The Technology Trade
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April 2004

Pop Up Madness: Does IP Law Really Care?

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Everyone's mad about pop-up ads. But does such madness translate into infringement under copyright or trademark law? In summary, copyright law appears mostly inappropriate as a basis for stopping pop-up advertisements. Similarly, trademark law cannot prevent pop-up ads simply because they are annoying. Nevertheless, where consumer confusion is likely, trademark law should prove useful in combating the pop-up "Mads."

On the one side, website owners are upset because they don't want to be forced to compete on their own websites. They feel that a website is the one place where a company should have the undivided attention of the Internet consumer. In terms of intellectual property, they make two primary claims: first, pop-up ads infringe their copyrights by violating their rights to display their websites and to prepare derivative works of their websites; and, second, pop-up ads infringe their trademark rights by causing a likelihood of consumer confusion as to the source of the goods or services being advertised in the pop-up ads.

On the other side, Advertisers employing pop-up ads (and their clients) think that this type of advertising vehicle is the maddest thing to hit the Internet; it delivers contextually targeted ads to consumers based on their online behavior at a moment when they are most likely to be receptive to the ad message. Like television and radio, the Internet is not free it's supported by advertising, which is bothersome in any medium. The online advertisers counter claims of copyright and trademark infringement based on the following: (1) Internet users consent to receiving ads; (2) pop-up ads don't appear on, alter, or modify

another party's website; and (3) pop ups ads prominently display the pop up advertiser's mark and consumers don't assume they are associated with the underlying website.

In the middle are consumers. Although undoubtedly annoyed by pop-ups, online research shows that Internet users apparently in the heat of paradoxical irritation and curiosity are clicking these ads to no end. Compared to all other forms of online advertising, pop-up ads seem to work. Regardless of how frustrating pop-up ads may be, the focus must be on whether they are truly actionable under copyright or trademark law.

So far, the score is even in this Internet law contest: pop-up advertisers have won two cases, [1] and mad website owners have won two cases. [2]

In the first pop-up advertising case, the Washington Post and friends took aim at the Gator, the first notorious online pop-up advertiser. Within three months, Judge Hilton spent two, short pages in granting the plaintiffs' motion for a preliminary injunction, finding that they were likely to succeed in proving copyright and trademark infringement. Although the terse opinion and quick settlement seemed to signal an end to pop-up advertising, many issues remained unresolved.

The next three pop-up cases involved a competitor of Gator, WhenU.com. In the first WhenU.com case, decided in the same court as the Gator case, the court found no copyright or trademark infringement. Regarding copyright law, the court noted that the computer user, not the advertiser, called up the pop-up ads which did not alter the website over which they appeared or create some sort of a modification of the underlying web page. In addition, there were no trademark law violations since the pop-up ads do not use the website's trademarks by generating different trademarks on a separate window screen or by incorporating the website's URL in the pop-up ad directory.

Results in the second WhenU.com case were similar. Slamming the copyright law claims, the court hypothetically noted that if derivative works were prepared, they were prepared by computer users, not pop-up advertisers. In addition, pop-up advertisers could not be liable for contributory copyright infringement since computer users do not alter or create derivative works of the websites. Finally, the trademark law claims failed in much the same manner as in the previous WhenU.com case.

In the most recent WhenU.com case, the outcome was somewhat unique. Although the copyright claims failed again under familiar reasoning, the trademark claims fared better, giving new life to the website owners' cause. Not only do pop-up advertisers use a website owner's mark in commerce to trigger a pop-up ad, the court said, they also make a use in commerce by including a website owner's URL in a directory that triggers pop-up ads in direct competition with the websites. This finding, obviously, is in direct opposition to the previous WhenU.com cases. The court found that trademark infringement, therefore, was likely to result from consumers being initially confused as to the source of the pop-up ads.

Summary Chart of Pop-Up Advertising Cases

CASE	**Pop-Up Ad outcome**
Washington Post v. Gator (E.D. Va. 7/02)	copyright claims valid trademark claims valid
U-Haul v. WhenU.com	copyright claims invalid; no alteration or derivative work

(E.D. Va. 9/03)	trademark claims invalid; no use in commerce
Wells Fargo v. WhenU.com (E.D. Mich. 11/03)	copyright claims invalid; no alteration or derivative work trademark claims invalid; no use in commerce and no likelihood of consumer confusion
1-800 Contacts v. WhenU.com (S.D.N.Y. 12/03)	copyright claims invalid; no alteration or derivative work trademark claims valid; use in commerce and likelihood of consumer confusion

Copyright Law Doesn't Seem to Care About Pop-Up Madness

Based on the three pop-up ad cases explicitly addressing the issue, copyright law appears, at best, the wrong implement for tackling this online quagmire. From a practical viewpoint, courts worry about the potential copyright liability of average computer users. As the courts saw it, the plaintiffs' theory was untenable since computer users would be liable for copyright infringement every time they opened a window in front of a copyrighted web page open in a separate window on their computer screens.

If the courts found that pop-up ads copied or altered the websites, or amounted to derivative works, they would have invited a plague of copyright infringement claims in today's windows based operating environment. Thus far, the courts have sapped the potency of copyright law in the fight against pop-up advertising.

Trademark Law Cares About Pop-Up Madness So Long As Consumer Confusion is Likely

Trademark infringement is another matter. The courts somewhat struggle with and disagree about whether pop-up ads constitute trademark use in commerce. Pop-up ads display a competing trademark over the website owner's website and trademark, but they do not display the website owner's mark. Relatedly, pop-ups use website URLs to trigger pop-up ads, but the courts cannot agree on whether such use is a trademark use or a "pure machine-linking function" akin to the function of a phone number.

Assuming that pop-up advertisements do make use in commerce of trademarksas do the majority of courts addressing the issuewhether pop-up ads violate trademark rights boils down to whether consumers are likely to be confused about the source of the ads. As consumers become progressively familiar with the Internet and are exposed to more pop up ads, however, they are probably less likely to assume that ads popping up on their computer screen are associated with the underlying web pages. Moreover, at least with respect to Gator and WhenU.com, pop-up ads today are branded and presented in a manner that leaves little room to question their affiliation. As a result, consumer confusion, and thus trademark infringement, is less likely than when pop-up ads made their initial debut a couple of years ago. This does not however, signal the death knell of trademark law's ability to combat confusingly similar pop-up ads. To the extent that plaintiffs can demonstrate that pop-up ads are likely to cause consumer confusion and are not just annoying they should prevail on trademark infringement claims.

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[1] *U-Haul Int'l, Inc. v. Whenu.com, Inc.*, 2003 U.S. Dist. LEXIS 15710 (E.D. Va. Sept. 5, 2003); *Wells*

Fargo & Co. v. WhenU.com, Inc., 2003 U.S. Dist. LEXIS 20756 (E.D. Mich. Nov. 19, 2003).

[2] *Washington Post Co. v. Gator Corp.*, 2002 U.S. Dist. LEXIS 20879 (E.D. Va. June 25, 2002); *1-800 Contacts, Inc. v. WhenU.com*, 2003 U.S. Dist. LEXIS 22932 (S.D.N.Y. Dec. 22, 2003).

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