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Uh Oh, Google Gets Geico: No Insurance Against Trademark Keying Policy

Following a three day trial, a recent decision by the Eastern District of Virginia gave new life to the practice of trademark keying. In *Geico v. Google* (No. 1:04CV507), Judge Brinkema ruled from the bench that Geico "has not established that the mere use of [Geico's] trademark by Google as a search word or keyword or even using it in [Google's] AdWord program standing alone violates the Lanham Act."[1] This ruling counters a year-old Ninth Circuit decision in *Playboy v. Excite* case [2], which found that material issues of fact based on initial interest confusion precluded the search engines' motion for summary judgment regarding their trademark keying practices. Although there are now two major (opposing) decisions regarding the legality of trademark keying, as with other areas of Internet law, there still exists no uniform rule of law to guide those advertising on the Internet.

Until this recent decision, Google was waging an uphill battle in the Eastern District of Virginia, attempting to defend its right to practice trademark keying. First, Google moved to dismiss Lanham Act claims, arguing that trademark keying did not make use in commerce of Geico's trademark. Second, Google moved the court for summary judgment. In both instances, the court denied Google's motion, siding instead with Geico. At the close of Geico's case-in-chief during trial, however, Google moved the court for judgment as a matter of law. Under Rule 52(c) of the Federal Rules of Civil Procedure:

If during a trial without a jury a party has been fully heard on an issue and the court finds against the party on that issue, the court may enter judgment as a matter of law against that party with respect to a claim or defense that cannot under the controlling law be maintained or defeated without a favorable finding on that issue, or the court may decline to render any judgment until the close of all the evidence. Such a judgment shall be supported by findings of fact and conclusions of law as required by subdivision (a) of this rule.

The Court granted Google's motion in part, and denied it in part. Most significantly, the court held that there existed insufficient evidence of a trademark violation to bar Google from displaying banner ads for competitive insurers when Internet users search using the term "Geico." In other words, the court ruled as a matter of law that using trademarks as keywords to trigger advertising does not constitutes trademark infringement. This was a clear victory for Google and all Internet companies that provide keyword advertising programs.

The court denied, however, Google's motion for judgment regarding whether Google is liable for those sponsored ads using Geico's name in the title of the banner ads themselves or in the text accompanying such ads. The court found that that Geico "presented enough evidence [of confusion] at this point to

avoid a motion for judgment as a matter of law." Moreover, since Google could offer no counter evidence, the court found that "the evidence before this Court does establish that those sponsored sites that contain 'GEICO' either in the title or in the text are likely to confuse for the purposes of the Lanham Act requirements." Therefore, in order to write a more detailed legal opinion, and to give the parties time to settle, Judge Brinkema stayed trial until sometime in early January. The only issues remaining, however, would be whether Google is contributorily liable for the infringing sponsored sites-despite Google's express policy prohibiting such practice.

Emboldened by Judge Brinkema's ruling, Google warned its many other adversaries, chiefly, American Blind,[3] that "this is a clear signal to other litigants that our keyword policy is lawful." Over a year ago, Google sought a declaratory judgment from the Northern District of California that its trademark keying policy does not amount to trademark infringement. Although the Northern District of California has not yet decided the case, obviously, the court will be called upon to consider Judge Brinkema's forthcoming analysis of legal issues implicated by Google's trademark keying practices.

Beyond this one legal dispute, Judge Brinkema's decision is likely to have far-reaching affects not only on future trademark keying decisions, but also on various other innovative advertising practices that continue to challenge intellectual property rights in the digital domain (e.g., pop-up advertising).

Endnotes:
1. A transcript of the oral decision is available at http://www.patentlyobviousblog.com/files/geico1215.txt.
2. The Ninth Circuit opinion is available at http://caselaw.lp.findlaw.com/data2/circs/9th/0056648p.pdf
3. Among several suits against the Internet Search Engine icon, Google has recently been named as defendant in actions by the American Chemical Society (No. 1:2004CV659) for trademark infringement, and by Perfect 10 (No. 2:2004CV9484), primarily for copyright-related claims.

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