

on your (trade)mark



ethics

and lawyer web success

BY JOHN DOODY

You've decided that Internet advertising can help market your practice. But what are the potential pitfalls? Can the Web transform your practice—or lead to heartbreak?

As our hypothetical lawyer, you've successfully litigated a number of franchise termination cases against Whimsical Service Corp., a nationwide doughnut franchisor. All of Whimsical's franchise agreements select Maricopa County as the exclusive forum for lawsuits and choose Arizona law to govern all disputes.

You want Whimsical's franchisees to know you can help if and when they need it. But because they are scattered across the country, plastering your name and wild animal logo on the side of a city bus just won't cut it. Only the World Wide Web offers the desired combination of low costs and nationwide exposure. You decide to launch your own Web site under the name "ValleySunLaw.com."¹

What exactly are you getting into?

Once the exclusive playground of academic and governmental geeks, the Web has become a global commercial marketplace. Today, the trick is to find a way to stand out from the crowd. Current technology suggests two ways to do so.² First, find a killer domain name (sorry, "law.com" is already taken). Or choose words that best describe what you do, then "metatag"³ them to improve your chances of being picked up by search engines. But before you publish, have you considered:

- The extent to which you can use someone else's marks to describe what you do?
- Can you do it at all? (Yes.)
- Are there limits? (Yes.)⁴
- Can you trumpet your past success? (Probably not.)
- What can be done to minimize risk? (Read on.)

important limits

on the Scope of Trademark Regulation

Trademark infringement is a form of unfair competition.⁵ Although unfair competition and trademark law promote competition by protecting the owners of intellectual property, the scope of trademark regulation is limited by the strong public policy in favor of allowing anyone to copy material in the public domain.⁶

That policy manifests itself in the notion that trademarks are not rights "in gross" or "at large" as copyrights or patents are thought to be.⁷ There is no "monopolistic" right to absolutely control the use of a trademark.⁸ As Justice Holmes famously said, the words themselves are not "taboo."⁹

web site content

Nominative Use Analysis

In the Ninth Circuit, the lawyer's use of Whimsical's mark in his Web site is protected under the "nominative use" doctrine articulated in the *New Kids On The Block* case.¹⁰ Nominative use is not considered to be a trademark use at all and only comes into play when the mark is the only word that can reasonably express a subsequent (junior) user's non-infringing message.

The dispute in *New Kids* began when two newspapers invited readers to pay 50 cents for the privilege of electing the most popular member of that music group. The "Kids" were not amused and filed suit for trademark infringement.

Judge Alex Kozinski acknowledged that trademark law seeks to protect both producers from having their goodwill stolen and consumers from "something akin to fraud."¹¹ He also emphasized the limited scope of trademark rights and identified the "removal" of words from the English language as "the primary cost" of granting such rights. To minimize that cost, words can only be removed to the extent that they relate to the markholder's goods or services.

The court reviewed the fair use doctrine, which allows anyone to use a mark, not "as a mark" but only in its original descriptive sense.¹² The doctrine was not applied because the words "New Kids" were not being used in their original descriptive sense. However, the court observed that "sometimes there is no descriptive substitute"¹³ and expressly identified a "class of cases" in which the junior uses the original (senior) user's mark, not to capitalize on customer confusion or to appropriate the senior's cachet, but because it is virtually impossible for junior to express his noninfringing message without using the senior's mark.¹⁴

For example, it would be difficult or impossible for an auto repairman to advertise his independent Volkswagen service without using Volkswagen's name.¹⁵ "Cases like these are best understood as involving a non-trademark use of a mark—a use to which the infringement laws simply do not apply."¹⁶ The court formulated a three-part test to find "nominative" use:

1. The product or service in question must

be one not readily identifiable without using the trademark.

2. The mark can only be used as reasonably necessary to identify the product or service.
3. The user must do nothing to suggest sponsorship or endorsement by the markholder.

Thus, in the Whimsical case, the fair use doctrine does not apply. Although "whimsical" is a descriptive term meaning quaint or capricious, the lawyer is not using the word in its original descriptive sense but to describe the corporation of the same name.

By contrast, the nominative use doctrine does apply because the lawyer's legitimate message is focused on work done against Whimsical in the past and that message cannot be adequately expressed without identifying Whimsical by name—as long as the lawyer uses only so much of the mark as reasonably necessary to identify his experience. As long as the lawyer does nothing to suggest that he is sponsored or endorsed in any manner by Whimsical Service Corp., use of that name on the Web site is a protected nominative use.

metatags

and the problem of "Initial Interest Confusion"

In *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*,¹⁷ Brookfield owned trademark rights to the term "moviebuff." Brookfield sued after West Coast used "moviebuff" in its Web site domain name and metatags. The Ninth Circuit found that the two different uses—in the domain name and metatags—constituted two distinct types of infringement and analyzed them under two separate standards.

The court applied the likelihood of confusion test—popularly known as the *Sleekcraft*¹⁸ test—to determine whether West Coast's use of the trademark in its domain name constituted an infringement. The court found infringement because reasonably prudent consumers might believe that West Coast's Web site was somehow sponsored, endorsed, or owned by Brookfield.

The court refused to apply the *Sleekcraft* test to the metatag issue, however.¹⁹ It reasoned that searchers looking for Brookfield's

Web site would immediately know they were in the "wrong" place after being drawn to West Coast's site by the use of the word "moviebuff" in metatags.

Nevertheless, the court held that those metatags infringed Brookfield's trademark under the initial interest confusion theory adopted in the *Dr. Seuss* case two years before.²⁰ Although the court did not articulate a clear test for finding initial interest confusion, it drew on earlier cases emphasizing misappropriation of goodwill, the close competitive relationships between the parties and their products and the junior user's active and often intentional role²¹ in creating and exploiting confusion.

The court used a low-tech analogy to put the problem into perspective: "Using another's trademark in one's metatags is much like posting a sign with another's trademark in front of one's (own) store."²² Although Web surfers using the term moviebuff to find Brookfield would not be confused about the identity of the Web site, the similarity of the companies' products ensured that a substantial number would linger to do business with West Coast and allow West Coast to misappropriate Brookfield's goodwill.

Because West Coast was not using Brookfield's trademark in its original descriptive sense, West Coast was not entitled to assert the fair use defense. And because West Coast did not need to use the word moviebuff to get its message across, the nominative use doctrine also did not apply.

Nevertheless, the court emphasized that "the fair use doctrine applies in cyberspace as it does in the real world."²³ As the example "most on point," the court approved a district court case, *Playboy Enters., Inc. v. Welles*, in which a former Playboy Playmate was allowed to metatag the words Playboy and Playmate in her own adult-oriented Web site to truthfully describe herself and to accurately "index" the contents of her site.²⁴

Unlike *Welles*, the lawyer in our hypothetical is not in the same business as Whimsical and does not benefit from Whimsical's goodwill. Moreover, the lawyer cannot reasonably get his noncompetitive, noninfringing message out to searchers ("I represent people against Whimsical") unless he uses the name "Whimsical" in his Web

site metatags. Courts should not assume that everyone searching the Internet for references to Whimsical is looking for the official site: Dissatisfied Whimsical franchisees might type the name “Whimsical” into their search engines to see if they can find someone, perhaps a fellow franchisee or perhaps a lawyer, who can help them.

The twin policies of free competition and free speech support the public’s right to find what they are looking for on the Internet and prevent markholders from claiming a monopolist’s power to muzzle truthful but unflattering messages about themselves under the guise of enforcing their trademarks.²⁵

Thus, our lawyer should be allowed to

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use the words “Whimsical Service Corp.” in his metatags to the extent necessary to describe what he does and to accurately index the contents of his Web site.

ethical issues

Some of our ethical concerns are greatly complicated by the multijurisdictional nature of the Internet and the increasingly aggressive efforts of some states to tighten local control over out-of-state legal advertisers.²⁶ Although 41 states have adopted the Model Rules of Professional Conduct since 1983, there are many local variations.²⁷ Partly as a result of constitutional challenges, the ABA has amended the Model Rules 19 times since 1983 and is currently in the

process of doing so again in the Ethics 2000 Project.²⁸

In other words, just because you complied with Arizona’s ethical rules doesn’t mean that you are in compliance nationwide.

The prohibition against false and misleading information in Rule 7.1 is a good example of how the rules might be interpreted more stringently in other states than in Arizona, especially in the context of Model Rule 7.1(b)—Arizona ER

7.1(a)(2)—and the issue of whether and when lawyers can advertise the results they obtained in prior cases.²⁹

On its face, Model Rule 7.1(b) only bars lawyers from raising unjustified expectations about results the lawyer can achieve. It does not expressly prohibit or even mention result advertisements. However, the Official Comments state that the rule “ordinarily preclude(s) advertisements about results obtained on behalf of a client” because such statements may “create the unjustified

expectation that similar results can be obtained for others without reference to the specific factual and legal circumstances” of each case.³⁰ There are no Arizona cases or ethics opinions on point.

Arizona’s version of Rule 7.1 adopts the Model Rule but deletes the official comment against tying results advertising to unjustified expectations. Arizona’s version of ER 7.1(a)(4) also adds a fourth example of “false and misleading” information: “factual statement(s) which cannot be factually substantiated.” Taken as a whole, the Arizona rule can be interpreted to permit results advertising as long as it is factual, the facts can be substantiated and it includes all facts necessary to prevent the statement as a whole from being materially misleading (i.e., an appropriate disclaimer).

Indeed, the modern trend represented by the Ethics 2000 project favors greater flexibility in this area. Although lawyers will still be prohibited from raising unjustified expectations under the proposed revisions to Rule 7.1, the present Rule 7.1(b) will be abolished and replaced by a comment stating that “the inclusion of an appropriate disclaimer or qualifying language may preclude a finding that a statement is likely to create unjustified expectations or otherwise mislead a prospective client.”³¹ Of course, even if the proposed revisions win widespread approval, it might take some time before they are accepted in all 50 states.

What can a lawyer do short of discovering and adhering to the most stringent legal advertising rules in the United States?

- A prudent lawyer should avoid targeting his advertising toward any particular state other than his. At a minimum, an Arizona lawyer must follow all Arizona ethical rules that apply to advertising in more traditional media³²: Among other things, the lawyer’s site should be “predominantly informational”³³ and avoid making any false or misleading statements.³⁴
- Caution prospective clients that, “The information presented in this Web site should not be relied upon or used to solve specific legal problems. Every case is different and other legal rules or exceptions might apply to your case depending on your unique circumstances. Always

address specific legal problems with competent legal counsel.”

- Finally, avoid problems with unauthorized practice of law by emphasizing that you are only licensed to practice in Arizona and that you are not allowed to render advice on any other state’s law.³⁵ ▲

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endnotes

1. A recent Arizona ethics opinion states that a law firm domain name is a “professional designation” that needn’t match the firm’s name as long as it complies with ER 7.1 (not false or misleading). Arizona Op. 01-05 (March 2001).
2. *Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1044 (9th Cir. 1999).
3. Metatags are HTML code intended to describe the contents of a Web site. There are different types of metatags, including “description” and “keyword” metatags. Description metatags are intended to describe the Web site; the keyword metatags, at least in theory, contain keywords relating to the contents of the Web site. The more often a term appears in the metatags and in the text of the Web page, the more likely it is that the page will be “hit” in a search for that keyword and the higher on the list of “hits” the page will appear.
4. Potential non-trademark tort liability should also be considered. Such liability may include trade libel, defamation, false advertising and interference with business relations. These topics are beyond the scope of this article.
5. “There is no essential difference between trade-mark and what is loosely called unfair competition. Unfair competition is the genus of which trade-mark infringement is one of the species.” S.REP.NO. 1333, 79th Cong., 2d Sess. (1946), pp. 1274–1275.
6. *See, e.g., Smith v. Chanel, Inc.*, 402 F.2d 562, 563 (9th Cir. 1968) (one who has copied an unpatented product sold under a trademark may use the trademark in his advertising to identify the product he has copied so long as the use does not mislead the public as to the source, identity or sponsorship of the advertiser’s product). Speaking of patent law, the Supreme Court said, “Free exploitation of ideas will be the rule, to which the protection of a federal patent is the exception.” *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 151 (1989). *See also Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 122 (1938) (“Sharing in the goodwill of an article

unprotected by patent or trademark is the exercise of a right possessed by all”). *See also* RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 1 (“Freedom to compete”).

7. *American Footwear Corp. v. General Footwear Co.*, 609 F.2d 655, 665 (2d Cir. 1979), cert. denied, 445 U.S. 951 (1980) (“not rights in gross or at large”).
8. *See* S.REP.NO. 1333, *supra* note 5, pp. 1274–1275 (“not monopolistic grants”).
9. *Prestonettes, Inc. v. Coty*, 264 U.S. 359, 368 (1924).
10. *The New Kids On The Block v. News America Publishing, Inc.*, 971 F.2d 302 (9th Cir. 1992).
11. *Id.* at 305.
12. *Id.* The fair use defense is outlined in Section 33(b)(4) of the Lanham Act at 15 U.S.C. § 1115(b)(4). *See also* RESTATEMENT (THIRD) OF UNFAIR COMPETITION, § 28, cmt. c: “Fair use is a reasonable and good faith use of a descriptive term that is another’s trademark *to describe rather than to identify* the user’s goods, services, or business” (emphasis added). For an illustration of the “classic” fair use doctrine, *see* the RESTATEMENT, § 28, cmt. d, illus. 1.
13. *The New Kids*, 971 F.2d at 306.
14. *Id.* “For example, one might refer to ‘the two-time world champions’ or ‘the professional basketball team from Chicago,’ but it’s far simpler (and more likely to be understood) to refer to the Chicago Bulls. In such cases, use of the trademark does not imply sponsorship or endorsement of the product because the mark is used only to describe the thing, rather than to identify its source.”
15. *The New Kids*, 971 F.2d 302, 307, *citing Volkswagenwerk Aktiengesellschaft v. Church*, 411 F.2d 350, 352 (9th Cir. 1969).
16. *The New Kids*, 971 F.2d at 307–308.
17. 174 F.3d at 1036.
18. Each U.S. Circuit Court of Appeals has its own test to analyze whether a “likelihood of confusion” exists. The Ninth Circuit uses the *Sleekcraft* test outlined by the court in *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–349 (9th Cir. 1979). The eight *Sleekcraft* factors are: (1) strength of plaintiff’s mark, (2) proximity of the goods/services, (3) similarity of marks, (4) evidence of actual confusion, (5) marketing channels used, (6) type of goods/services and degree of care likely to be exercised by purchasers, (7) defendant’s intent in selecting its mark and (8) likelihood of product line expansion. The *Sleekcraft* factors are not exclusive, and the weight given to each factor varies with the facts of each case. Indeed, the *Brookfield* court expressly characterized the *Sleekcraft* test as “pliant,” especially when applied to emerging technologies such as the Internet. *Brookfield*, 174 F.3d at 1054.
19. Unless they have specific Web site addresses (URLs) in mind, people usually type charac-

- teristic keywords into search engines to find what they're looking for on the Web. Search engines then look for Web sites that display those keywords and present them to searchers in a list, usually ranked according to the number of times each keyword appears. Search engines look for keywords in places such as domain names, actual text on the Web page, and metatags.
20. *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 109 F.3d 1394, 1405 (9th Cir. 1997).
 21. There is ordinarily no need to prove that the junior user intended to create confusion in order to prove infringement, but intentional conduct supports an inference that confusion is likely to occur. The principle does not work in reverse, however. Although an actor's intent to deceive can help establish an infringement, the lack of any intent to infringe is no defense. *Brookfield*, 174 F.3d at 1059.
 22. *Brookfield*, 174 F.3d at 1064, citing *Blockbuster Entertainment Group v. Layco, Inc.*, 869 F. Supp. 505, 513 (E.D. Mich. 1994).
 23. *Brookfield*, 174 F.3d at 1065.
 24. *Brookfield*, 174 F.3d at 1065–1066, citing *Playboy Enters., Inc. v. Welles*, 7 F. Supp. 2d 1098, 1103–1104 (S.D. Cal. 1998) (Welles' motion for preliminary injunction granted), *aff'd without opinion*, 162 F.3d 1169 (9th Cir. 1998) ("Welles I"). Because Welles was not using "Playboy" in its original descriptive sense, her use was a nominative use, not a fair use, though the distinction was not clarified until later, when the district court granted summary judgment in favor of Welles. *See Playboy Enters., Inc. v. Welles*, 78 F. Supp. 2d 1066, 1089–1090 (S.D. Cal. 1999) ("Welles II").
 25. *See, e.g., Bally Total Fitness Holding Corp. v. Faber*, 29 F. Supp. 2d 1161, 1163–1164 (C.D. Cal. 1988) (no reasonable consumer would assume that 'ballysucks.com' is Bally's official Web site or sponsored or approved by Bally).
 26. A particularly aggressive rule was recently adopted in South Carolina, though the rule's sponsors claim it is aimed at mass disaster lawyers, not the Internet. *See* Appellate Court Rule 418, "Advertising and Solicitation by Unlicensed Lawyers," meaning "any lawyer who is admitted to practice law in another jurisdiction but who is not admitted to practice law in South Carolina." The South Carolina rule and drafters' comments are discussed in *ABA/BNA Lawyers' Manual on Professional Conduct*, 15(11), p. 291. *See also* the proposed revisions to Model Rule 8.5 (Choice of Law) proposed by the ABA Commission on Evaluation of the Rules of Professional Conduct in connection with the Ethics 2000 project ("Ethics 2000," available on the Internet at www.abanet.org/cpr/ethics2k.html).
 27. Ethics 2000, *supra* note 26. For a summary of advertising and solicitation rules in all 50 states, *see Provisions of State Codes of Professional Responsibility Governing Lawyer Advertising and Solicitation*, ABA Commission on Advertising (1990).
 28. Ethics 2000, *supra* note 26. Six of the 19 amendments since 1983 have been in the area of lawyer advertising and solicitation. Ethics 2000 also contains a concise summary of Supreme Court cases establishing a lawyer's right to advertise and defining the extent to which that right can be regulated by local authorities.
 29. The rules allow the lawyer to advertise the fact that he has litigation experience against Whimsical as long as he does so truthfully. *See* Arizona ER 7.4 (fields of practice).
 30. Most authorities condemn results advertising. *See, e.g.,* Connecticut Op. 88-3 (1988); Washington Informal Ethics Opinion 91-2 (1991). *See also* 2 C. HAZARD & W. HODES, *THE LAW OF LAWYERING*, § 7.1:301, 866 (Prentice-Hall 1998) ("Rule 7.1(b) virtually precludes any use of a lawyer's 'track record' as a selling point"). *But see* District of Columbia Op. 188 (1987) (not misleading to truthfully state that "thousands of successful claims have been brought against this particular manufacturer"); Michigan Op. CI-830 (1982) (result advertisement was misleading but misleading inference might be cured with an appropriate disclaimer).
 31. *See* Ethics 2000, *supra* note 26, for the proposed Official Comment No. 3 to Rule 7.1. An appropriate disclaimer might look something like this: "Do not interpret the discussion of past results as a prediction that the same result will occur in your case. No two cases are alike, and the results obtained in one case for one client do not necessarily indicate that the same results would be obtained in any other case."
 32. Among other things, include the name of at least one lawyer responsible for content per ER 7.1(n), preserve the content of your Web site for three years as required by ER 7.1(o), and be prepared to provide the information required by ER 7.2. Arizona Op. 97-04 suggests that Web site contents can be preserved electronically. *Accord*, Utah Op. 97-10 (10/24/97). And depending on the extent you want to discuss cases you have handled in the past, you may need to comply with ER 1.6 (duty to preserve client confidences) and ER 7.1(d)(19) (need to obtain client's written permission before using client's name in your advertising).
 33. *See* Arizona ER 7.1(b). The former prohibition against "self-laudatory" statements was both "bizarre and unconstitutional." 2 HAZARD & HODES, *THE LAW OF LAWYERING*, *supra* note 30, § 7.1:101, p. 858.
 34. *See* ER 7.1(a), Rule 42, ARIZ.R.S.CT.
 35. Maryland Ethics Op. 97-26 (7/17/97).