December 23, 2009

Purchase of Rival's Trademark as Keyword Held Not Likely to Confuse Consumers

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In one of the few cases reaching a definitive "final" ruling in the Internet keyword area, a Minnesota district court has found that advertisers' purchase of their rival's trademarks as keywords did not create a likelihood of confusion.

Fair Isaac Corp. v. Experian Information Solutions Inc., Civil No. 06-4112 (D. Minn. Nov. 25, 2009). When considered along with the Second Circuit's narrow holding earlier this year in *Rescuecom v. Google,* 562 F.3d 123 (2d Cir. April 3, 2009) which permitted keyword claims in that case to proceed, *Fair Isaac* adds a result from a decision after trial to the increasingly complex precedent surrounding keyword advertising. While the *Fair Isaac* case's unique facts may ultimately limit its precedential value, it should be considered by advertisers and trademark owners planning their Internet advertising keyword strategies.

Fair Isaac markets the FICO credit score, which is based on a "300-850" score range and used in the financial industry to assess borrower creditworthiness. In 2006, Fair Isaac initiated litigation against rival credit score producers, who Fair Isaac alleged, among other things, had commenced Internet advertising campaigns based on purchase of the keywords "FICO," "Fair Isaac," and "300-850" from Internet search engines. Fair Isaac did not allege that its rivals had displayed Fair Isaac's trademarks in ad copy. In July 2009, Fair Isaac lost several arguments in a complex ruling, leaving open trademark and keyword advertising issues for trial. In October, a jury returned a verdict finding that

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Fair Isaac's "300-850" credit score mark, which Fair Isaac alleged had been infringed by its competitors' "501-990" credit score mark, was not a valid, protectable trademark because the term "300-850" had not acquired secondary meaning. Proof of secondary meaning requires evidence of consumer recognition through advertising and promotion in the relevant marketplace.

Following the jury verdict, in post-trial ruling issued in late November, the court rejected Fair Isaac's trademark claims over competitive keyword advertising based on lack of a valid trademark and, even where invalidity had not been found, insufficient proof of consumer confusion. The *Fair Isaac* court recapped its reasoning as follows:

To the extent that Fair Isaac bases its keyword advertising claims on the alleged "300-850" mark, such a claim fails in light the [sic] jury's finding that "300-850" is not a valid mark. To the extent that the keyword advertising claims are based on the "Fair Isaac" and "FICO" marks, the Court finds that the weight of the evidence adduced at trial does not support a credible inference that [defendants'] purchases of Fair Isaac's trademarks as keyword search terms were likely to confuse consumers. The only evidence adduced at trial in support of the assertion that the keyword advertising was likely to cause confusion – the opinion testimony of Fair Isaac's expert James Berger – lacks credibility.

The *Fair Isaac* case's precedential value is limited by the jury's finding that one of the plaintiff's marks was not valid, the limited evidence of likelihood of confusion, and the court's skepticism toward plaintiff's expert. Other cases in a similar posture could present additional evidence of consumer confusion, including, but not limited to, more compelling survey or opinion testimony.

However, *Fair Isaac* provides a useful reference in that most keyword advertising cases have settled or have ended on some other basis (like the plaintiff's lack of a protectable trademark, as the court ruled here with respect to the "300-850" keyword purchases). The only other similar trial outcome was in *Government Employees Insurance Co. v. Google, Inc.,* No. 1:04cv507 (E.D. Va. Aug. 8, 2005) ("*GEICO*"), which concluded in an opinion after trial that the search engine was not liable for keyword-triggered ads not containing the trademark in the ad copy but was potentially liable for the triggered ads that did.

For advertisers and trademark owners developing Internet keyword strategies, the results in *Fair Isaac* and *GEICO* must naturally be considered in

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conjunction with the April 2009 decision in *Rescuecom Corp. v. Google, Inc.*, which has given additional impetus to keyword advertising litigation. In *Rescuecom*, the Second Circuit held that the plaintiff properly alleged that Google's sale of trademarked terms as keywords constituted a "use in commerce" of those trademarks, thereby permitting the case to proceed. While *Rescuecom* merely reversed a Rule 12(b)(6) dismissal in the lower court for Google, it effectively ended the "use in commerce" defense on which trademark defendants had depended to achieve early resolution of trademark / keyword cases. The Second Circuit remanded the case to the district court to consider whether Rescuecom can show trademark confusion based upon Google's keyword sales. The *Rescuecom* case is currently set for trial in 2011.

In light of the unsettled and limited precedent affecting keyword advertising litigation, both trademark owners and Internet search advertisers should continuously review the extent, nature and effectiveness of their keyword purchase and Internet search advertising programs. Internet keyword advertising is expected to be a continued source of disputes and litigation in many industries until federal courts establish clear guidelines as to when Internet keyword purchases create actionable trademark confusion.

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Britt L. Anderson Mr. Anderson's practice emphasizes commercial and intellectual property litigation, negotiation, and counseling for high-technology and consumer products companies. He represents clients in federal and state trial and appellate courts in the fields of trademark, false advertising, copyright, rights of publicity, trade secret, domain name, licensing, partnership, contract, business tort, and fraud matters.