

UNITED STATES COURT OF APPEALS  
FOR THE SIXTH CIRCUIT

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No. 00-2183

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PACCAR, INC.,

Plaintiff-Appellee,

v.

TELESCAN TECHNOLOGIES, INC., LLC,

Defendant-Appellant.

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**On Appeal from an Order of the  
United States District Court  
for the Eastern District of Michigan**

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**BRIEF FOR PUBLIC CITIZEN AS AMICUS CURIAE  
URGING THAT THE INJUNCTION BE VACATED**

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## **Interest of Amicus Curiae**

Public Citizen is a Washington, DC-based public interest organization which has approximately 150,000 members, about 12,000 thousand of them in the Sixth Circuit. Since its founding in 1971, Public Citizen has urged citizens to speak out about a variety of large institutions, including corporations, government agencies, and unions, and it has advocated a variety of protections for the rights of consumers, citizens and employees to encourage them to voice their views. Along with its efforts to encourage public participation, Public Citizen has brought and defended numerous cases involving the First Amendment rights of citizens who do participate in public debate.

Public Citizen believes that the Internet provides a tremendous opportunity for ordinary citizens to express their views, and to have them heard, and that, by the same token, it provides an opportunity for consumers to obtain information that they may need to protect their economic and political interests. It is vitally important that the legal rules governing use of the Internet be crafted to provide a maximum opportunity for the free exchange of information between willing speakers and willing listeners.

In recent years, Public Citizen has watched with dismay as an increasing number of companies have resorted to litigation to prevent ordinary citizens from using the Internet to express their views about the manner in which companies have

conducted their affairs. In a number cases, companies have brought baseless lawsuits, hoping to silence their critics through the threat of ruinous litigation.

One theory that is frequently invoked in such cases is that the use of the name of a company or product that is discussed on a website violates the trademark rights of the company in question. Public Citizen has represented citizens who have been sued for using company names in their domain names, in banners on their websites, and in their website metatags. *E.g.*, *Alitalia v. Porta*, 00-Civ.-9731-RMB (S.D.N.Y.); *Circuit City Stores v. Shane*, No. C-1-00-0141 (S.D. Ohio); *Ricart Automotive v. Dalton*, Case No. C-2-00-0057 (S.D. Ohio); *ServiceMaster v. Virga*, No. 99-2866-TUV (W.D. Tenn.). Through its work in these and similar cases, Public Citizen has come to understand how consumers use the Internet, and how domain names and metatags bring relevant sites to the attention of interested consumers. That understanding is fundamentally at odds with the factual assumptions that undergird the decision under appeal here. The opinion below is also, in our view, at odds with the assumptions underlying Congress' enactment of recent legislation against "cybersquatting," because, as explained below, the statute assumes that different persons may both have legitimate interests in using domain names that are identical or "confusingly similar" to a trademark.

In all of the cases in which Public Citizen has been involved to date, the

defendants operated non-commercial “gripe sites” that are outside the scope of the trademark laws because they involve wholly non-commercial speech. *See* Lanham Act Section 32, 15 U.S.C. § 1114 (for infringement to be found, defendant must use trademark “in commerce” and “in connection with the sale . . . of goods or services”), section 43(c)(4), 15 U.S.C. § 1125(c)(4) (expressly exempting from coverage of section 43 any “non-commercial use”). Nonetheless, to the extent that the Court may make pronouncements about the trademark implications of domain names or metatags in this commercial case, the decision here may have a significant impact on cases where Public Citizen is already involved, and it seeks leave to file this brief in order to avoid any adverse impact on its cases, some of which are currently pending in trial courts in this Circuit.

Moreover, although its principal concern is to protect consumers who want to use the Internet to speak about corporations, using non-commercial websites, Public Citizen is also interested in protecting the free speech rights of commercial entities, because it enables them to make information more available to consumers, thus increasing consumer choices and fostering competitive pressures that reduce prices that consumers must pay for the products that they want to purchase. Public Citizen has challenged anti-competitive laws restricting speech, in several cases that developed the modern doctrine of commercial speech, *E.g., Virginia State Bd. of*

*Pharmacy v. Virginia Citizens Consumer Council*, 425 U.S. 748 (1976); *Zauderer v. Office of Disciplinary Counsel*, 471 U.S. 626 (1985); *Edenfield v. Fane*, 507 U.S. 761 (1993), and filed amicus curiae briefs in many others.

In this case, a truck manufacturer has sued to impede the development of an independent medium that is apparently intended to facilitate the development of a secondary market in its goods, thus increasing the ability of would-be purchasers to force sellers to compete for their business. The manufacturer invokes the Lanham Act to bar the defendant from using the trademarked names of the plaintiff's products in the domain names and metatags for its website. The manufacturer acknowledged below that a reseller of merchandise may use the trademarked name of the merchandise that it sells in its advertising, but it argues that such use in domain names or metatags is automatically precluded because they are, supposedly, no more than an indication of who owns the website. In this brief, we dispute the proposition that domain names or metatags indicate **only** the owner of a website, and argue, accordingly, that use of a trademark in metatags and domain names does not necessarily violate the trademark holder's rights. In this regard, we rely on the principle that not every use of a trademarked term is a "trademark use," and that a trademark use is forbidden only when it is likely to confuse the reader about who has sponsored the placement of the mark.

This is, of course, a private suit between two parties, and the Court may conclude that, if defendant failed to build a proper record, it must lie in the bed that it made for itself. We file this brief, however, because this case will be the first time that this Court has addressed the trademark implications of metatags; as a result, this Court's ruling will guide litigation in future cases, particularly in this Circuit, and a ruling based on a bare record will nevertheless establish law for the future. Even if the decision is withheld from publication, unreported decisions may be cited with appropriate caveats. And, with respect to domain names, we have found only one decision by this Court addressing trademark law: *Data Concepts v. Digital Consulting*, 150 F.3d 620 (6<sup>th</sup> Cir. 1998). The majority decision discussed the trademark issues and remanded for further factual development without considering whether domain names were a special case, while Judge Merritt's concurring opinion went beyond the assumptions of the parties to express doubt about whether the domain names warranted a trademark analysis at all. Moreover, in the court below the plaintiff argued that it is "established law . . . that domain names are source identifiers rather than descriptors of content." We argue in this brief that this "legal principle" is based on a mistaken understanding about how the Internet works, and that, to the extent there is any "law" on the issue, the enactment of the anti-cybersquatting law in 1999 suggests that the matter is not nearly so simple as the

plaintiff has argued here. Accordingly, we argue that the Court should reverse outright on the question of metatags, and that it should remand the case to refine the injunction, if any injunction is needed.

## STATEMENT

Plaintiff Paccar and defendant TeleScan both operate Internet locator services for trucks that are available for sale by retail truck dealers. Paccar makes trucks under several brands, including Peterbilt and Kenworth. TeleScan developed the concept of an Internet listing service for truck dealers in the mid-1990's. TeleScan's truck locator service has websites using a domain name consisting of its own name, as well as websites whose domain names consist of various truck brand names (including Paccar's), combined with words describing either the equipment sold – *e.g.*, peterbiltnewtrucks.com – or the type of sales entity listed – *e.g.*, peterbilttruckdealers.com. The record does not specify the prospective customers to whom the parties' services appeal, but it appears to be individual truck drivers, and perhaps trucking companies, who want to buy used or new trucks.

If the record is sparse on the nature of the rival operations, it is completely bare on the most important question in the case – what consumers look for when they either direct their browsers to a particular domain name, or when they enter one of the plaintiff's trademarks into a search engine. Nor does any evidence address the manner in which the Internet functions, and what role domain names and metatags play in the efforts of Internet users to locate the information that they desire. Indeed, although there was extended discussion about defendant's domain names in the papers below and in the oral argument before the district court, there was virtually no mention of the

defendant's metatags. Instead, plaintiff's brief below relied on a long quotation from a Ninth Circuit decision about domain names and metatags, *Brookfield Commun. v. West Coast Entertainment*, 174 F.3d 1036 (9<sup>th</sup> Cir. 1999).

Paccar alleged that TeleScan's domain names and metatags both infringed and diluted Paccar's trademarks in violation of the Lanham Act. It sought injunctive relief based on three affidavits and exhibits, mostly showing the content of the parties' websites and the trademark registrations. TeleScan responded with an affidavit and two exhibits drawn from its own website and a set of rules concerning the procedure for resolving disputes about domain names. Among other arguments, TeleScan contended that there was no likelihood of confusion between its website and the plaintiff's, and that its use of plaintiff's trademarks was merely "descriptive" and constituted a "fair use." At the preliminary injunction hearing, Paccar freely acknowledged that persons selling its trucks could advertise the names of those trucks, Tr. 5, 13, but insisted that use of the marks in domain names was not permissible because, supposedly, a domain name does no more than identify the site's owner. Tr. 10.

The court granted the injunction. 115 F. Supp.2d 772. After quoting at length from *Brookfield* to explain the nature of the Internet, *id.* at 775-776, the court proceeded to discuss whether TeleScan's use of plaintiff's trademarks in its domain

names was “likely to confuse” potential truck purchase customers about the source of TeleScan’s website. Proceeding through the eight factors enumerated in such cases as *Frisch’s Restaurants v. Eby’s Big Boy*, 670 F.2d 642 (6<sup>th</sup> Cir. 1982), the court found that most factors favored Paccar. 115 F. Supp.2d at 776-779. The district court acknowledged at the outset of its opinion that not every use of plaintiff’s marks on a web page would infringe or dilute those marks, *id.* 774 n.2. However, only at one point in its analysis did it make any reference to the metatags:

the [marks] are included in the metatags of the websites, which makes it more likely an Internet search engine will “hit” the websites in response to searches using [the marks] as keywords. Thus, TeleScan’s use of the . . . marks in its domain names, and metatags, increases the likelihood that someone looking for a Peterbilt or Kenworth truck specifically, will come upon TeleScan’s websites first, thereby increasing the value of its website.

*Id.* 779 (footnote omitted).

The court further held that because customers “may mistakenly associate TeleScan’s websites with PACCAR’s trademarks,” and because plaintiff could not control the way in which the marks were used on TeleScan’s sites, defendant’s use constituted dilution. *Id.* 780. The court never discussed TeleScan’s fair use defense, but enjoined TeleScan from using the contested domain names, or from any use of Paccar’s marks in any domain name or metatag.

## ARGUMENT

### **I. BECAUSE METATAGS AND DOMAIN NAMES MAY INDICATE THE TOPIC OF A PAGE, AND NOT JUST ITS SOURCE, THE COURT BELOW BASED ITS LEGAL ANALYSIS ON A FALSE PREMISE.**

#### **A. The Problem Caused by the Vast Array of Web Information**

The World Wide Web provides enormous possibilities for persons who have information and opinions that they wish to publish for others to consider. There is no limit to the sort of content that may be communicated on the Web; it ranges from the original purpose – providing a way for the producers of scientific, technical or other intellectual work product to make their results freely available to others who might want it for further intellectual effort – to archives of historical or literary material, political opinions, and comments on government bodies, public officials, or corporations, unions and other influential institutions. Most relevant to the issues before the Court, web content includes commercial information about goods or services that a website owner may have made, or that the owner may want to sell or promote; it also includes contrary information about those same goods and services that a different website owner may desire to criticize. All of this information co-exists in a single, huge public forum.

The size of this forum is staggering. A study in *Nature*, Vol. 400, 8 July 1999, at 107-109, estimated that there were 800 million discrete pages on the publicly

indexable Web; a February 2001 commercial estimate put the number at 2.1 **billion** publicly available web pages, with seven million pages added every day. [dc.internet.com/views/article/0%2C1934%2C2111\\_411381%2C00.html](http://dc.internet.com/views/article/0%2C1934%2C2111_411381%2C00.html).

In these circumstances, it can be quite a challenge for the individual publisher of information to bring his information to the attention of those who may be interested in it; it is a similarly staggering task for the Internet user to search the vast sea of information for the small group of sites that have information relevant to his interests. Nor is there any official index that a user can consult to find particular content. It is as if the entire contents of the Library of Congress (or hundreds of times those contents) were stored in one huge building, with neither a card catalogue, nor a Dewey Decimal System, nor any other orderly means to enable patrons to find what they are trying to locate.

Domain names and metatags provide one way for publishers to bring their content to the attention of Internet users. But before the Court can decide whether the inclusion of a trademarked word or phrase in a domain name or metatag infringes on the rights of the trademark's owner, it should first consider what sort of information a given user may be trying to find, and how he will use domain names or metatags to facilitate his search.

## **B. The Kind of Information That Web Users May Be Trying to Find.**

Paccar assumed below that anybody who uses its trademarks as an Internet search term must necessarily be looking for Paccar, as the owner of the trademark. Certainly, it is possible that Internet users want to search the Internet for the manufacturer who owns the trademarks “Peterbilt” or “Kenworth.” But the mere fact that the user is looking for information that has some bearing on a trademarked word, such as “Peterbilt”, does not necessarily mean that the user wants only the answers to the questions, who owns this trademark and what does the owner want to tell me? The user may be looking for information **about** the trademark, or about the trademark holder. He may be looking for historical information. The user might have a grievance about the trademarked item, and want information about other similar grievances (for example, the person might have been in an accident that involved a Peterbilt, and be trying to learn if others have had similar accidents and what they have done about it). Or the user might be an owner of one of the trademarked items, be unhappy with the way it is working, or with the way it is being serviced or repaired, and be trying to find out whether others have had similar problems, whether there are lawsuits pending on such issues, or whether there is any private organization of owners who are trying to find non-litigation solutions to the same problem (such as lobbying for passage of a law, arguing for issuance of an administrative order, or

conducting a boycott). Or, the user might want to find archives of information about disputes in which the trademark holder has been engaged.

Or, the user might be trying to buy a trademarked item, and be seeking a comprehensive list of retailers who sell that item, to use the Internet for comparison shopping. And perhaps, instead of looking for dealers who sell only the goods of the trademarked brand, the user could be looking for dealers who sell multiple brands, on the theory that it is more efficient to engage in comparison shopping on the premises of a retailer who sells several similar products.

In crafting rules for the use of trademarks in various ways on the Internet, it is important to bear in mind all these potential objectives of Internet users, so that in trying to prevent customer confusion about the source, the courts do not impair the ability of Internet users in general to find the information that they are seeking about the trademarked item. In this regard, it is useful to draw an analogy with ways of finding information in a library. If, for example, somebody wrote an unauthorized history of Peterbilt trucks, he could put the word “Peterbilt” in the title without violating Paccar’s trademark. *See Rogers v. Grimaldi*, 875 F.2d 994, 1000 (2d Cir. 1989). And if the author were allowed to prepare the relevant entries for the card catalog, he could surely include the word “Peterbilt” in the title and subject cards. The author card would be different – only Paccar, as the owner of the Peterbilt trademark,

could hold itself out as the author or sponsor of a book. Similarly, the rules governing the use of trademarks on the Internet must allow for these multiple uses of a single word as a target of searches for author, title and subject of each website.

### **C. How Domain Names and Metatags Help Users to Find Relevant Sites.**

There are several different ways for members of the public to locate relevant pages on the Internet – that is, to find the specific address on the Internet where information they want is located. First, a viewer may know the domain name for a website and decide to visit that site by entering that web address (“uniform resource locator” or “URL”) in the “location” window of the web browser. Second, a viewer who is already visiting a different location on the web may be attracted to a hypertext link that appears on that page; by clicking his mouse on the link, the viewer directs his browser to the linked page (*i.e.*, the user “surfs” from one page to another). Or third, the viewer may take advantage of one of many search engines which viewers use to search the web for pages that contain references to a specific subject in which they are interested.

#### **1. Using Search Engines and Metatags to Find Sites.**

Search engine operators regularly patrol the web, looking for sites to include in a proprietary database of information about websites; when a web user visits the search engine and enters search terms, the engine performs a search using its own

computer algorithms to identify for a web user what hopefully are the websites most relevant to the user as defined by her search. The search engine then produces a list of sites and provides information about each site, including its internet address. The user uses the list to visit sites which, the user believes, are most likely to contain relevant information. *See generally* [www.searchenginewatch.com/](http://www.searchenginewatch.com/).<sup>1</sup>

Every search engine uses its own protocol, often unique or proprietary, to identify pages in response to a user's search. Some search engines such as Yahoo! (more properly called directories) use human beings to find web pages and enter code into the engine to identify particular pages in response to searches. Other search engines use largely mechanical devices, or "spiders," which continually prowl the web seeking and recording new pages, by viewing all or a certain number of words at the beginning of each web page (for example, the first 250), or by viewing the title of the web page. Still another method used by spiders is to examine the metatags of a given page. The basic parts of metatag are the description (a sentence summarizing the site), and the keywords (a list of terms describing the topic of the page). *How to Use HTML Meta Tags* [www.searchenginewatch.com/webmasters/meta.html](http://www.searchenginewatch.com/webmasters/meta.html).

When a person searches for a term or terms, the search engine delivers a list of

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<sup>1</sup> The author of this website is Danny Sullivan, the search engine expert whose testimony was the basis for the decision in *Playboy v. Welles*, 78 F. Supp.2d 1066, 1091 *et seq.* (S.D.Cal. 1999).

potentially relevant sites. In most cases, the number of sites returned by the search engine may be quite large, numbering in the hundreds if not thousands. The list is typically viewed in segments – the first ten or twenty sites are listed by the search engine, then the next grouping, and so forth until the list is exhausted. Each search engine has its own formula for ranking sites it finds in response to a particular search; for some engines, metatags play a role in the ranking as well as in the listing process. *Id.* Because most people will not wade through hundreds or even thousands of search results, being within the first twenty or forty results listed in response to any one search becomes especially significant; as result, there are now many consultants who help site owners boost their rankings into the top page of results. *E.g.*, [http://www.bruceclay.com/web\\_rank.htm](http://www.bruceclay.com/web_rank.htm).

The contents of the lists produced by the search engines are also significant. (Addendum A is the first page of a search on [www.altavista.com](http://www.altavista.com) for “Peterbilt”). Each list segment includes at least one clickable “link” for each page identified in the search. For each page, there is commonly a title (in which a “link” is embedded that can be followed by clicking a mouse button on the title), a brief description for the page, and the URL. The “page title” will commonly be whatever title the website designer has specifically given to that particular page; and, in engines recognizing metatags, the brief description will often be the “description” metatag for that page.

Thus, the description metatag plays a key role in determining what a search engine user will assume about the source of a website that is identified in a listing of search results that are returned in response to query based on a trademarked work. Moreover, if a viewer follows a link from a list of search results, but decides that the page is not what she wanted, it is quite simple to return to the list – she simply clicks the “back” button on the browser, returns to the list of search results, and decides what link to follow next.

The purpose of the metatag is not to identify the site’s sponsor, but to identify its most important topics. An excellent example of the kind of term that is included in a site’s metatags is provided by plaintiff Paccar’s home pages (Addendum B). The metatags include brand names, but mostly they simply describe, in many different ways, the kind of merchandise they make (that is, heavy trucks). It is apparent that the plaintiff’s objective in using these metatags is to ensure that any user who is looking for websites that relate in some way to these topics will have their pages listed near the top of the search results. Similarly, when defendant put plaintiff’s brand names in **its** metatags, it is apparent that its objective was to fairly describe the topic of its website, *i.e.*, a place where web users can get purchase information about particular brands of truck that are available for sale through its website.

In summary, then, to take advantage of the way in which search engines work

and to bring one's page to the attention of those who might find its contents interesting, a website designer must use metatags that include terms of greatest interest to the designer's target audience. And because persons who use search engines to find pages relating to a given term know that they will be getting a listing of a large number of web pages having some relevance to that term, it is exceedingly unlikely that such user is looking **only** for the official web page of the person who owns trademark rights to that term. It follows that, when the user receives multiple links to such pages, he is not being "confused" into believing that the source of all the web pages that are being listed is the trademark holder.

## **2. Using Domain Names to Find Sites**

Originally, each site on the Internet was identified only by a series of four numbers, such as 156.121.20.201. An alphanumeric domain name, however, allows website owners to use an address that expresses something about the site. *PG Media v. Network Solutions*, 51 F. Supp.2d 389, 391-392 (S.D.N.Y. 1999), *aff'd*, 202 F.3d 573 (2d Cir. 2000). Given this expressive character, the Second Circuit has recognized that limitations on domain names may implicate the First Amendment. *Name.Space v. NSI*, 202 F.3d 573, 586 (2d Cir. 2000).

A domain name consists of a top-level domain or "TLD" (such as .com, .org, or .net), and a second-level domain. In many cases, the second-level domain name

may be the name of the website's owner, but that is not the only type of domain name. Many domain names reflect the topic or content of the site. So, for example, a user who wants information about apples might go to [www.apples.com](http://www.apples.com) and find a motherlode of information about apples, even though Apple is also a well-known trade name. (Addendum C of this brief is a representative listing of such domain names). In addition, many domain names consist of a word denoting a particular entity and one or more other words that indicate something about the trademarked word. The most well-known examples of such names are gripe sites, which combine a trademarked name with a word that denotes criticism (for example, [peterbiltstinks.com](http://peterbiltstinks.com)), or otherwise expresses a point of view (Addendum D is a representative list). It is also quite common for domain names to show that a person sells the trademarked item in a certain geographical area, or sells only a certain class of the trademarked item. *See, e.g.*, Addendum E. Because some search engines look at each site's URL, it is also useful to include the most basic keywords about the site in the domain name. *How Do Search Engines Work*, [coverage.cnet.com/Content/Features/Dlife/Search/ss03.html](http://coverage.cnet.com/Content/Features/Dlife/Search/ss03.html).

The system for assigning domain names allows the first person to register a name to keep it, to the exclusion of anybody else. This fact has engendered tremendous legal conflict among the various persons who have wanted to own each

particular domain.<sup>2</sup> We discuss these cases in the final section of this brief. But the point we wish to make at this juncture is that, because of the various ways that domain names may characterize the websites posted under them, it is not possible to infer that the only reason why someone would register a name containing a trademark is to communicate that the site is owned by the trademark holder. Consequently, the fact that a site is located at an Internet address containing a trademark would not be understood by an Internet user to imply that the site is operated by the owner of that trademark.

## **II. INCLUDING BRAND NAMES OF PRODUCTS IN THE DOMAIN NAME AND METATAGS OF WEBSITES WHERE THEY ARE LAWFULLY SOLD DOES NOT VIOLATE THE TRADEMARK RIGHTS OF THE PRODUCT'S MANUFACTURER.**

The fundamental flaw in the decision below is that it ignores the important speech interests that a website owner like TeleScan has in calling the attention of

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<sup>2</sup> Originally, each TLD was allocated to a certain type of user: .org for non-profit groups, .net for internet service providers, .edu for schools, and .com for commercial enterprises. This allows several different entities to share a second-level domain. Thus, for example, wbai.com is held by William Byrne & Associates Inc., wbai.org by nonprofit community radio station WBAI, and wbai.net by a network of unhappy WBAI listeners. Other entities, such as Women's Bar Association of Illinois and WB&A Imaging, registered later and had accept longer domain names (wbaillinois and wbaimaging). Many name registrants, especially commercial entities, claim every TLD for any given second-level domain, if available at the time of registration. This increases competitive pressure for desirable second-level domains. For example, WHOIS records show that Paccar has registered peterbilt.org and peterbilt.net, although it is neither a non-profit nor an internet service provider.

consumers to its inventory of brand-named trucks, while improperly assuming that Internet users will be confused into believing that, because websites use a brand name to advertise the fact that products with that name are being sold there, the websites are sponsored by the brand name's owner.

Given the vastness of the Internet, the mere ability to post content that includes the names of trucks that a retailer is offering for sale is meaningless unless the website owner is permitted to advertise to potential viewers that his is a site where they can find that kind of truck. Plaintiff conceded below that a reseller of brand-name merchandise is entitled to advertise the names of the products that it is trying to sell, so long as it does not hold itself out as the maker of those cars. This is true either because mention of product names in this context is not likely to confuse buyers about whether the retailer is the trucks' manufacturer, or because the retailer is making fair use of the trademark. But, because metatags and domain names are no more than a description of the content of the site, and do not necessarily represent a claim that the site is owned by the trademark holder, this is a permissible form of advertisement.

Given the free speech implications of domain names and other kinds of HTML code when used to advertise the content of a website, the trademark laws should not be construed to bar accurate portrayals of the content of TeleScan's website. Moreover, the cases that have forbidden a trademark holder's competitors (or

cybersquatters) from using metatags and domain names to mislead web users to their sites do not apply here, where the site owner has an acknowledged right to use the trademark for advertising purposes. Finally, Congress' enactment of the recent cybersquatting statute, under which the registration or use of a domain name that is identical or confusingly similar to a trademark does not violate the mark holder's rights unless the domain name has been used in bad faith for a reason unrelated to a proper use of the mark, strikes the proper balance with respect to domain names under the Lanham Act generally, and requires reversal of the judgment here.

**A. The Use of Metatags to Attract Potential Purchasers of the Trucks That Defendant Was Entitled to Sell on Its Website, Was a Permissible Form of Advertisement That Did Not Violate the Trademark Laws.**

Unlike the defendants in most commercial metatag cases, TeleScan's websites have a legitimate relationship to the trademarks in its metatags. TeleScan markets trucks manufactured by Paccar, and Paccar acknowledges that resellers are entitled to advertise the names of its merchandise, much as a used car dealer is entitled to advertise the fact that he has Chevrolet cars on his lot, even if he competes with officially franchised car dealers.

For example, in the classified advertisements in a newspaper, advertisers list the make and model at the beginning of the ad, in bold letters, so that buyers who are interested in that particular make will look at their ads and decide whether the price

is competitive and, therefore, whether they should inquire further of that particular seller. The ads are arranged alphabetically by make in order to enable purchasers to focus their attention on that set of sellers who are offering merchandise bearing the trademark that interests them. Nobody would contend that the use of the trademark in bold letters in a newspaper advertisement tends to confuse buyers into believing that the advertisers who are selling those vehicles are the manufacturer of the vehicles in question, or contend that such use of the trademark to call attention to their sale offer (and thus to induce prospective buyers to call them, rather than some other seller), is a violation of the trademark rights of the vehicle's manufacturer, even if the advertiser competes directly with the manufacturer.

Metatags that call attention to a website where prospective truck purchasers can find Kenworth or Peterbilt trucks are analogous to such classified advertisements. Unlike classified ads, websites are not arranged alphabetically; indeed, they are not arranged at all. The best way for website owners to tell particular viewers that their sites contain content that is of interest to those viewers is by including terms in their metatags that accurately describe the content of their site. Many search engines decide which sites to list, and how high to rank any particular site, by reference to the metatags on each site they find. The use of a trademark in metatags is a representation that the site is relevant to anyone looking for information about the goods that bear

this trademark. And assuming that the Lanham Act allows use of the truck names in the text of the website, it must also permit the listing of those same names in the website owner's depiction of the most centrally relevant terms on the website – at least so long as the depiction is accurate and not misleading.

By contrast, in previous cases where courts found metatag use to violate the Lanham Act, the metatags sought to attract viewers to visit websites that had no legitimate relationship to the trademarked goods or services. In most of the cases, the site was sponsored by sellers of competing products, as if a car dealer who sold only Fiats posted a large sign reading “Cadillac” next to his store. *Brookfield Communications v. West Coast Entertainment*, 174 F.3d 1036 (9<sup>th</sup> Cir. 1999); *Nettis Env't v. IWI*, 46 F.Supp.2d 722 (N.D. Ohio 1999); *New York Society v. Eric Louis*, 79 F.Supp.2d 331 (S.D.N.Y. 1999); *Niton Corp. v. Radiation Monitoring*, 27 F.Supp.2d 102 (D.Mass. 1998); *cf. Roberts-Gordon v. Superior Radiant*, 85 F.Supp.2d 202 (W.D.N.Y. 2000). Many of those cases were even worse, because instead of simply using the trademark once, the metatags repeated the trademark dozens of times (a practice called “spamdexing”), in order to misleading the search engine and raise the rating of the site within a search results list. *SNA v. Array*, 51 F.Supp.2d 554, 562-563 (E.D.Pa. 1999); *Playboy v. Calvin Designer*, 985 F.Supp. 1220, 1221 (N.D. Cal. 1997). These holdings would not bar TeleScan's use of plaintiff's marks, because the use is

not confusing, but rather an accurate reflection of the fact that defendant's site carries a large number of plaintiff's trucks for sale.

Sometimes the use of trademarks in metatags was held to violate the Lanham Act, not because the website had no relationship to the trademark, but because the website was established in a confusing way that suggested that it was sponsored by the owner of the trademark. That was the finding in *Bernina v. Fashion Fabrics*, 2001 U.S. Dist LEXIS 1211 (N.D.Ill.), where an independent retailer of Bernina sewing machines placed that brand name in its metatags. The court granted a preliminary injunction, but was at pains to emphasize that, had the defendant made clear that it was not an officially authorized reseller, "then an injunction of AllBrands use of the . . . trademarks in its metatags would be improper because such use merely directs customers to the location where they may purchase genuine branded goods. . . ." *Id.* 7.

By contrast, several courts have upheld the use of metatags where the website had a legitimate connection to the trademark, either because the site owner had an established commercial relationship to the trademark, *Playboy v. Welles*, 78 F.Supp.2d 1066 (S.D.Cal. 1999); *Nissan Motor v. Nissan Computer*, 89 F.Supp.2d 1154, 1162 (C.D.Cal. 2000) (metatags allowed so long as site disclaims any reference to cars), or because the site was devoted to a discussion of the trademark holder. *Bihari v. Gross*,

119 F.Supp.2d 309 (S.D.N.Y. 2000); *Bally Total Fitness v. Faber*, 29 F.Supp.2d 1161 (C.D.Cal. 1998). In those cases, the metatags were properly employed because they were a means of accurately representing to potential visitors that the site was relevant, in some way, to the trademark. Although many of these cases involved non-commercial sites, which could have been held immune from Lanham Act scrutiny for a different reason, their analysis of the metatag use is strongly supportive of defendant's position in here. Indeed, *Brookfield Communications* acknowledges that, where metatags are used on the page of a competitor's website to draw viewers' attention to comparative advertising, or otherwise to fairly describe the site, the metatags may be protected by a fair use defense. *Eli Lilly Co. v. Natural Answers*, 86 F.Supp.2d 834, 846 (S.D.Ind.), *aff'd*, 233 F.3d 456 (7th Cir. 2000), *citing Brookfield*, 174 F.3d at 1065-1066.<sup>3</sup>

Appellee may defend the order under review on the theory that the metatags were confusing only in combination with the domain names. However, the district court did not employ this reasoning; rather, it ruled that the inclusion of trademarks in metatags "makes it more likely an Internet search engine will 'hit' the websites in

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<sup>3</sup> A recent article urges the creation of a special metatag for trademark holders. A consumer looking specifically for the holder of a trademark could specify this tag and thus identify only sites sponsored by the trademark holder; use of the trademark metatag by a person lacking permission would be a per se Lanham Act violation. McQuaig, *Halve the Baby: an Obvious Solution to the Troubling Use of Trademarks as Metatags*, 18 John Marshall J. Computer & Info. L. 643 (2000).

responses to searches using [the marks] as keywords.” 115 F. Supp.2d at 779. But so long as defendant may properly market trucks made by plaintiff, then HTML which accurately “describe[s] the content of the website” as including such trucks, *id.* n.7, is not a misleading or confusing use of the marks, but rather an accurate or fair use. Moreover, even in the commercial speech context, an injunction against infringing uses of a trademark must be narrowly tailored to forbid only those uses that are forbidden by the Lanham Act, while allowing those uses that are permissible. *E.g.*, *Anheuser-Busch v. Balducci Publications*, 28 F.3d 769, 776, 778 (8th Cir.1994); *Better Business Bureau v. Medical Directors*, 681 F.2d 397, 404-405 (5th Cir. 1982). Given the acknowledgment below that a website that properly sells trucks made by plaintiff may properly use the trademarks in its website in some respects, 115 F. Supp.2d at 780, the court was required to give specific consideration to whether TeleScan’s uses of metatags were permissible, so that it could decide whether each particular use should be enjoined as confusing.

**B. Including Another’s Trademark in a Domain Name for a Website that Lawfully Sells Goods Bearing That Mark Will Ordinarily Not Violate the Lanham Act.**

The fact that a seller of goods may properly advertise the names of the products it sells also undercuts Paccar’s claim against TeleScan’s domain names. Paccar can succeed only if it shows that a domain name necessarily identifies the source of a

website rather than its content. But because domain names can identify the contents as well as sponsorship, the Lanham Act should not ordinarily bar use of a domain name that contains the trademark of goods that are sold through that website. The court below assumed that domain names show the name of the owner of the site, but it had no evidence to support that assumption. Instead, the district court relied entirely on an excerpt from a Ninth Circuit opinion which made that assumption in deciding an appeal from a denial of a TRO application, and it failed even to discuss whatever evidence that was before that circuit, not to speak of evidence in the record below.

Given the fact that the Lanham Act does not forbid retailers, critics, journalists, or other persons to display prominently a manufacturer's trademarks that identify the subject of their efforts, the fact that only one person can register any one domain name creates a condition of scarcity that has led many trademark owners to fight for the exclusive right to use their trademarks in domain names. Nothing in the Lanham Act, however, declares that the trademark owner has any primacy in the use of trademarks in that fashion. As a result, a number of cases have held that the mere inclusion of a trademark in a domain name does not necessarily make use or registration of the name a violation of the Lanham Act. The argument is clearest with respect to "critical" domain names, such as *ballysucks.com*, *Bally Total Fitness Holding Corp. v. Faber*,

29 F. Supp. 2d 1161, 1165 n.2 (C.D.Cal. 1998); *Lucent Technologies v. LucentSucks.com*, 95 F. Supp.2d 528, 535-536 (E.D.Va 2000), but even a domain name that is identical to a trademark may be permissible if the website has a logical relationship to that mark. *Northland Ins. Cos. v. Blaylock*, 115 F. Supp.2d 1108, 1117-1123 (D.Minn. 2000).

Indeed, by adding the Anticybersquatting Consumer Protection Act amendments to the Lanham Act, Congress has effectively declared that trademark owners do **not** have such primary rights. The ACPA was adopted at the behest of trademark owners to afford them an effective remedy against persons who registered domain names without having any genuine intention of using the names themselves, but solely for the purpose of shaking down trademark owners who did not act quickly enough to reserve the domain names for themselves. Because some courts had held that the mere registration of a domain name was not a use in connection with the sale of goods or services, as required to establish infringement, the ACPA created a cause of action “without regard to the goods or services of the parties.” 15 U.S.C. § 1125(d)(1)(A). However, Congress did not simply declare that a trademark owner was entitled to prevent other persons from using its mark in a domain name. To the contrary, the ACPA cause of action requires a trademark owner to establish two separate elements – first, that the domain name is “identical or confusingly similar to

or dilutive of” a trademark, section 1125(d)(1)(A)(ii), and second, that the domain name was registered or used with a “bad faith intent to profit” from the mark. Section 1125(d)(1)(A)(i). Even the registration of a domain name that is identical to the trademark may be excused. *Northland Ins. Cos. v. Blaylock*, 115 F. Supp.2d 1108 (D.Minn. 2000); *Cello Holdings v. Lawrence-Dahl Companies*, 89 F. Supp.2d 464 (S.D.N.Y. 2000). The requirement of showing bad faith serves to protect Internet entrepreneurs against the chilling effect of endless litigation over their domain names. *Virtual Works v. Volkswagen*, No. 00-2135 (4<sup>th</sup> Cir. 1/22/01), at 8.

The requisite element of “bad faith” is assessed by considering several factors. Among the factors whose presence Congress deemed indicative of lack of bad faith were use of the name “in connection with the bona fide offering of any goods or services”, § 1125(d)(1)(B)(i)(III), or the “bona fide noncommercial or fair use of the mark” Section 1125(d)(1)(B)(i)(IV). Moreover, to ensure that domain names could not be taken away where the web site owner had any substantial claim to the name, the ACPA provides that bad faith cannot be found where the defendant “believed and had reasonable grounds to believe that the use of the domain name was a fair use or otherwise lawful.” Section 1125(d)(1)(B)(ii).

We do not intend to suggest that the ACPA has superseded the various other causes of action under the Lanham Act, for infringement or dilution or otherwise;

Section 1125(d)(3) expressly preserves other causes of action. However, we do contend that because the Lanham Act otherwise permits different entities to use the same trademark for a variety of purposes, so long as they do not create confusion about who is the sponsor, the policy choices that Congress made in fashioning the ACPA reflects a recognition that the mere inclusion of a trademark in a domain name does not create actionable likelihood of confusion.

Indeed, official WHOIS records publicly available at [www.whois.org](http://www.whois.org), reproduced in Addendum E, reveal that many different dealers of new and used trucks have registered domain names that incorporate the Kenworth and Peterbilt trademarks that are at issue in this case (171 and 126 second-level domain names, respectively). Many names suggest ownership by persons who are selling that brand of truck in particular geographical areas, such as “bayarea” or “jerseyshore.” These records show how common it is for dealers to adopt domain names that incorporate the brand names that they sell, without implying that they are the manufacturers of such trucks.

In our view, then, the key questions in a trademark case such as this one are, first, whether a consumer who sees a website with the specific domain names at issue is likely to believe that it is sponsored by the plaintiff, who makes the trucks, and, second, whether a website owner such as the defendant has a legitimate use to make of a domain name using the truck brands at issue here.

For some of the domain names at issue in this case, it is hard to believe that such confusion would exist. For example, unless consumers generally expect that the manufacturer of such trucks is in the business of selling used vehicles – and in our experience used vehicles are generally not sold by the manufacturer – it is extremely unlikely that person who is looking for information about used trucks, or who is looking to buy such vehicles, would assume that the proprietor of [www.peterbiltusedtrucks.com](http://www.peterbiltusedtrucks.com) was the owner of the Peterbilt trademark. On the other hand, the domain name [www.peterbilttrucks.com](http://www.peterbilttrucks.com) could easily connote the manufacturer of such trucks. The domain name [www.peterbilttruckdealers.com](http://www.peterbilttruckdealers.com) implies ownership by a group of Peterbilt dealers, who may or may not be sponsored or authorized by the Peterbilt manufacturer.

But whether or not authorized by the manufacturer, a dealer in Peterbilt trucks, or a website owner who carries listing from many such dealers, has an interest in attracting possible customers for the purchase of Peterbilt trucks, and so such an entity could properly register and use this site without violating the Peterbilt trademark. So long as the defendant can establish that it is a legitimate source for information about Peterbilt trucks, because it has an index of Peterbilt trucks that dealers are offering for sale, it qualifies as an entity is engaged in a bona fide offer of goods connected with the mark, and so it would not be deemed a cybersquatter. The First Amendment

protects a retailer's right to accurately portray the kinds of trucks that he is offering for sale, and the Lanham Act should not be construed to forbid the use of such names in a website's domain name so long as sponsorship by the manufacturer is not misleadingly implied. As Justice Holmes said in *Prestonettes v. DeSpoturno Coty*, 262 U.S. 359, 358 (1924), in rejecting a trademark claim brought by a perfume manufacturer against a reseller, "we see no such sanctity in the word as to prevent it from being used to tell the truth. It is not taboo."

However, for those domain names that are closer to what an Internet user might type into his browser in an effort to find the manufacturer itself, it may be more important that the website itself be clear that the site is not officially sponsored by the manufacturer. This is not an issue when the site is plainly critical of the trademark holder, but a sales and information site of the sort that TeleScan offers under domain names like peterbiltrucks.com should be immediately clear about its unofficial status. *See Bernina v. Fashion Fabrics*, 2001 U.S. Dist LEXIS 1211 (N.D. Ill.). Although TeleScan relies on its disclaimers in this appeal, in our view, the disclaimers on its websites are not nearly prominent enough – they appear too low on the page, and in type that is too small – to ensure that viewers will understand as soon as they reach the website that it is not affiliated with the manufacturer. Similarly, if a domain name implies that it is owned by the trademark holder, the description metatag that will

inform the user about the website when it is part of a search engine result list should also clear about the non-affiliation of the site. But the description metatags on TeleScan's websites simply repeat the domain names that are under challenge, and hence are not adequate to dispel any confusion, assuming the Court concludes that confusion might result from some of the domain names. In our view, it is possible to revise the preliminary injunction to require such prominent disclaimers, without unduly infringing on TeleScan's ability to use the trademarks of the trucks that it is selling to properly advertise its services.

### **CONCLUSION**

The preliminary injunction should be vacated and the case remanded for adoption of a narrower injunction.

Respectfully submitted,

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## CERTIFICATE OF SERVICE

I hereby certify that, on this date, I am causing two copies of this brief to be served on each of the counsel for the appellant and the appellee, by first class mail, postage prepaid, as follows:

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