sup>79</sup> Searchers will then pursue the suggested sponsored link. As a result, a company's competitors can make searchers continue to browse their websites without ever clarifying the searchers' false expectations.<sup>80</sup> Some searchers will even go so far as to purchase the product or service offered by the competitors because they have no reason to believe that the product they are purchasing is not associated with the trademarked company, especially in situations where competitors offer very similar products or services.<sup>81</sup>

The use of a trademark in this manner is actionable because the junior user is trying to take advantage of the goodwill associated with the senior user.<sup>82</sup> Goodwill embodies all the positive feelings that a consumer has built up towards a trademarked product, which may encourage future transactions with the owner of that trademark.<sup>83</sup> For example, the goodwill of the Rescuecom trademark re-

---

76. *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393, 397 (N.D.N.Y. 2006).

77. Goldman, *supra* note 68, at 556–58.

78. *See id.* at 534.

79. *Id.* at 578.

80. *Id.*

81. One question to consider is why the word “sponsored” is used to describe these links. Who sponsors them? Of course Google and Internet advertisers know why these websites are referred to as “sponsored links,” but it is questionable whether the average Internet user knows the meaning of a sponsored link. The Pew Internet & American Life Project polled 2,200 adult Internet users and of those 2,200 searchers only about one out of six said that he could consistently distinguish between search results that were paid for (sponsored) and those that were not. *See* DEBORAH FALLOWS, PEW INTERNET & AMERICAN LIFE PROJECT, SEARCH ENGINE USERS 18 (2005), [http://www.pewinternet.org/pdfs/PIP\\_Searchengine\\_users.pdf](http://www.pewinternet.org/pdfs/PIP_Searchengine_users.pdf). An alarming 62 percent of searchers were unaware of the difference between paid (sponsored) and unpaid search results. *Id.*

82. Goldman, *supra* note 68, at 558.

83. *Id.*

fers to the reputation that it built up for providing excellent computer services.<sup>84</sup> Misappropriation occurs when the goodwill associated with the senior user, Rescuecom, is transferred to junior users, Rescuecom's competitors, and the junior users benefit from this conveyance. This is also known as free-riding.<sup>85</sup> In fact, Google even recommended to Rescuecom's competitors that they buy the Rescuecom trademark as a keyword to capitalize on Rescuecom's reputable business.<sup>86</sup>

Other courts have begun to acknowledge that non-physical uses of a trademark on the Internet are sufficient to satisfy the "use" requirement for trademark infringement. In *GEICO v. Google, Inc.*, the Eastern District of Virginia denied Google's motion to dismiss a trademark infringement claim because GEICO sufficiently alleged that Google used the GEICO trademark in commerce.<sup>87</sup> The court noted that when Google sells the right to link advertising to GEICO's trademark, Google is using the GEICO trademark in commerce and in such a way that it may imply that Google has permission from GEICO to do so.<sup>88</sup> In *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, the Court of Appeals for the Ninth Circuit reversed summary judgment in favor of the defendant after finding that Netscape's use of the Playboy trademark in its keying practices was undisputed.<sup>89</sup> The court found that a genuine issue of material fact existed in relation to the likelihood of confusion created by Netscape's use of the trademark because Playboy presented sufficient evidence of actual confusion.<sup>90</sup>

Similarly, in *Google, Inc. v. American Blind & Wallpaper Factory, Inc.*, the Northern District of California followed the infringement analysis used in *Playboy* which held that the other elements of trademark infringement should only be addressed once trademark use is found.<sup>91</sup> American Blind, like Rescuecom, built up an excellent reputation for its services and conducted a significant percentage of its business through its website.<sup>92</sup> Google sold keywords to American Blind's competitors that were very similar to American Blind's registered trademarks.<sup>93</sup> The court denied Google's motion to dismiss the trademark

---

84. *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393, 396 (N.D.N.Y. 2006).

85. See LANDES & POSNER, *supra* note 56, at 168.

86. *Rescuecom*, 456 F. Supp. 2d at 397.

87. 330 F. Supp. 2d 700, 703–04 (E.D. Va. 2004). *But see* *Merck & Co. v. Mediplan Health Consulting, Inc.*, 425 F. Supp. 2d 402, 415–16 (S.D.N.Y. 2006) (holding that the defendants' purchases of the Zocor trademark from search engines for keying purposes did not constitute use of the mark). This case is distinguishable from our case because here the defendants were not search engines, but rather three online pharmacies who actually sold Zocor manufactured by affiliates of Merck. See *id.* at 407.

88. *GEICO*, 330 F. Supp. 2d at 704.

89. *Playboy Enters., Inc. v. Netscape Commc'ns Corp.*, 354 F.3d 1020, 1024 (9th Cir. 2004).

90. *Id.* at 1026–27.

91. No. C03-5340JF, 2005 WL 832398 (N.D. Cal. Mar. 30, 2005).

92. *Id.* at \*1.

93. *Id.* at \*2.

infringement claim relating to its keying practices because American Blind submitted sufficient evidence of the possibility of trademark use by Google.<sup>94</sup>

Since the Internet has become a significant source of information for society as well as a strategic tool for business and advertising purposes, protecting trademark use online has become increasingly important. Trademark protection should extend to keying practices on the Internet because companies are improperly using other companies' registered trademarks, enabling them to free-ride on the goodwill associated with these trademarks and creating consumer confusion. Although the Northern District of New York correctly analyzed the "use" requirement, it should not have granted Google's motion to dismiss because Rescuecom submitted sufficient evidence to raise an issue of material fact as to whether Google's keying practice used Rescuecom's trademark in commerce. By narrowly interpreting the scope of trademark use, the court frustrated the goals of trademark protection and the Internet, both of which aim to provide society with accurate and useful information. A broader interpretation of "use," that extends beyond physical branding of the trademark on products or services, is necessary to ensure that trademarks are afforded the same measure of protection on the Internet as they are in the off-line world.

---

94. *Id.* at \*8.