



## Watercraft, Playboy, and the 9th Circuit's view of Google Adwords

The 9th Circuit has taken another look at trademark law in the Internet era and determined that the use of a competitor's name in Google's Adwords does not constitute trademark infringement.

In [Network Automation, Inc. v. Advanced Systems](#), 10-55840 (9th Cir. 2011), Advanced Systems alleged that Network Automation's purchase of Adwords using Advanced's trademark to promote Network's competing product was an infringement of Advanced Systems' mark.

What is noteworthy is the 9th Circuit did not apply any new tests but applied the existing tests but applied them with a thoroughly modern eye.

The 9th Circuit established more than three decades ago in [AMF Inc. v. Sleekcraft Boats](#), 599 F.2d 341 (9th Cir. 1979), an 8 factor test for determining trademark infringement: [1] strength of the mark; [2] proximity of the goods; [3] similarity of the marks; [4] evidence of actual confusion; [5] marketing channels used; [6] type of goods and the degree of care likely to be exercised by the purchaser; [7] defendant's intent in selecting the mark; and [8] likelihood of expansion of the product lines." Id. at 599 F.2d 348-49.

Subsequently, in [Brookfield Commons, Inc. v. West Coast Entn't Corp.](#), 174 F.3d 1036, 1054 (9th Cir. 1999), the 9th Circuit held that three factors in particular stand as the most important in trademark analysis. However, the court is now taking a modern look at Brookfield, stating in Network:

"When we first confronted issues of trademark infringement and consumer confusion in the Internet context over a decade ago in

Brookfield, we noted that “[w]e must be acutely aware of excessive rigidity when applying the law in the Internet context; emerging technologies require a flexible approach.” 174 F.3d at 1054...[W]e determined that three of the eight factors were the most important in analyzing source confusion in the context of Internet domain names: (1) the similarity of the marks; (2) the relatedness of the goods and services offered; and (3) the simultaneous use of the Internet as a marketing channel.”

The court further reinforced that “the list is not exhaustive,” and that “[o]ther variables may come into play depending on the particular facts presented.” Id. at 599 F.2d 348, 348 n. 11. The court also examined its holding in [Playboy Enters., Inc. v. Netscape Com Corp.](#), 354 F.3d 1020, 1024 (9th Cir.2004) as an example of the need to maintain flexibility in the application of the Sleekcraft tests.

The 9th Circuit, in a bit of self awareness, recognizes the importance that these three factors in particular have taken in trademark law, stating:

“However, we did not intend Brookfield to be read so expansively as to forever enshrine these three factors-now often referred to as the “Internet trinity” or “Internet troika”-as the test for trademark infringement on the Internet.”

Additionally the court has this to say about Sleekcraft and its holding in Brookfield:

“Mindful that the sine qua non of trademark infringement is consumer confusion, and that the Sleekcraft factors are but a nonexhaustive list of factors relevant to determining the likelihood of consumer confusion.”

What does this mean- when we look at the court’s review of the Sleekcraft factors the 9th Circuit considered the following the most relevant (1) strength of the mark; (2) evidence of actual confusion; (3) type of goods and degree of care likely to be exercised by the purchase; and (4) the labeling and appearance of the advertisements and the surrounding context on the screen displaying the results page. This is a

fresh and modern take of a 30 year holding, showing that the power of Sleekcraft is still relevant and applicable today