

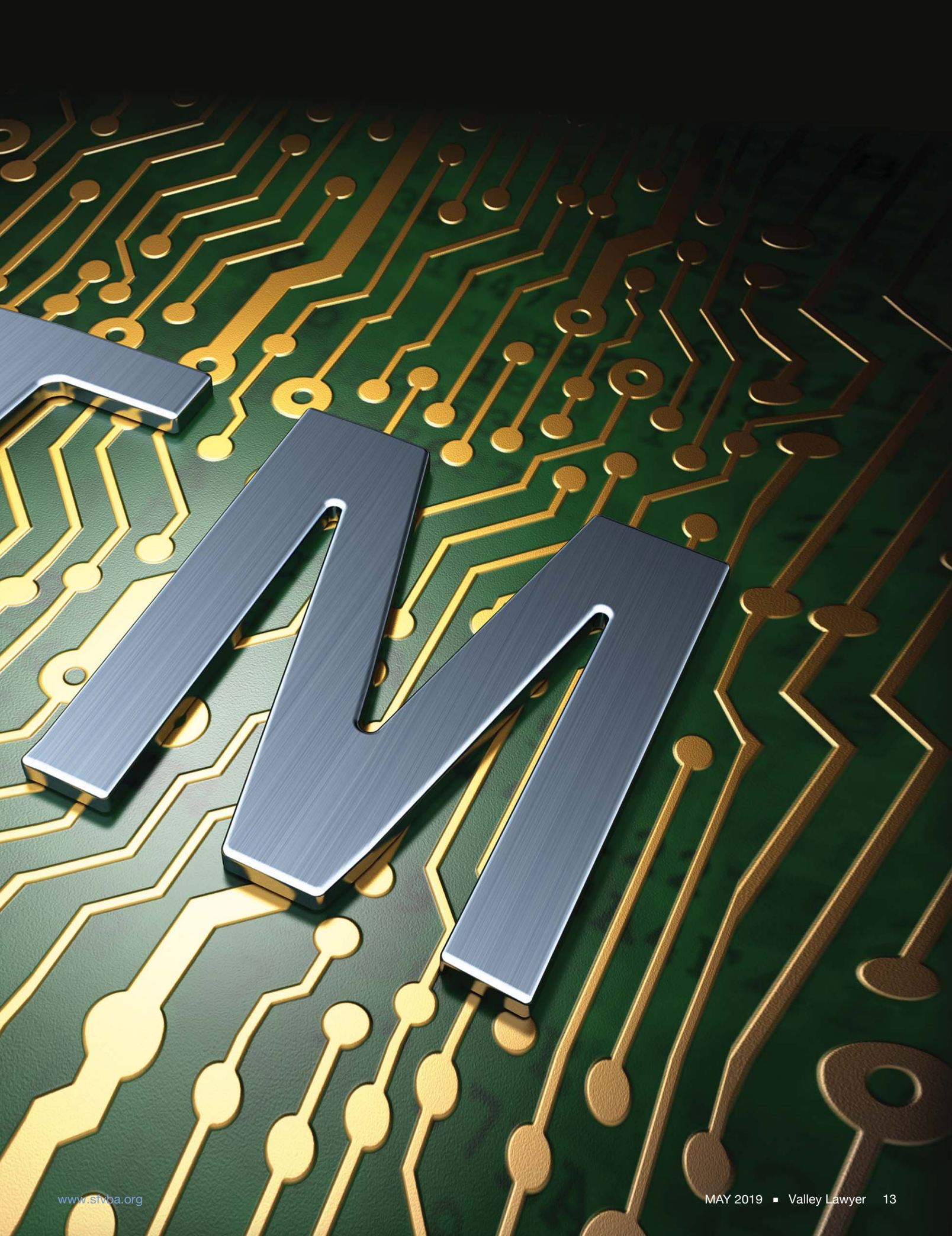


By reading this article and answering the accompanying test questions, you can earn one MCLE credit. To apply for the credit, please follow the instructions on the test answer form on page 20.

Trademarks: How to Protect Digital Products and Services

By Travers R. Morgan

In our rapidly changing digital landscape, several unique areas have appeared in which trademark law may protect as trademarks domain names, hashtags, and programs used for keyword searching or user interface design.



WHAT FOLLOWS HERE IS A WALK-THROUGH of several of the unique areas of trademark law for digital products and services: first, trademarks and their applicability to domain names and associated issues; second, the unique area of keywords and the interesting trademark issues that have arisen in association with them; third, the concept of trade dress based on web and software based user interfaces; fourth, hashtags and whether they are protectable under trademark law; and, finally, a brief note about the Madrid Protocol and why it may be even more important to trademarks in a global information age.

What is a Trademark?

A trademark is defined as “a word, phrase, symbol, and/or design that identifies the source of goods or services being offered to consumers.”

The underlying goal of trademarks is to help people associate goods or services with a specific entity or person who is the source of those goods. When services are being offered instead of goods, this type of intellectual property is known as a service mark. People generally think of things like a business logo or a name associated with trademarks.

However, in our rapidly changing digital landscape, several unique areas have appeared in which trademark law may protect as trademarks, domain names, hashtags, and programs used for keyword searching or user interface design.¹

Can You Trademark a Domain Name?

Just as with any other type of trademark, a person or entity may register a domain name as a trademark as long as it is used to identify the source of goods or services.

In other words, the actual domain name must be used as a trademark. For example, if the company actually uses the name with the appended .com for advertising their goods or services, it may be protectable.

However, if a company does not use the .com in its name it may not be able to protect the domain name as a registered trademark. Some examples of domain names that have been registrable trademarks are *Hotels.com*² and *Booking.com*.³ Take note that these domain names are actually advertised as the name of the business in their commercials and advertising.

Both the Sixth Circuit Court of Appeals and the Ninth Circuit Court of Appeals have reiterated a similar standard for determining whether a domain name may be registrable as a trademark. At the Sixth Circuit Court of Appeals, the

court stated that when a domain name is used only to indicate an address on the internet and not to identify the source of specific goods and services, the name is not functioning as a trademark.⁴

In effect, the branding of the business needs to be centered around the actual top-level domain name such as a .com, .net, .org, .biz, etc. As stated above in the *Hotels.com* and *Booking.com* examples, the branding for these businesses is synonymous with the .com top level domain.

In the Ninth Circuit Court of Appeals, the court determined in *Brookfield Communications v. West Coast Entertainment* that registering a domain name does not create an initial date of use for a trademark unless it is used as a trademark, i.e. to identify the goods and services.⁵

Similar to the Sixth Circuit decision above, the *Brookfield* decision reiterates that the domain name must be what is used to identify the goods or services for a business. Also, this decision goes a step further to help understand priority and what constitutes “use” in association with domain names.

In *Brookfield*, the issue was who had priority to the name *MovieBuff*. The plaintiff had created a software program of that name that was a database full of entertainment industry information.

In 1993, the plaintiff began advertising the *MovieBuff* software and eventually registered it as a trademark. Later, the plaintiff attempted to register *MovieBuff.com* as a trademark. However, the defendant had already registered the domain name with an online domain name registry back in 1991.

As stated above, the court found that registering a domain name such as *MovieBuff.com* with a domain name registry without use of such a domain name in association with goods or services does not constitute the use required under trademark law.

Therefore, even though the defendant was the first to register the name *MovieBuff.com* with a registry, that did not secure trademark rights because the plaintiff had begun to use the name in commerce in association with their goods and services first. This is one reason why it is important to file an intent-to-use application first so an early priority date can be obtained even if plans calls for selling the product or service at a later date.

The *Brookfield* case likely would have gone the other way if the defendants had filed an intent-to-use application with the United States Patent and Trademark Office (USPTO) when they originally registered the domain name with a domain name registry because they did so two years before the plaintiff began using the name *MovieBuff*.



Travers R. Morgan is currently Cislo & Thomas LLP's Data Privacy Officer and practices in the areas of data privacy, patent, copyright, and trademark law. He is admitted to practice in the State of California and before the U.S. Patent and Trademark Office. He can be reached at tmorgan@cislo.com.

Trademark Issues with Keyword Advertising

A keyword is a term that is used online in search engine optimization as well as online advertising techniques.

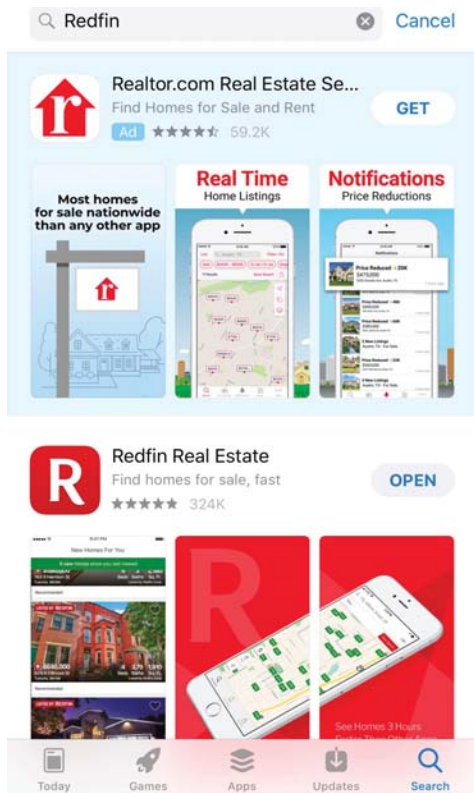
The keyword is a word or phrase that describes the content of your page. If you are a law firm and want to use keywords to drive potential clients to your website, you may pick specific search terms that you think people may type into a search engine that are associated with your website and/or relate to your services.

An example of this could be when the phrase “How to file a trademark?” or the word “trademark” is entered on Google, you may want that person to be directed to your website.

Luckily, you can pay Google to advertise your website when someone types in those similar words or phrasings. However, with every leap ahead in technology, someone thinks of a tricky way to use the system in a new, unique way.

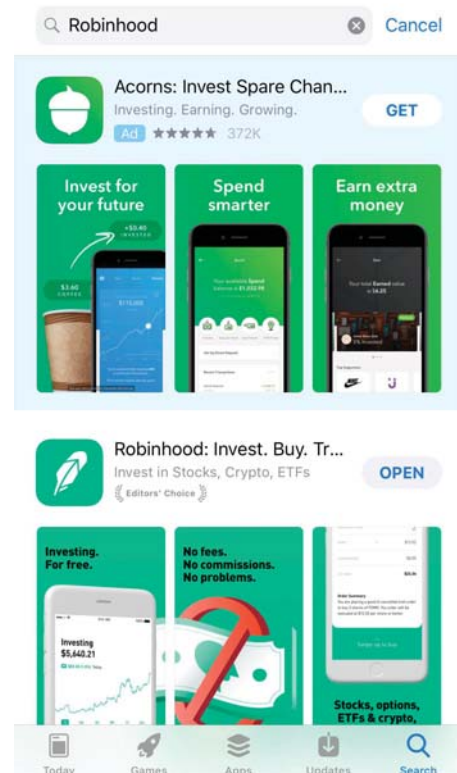
A common technique for businesses is to use keywords that describe a competitor rather than one of their own goods or services for its advertising campaign.

For example, below is the image of a mobile app utilized by Redfin, the real estate services provider, found during an iPhone search in Apple’s App Store:



A look at the search bar shows that the user was looking for a specific business, in this case, Redfin. However, what shows up first in the search results is an application made by Realtor.com, a competitor of Redfin. Redfin’s actual application is the second result in the list.

Acorns is another example of search results in which a keyword search brings up a competitor’s site, rather than the site more directly associated with the keyword.



This is not an uncommon technique as a growing number of companies like Redfin and Acorns are paying to use a competitor’s trademark as a keyword. When a user types in the competitor’s trademark as their keyword search then they likely think they are going to find results for the specific source of goods or services. However, in each of these situations, the user is presented with a competitor’s application as the first result.

How Do Courts Deal with This Problem?

This development proves frustrating to businesses that have cultivated substantial goodwill based on its trademarks, but then see competitors swoop in under a ‘false flag’ and try to lure their customers away.

Whether or not this is permitted under trademark law typically comes down to what is known as the “likelihood of confusion.” Specifically, the likelihood of confusion may exist through what is called “initial interest confusion.”⁶

As described in the above examples, this type of confusion happens as the customer is initially searching for a product or service as opposed to when the customer is purchasing either the product or the service.

In terms of the above, the customer is initially searching for Redfin, which they likely know is a real estate service firm, but are presented with *Realtor.com* as the first result. Similar to that example, in the case of *Multi Time Machine*, the watchmaker *Multi Time Machine (MTM)* sued *Amazon.com* for trademark infringement because *Amazon.com* users were searching for MTM watches while results for competitors would appear based on *Amazon.com*’s behavioral search algorithm.

The court in *Multi Time Machine* stated that even if the customer is no longer confused at the time of purchase, initial interest confusion still constitutes trademark infringement because it capitalizes on the goodwill associated with a mark.

The Ninth Circuit Court of Appeals determines likelihood of confusion by customers using a test that considers what are known as the *Sleekcraft Factors*, namely:

- The strength of the mark;
- The proximity or relatedness of the goods;
- The similarity of the marks;
- Any evidence of actual confusion;
- The marketing channels;
- The degree of consumer care;
- The defendant's intent; and,
- The likelihood of expansion.⁷

However, in the area of internet commerce and the doctrine of initial interest confusion, the issue of a likelihood of confusion often boils down to proper labeling.⁸

The court in *Multi Time Machine, Inc. v. Amazon.com, Inc.* stated that labeling of search results that feature a competitor's product is important and must be considered as a whole.


In *Multi Time Machine*, the court distinguished the search results that appeared when a customer searched for MTM watches from the results of competitors such as *buy.com* and *overstock.com*. When searching on sites like *buy.com*, the results clearly informed customers that they did not carry MTM watches when displaying competing results, however, *Amazon.com* did not display such a disclaimer. The court found that a jury could infer that this lack of labeling by *Amazon.com* may give rise to initial interest confusion.

The reason the *Multi Time Machine* case is important is because it goes beyond the issue of properly labeling results as a competitor, which was the standard for dispelling a likelihood of confusion before this case. This case appears to have added an additional layer of labeling required in the search engine context.

Normally, the search platform and the competitor are not liable for trademark infringement when there is proper labeling, that is, when the result is labeled with the competitor's mark that differs from the searched for trademark. Now, it appears that search engines may also need to further dispel a likelihood of confusion by stating that there were no results found for a search of that kind.

As a result, because trademark law is often very fact specific and technology continues to evolve at such a rapid rate, it is important for business owners to consider whether consumers would likely be confused as to the source of products listed on any new platform presented to them.

In the Redfin example, it is likely that Apple attempted to dispel a likelihood of confusion by labeling the *Realtor.com*.




ADR Services, Inc. Proudly Welcomes

Hon. Gerald Rosenberg (Ret.)

Mediator • Arbitrator • Referee

AREAS OF SPECIALIZATION

- Arbitration
- Commercial Contract/General Business
- Discovery Reference
- Entertainment
- Fee Disputes
- Landlord/Tenant
- Legal Malpractice
- Medical Malpractice
- Mock Trial
- Partnership Dissolution
- Personal Injury
- Products Liability
- Real Estate



For scheduling, please contact Chelsea Mangel
at chelsea@adrservices.com

www.JudgeRosenberg.com

(310) 201-0010

result as an advertisement and by placing all of its advertisements in a blue frame as opposed to the typical results that are displayed in a white frame.

Website Trade Dress or User Interface Design

In the past, trade dress was only considered applicable to the packaging of a product, but more recently, trade dress has expanded to the actual design of a product.

Trade dress may then be defined as the “total image and overall appearance” of a product, or the totality of the elements, and “may include features such as size, shape, color or color combinations, texture, graphics.”⁹

Take, for example, the iconic Coca-Cola bottle.



Virtually everyone knows its distinctive shape and even without seeing a label or knowing what it contains, most

people would conclude that the source of the product in the bottle is the Coca-Cola Company. The trade dress therefore acts as an identifier of source, as with a trademark.

Trade dress protection has expanded as technology has changed to include products that encompass both physical and digital elements. It is no longer the case that products necessarily must be physical, because products can come in many digital forms from smartphone and tablet apps to websites and computer software.

To properly protect the subject matter of websites and software applications, the courts have determined that both “the look and feel” of websites may be protected under the concept of trade dress.

The test as to whether the look and feel of a website or software interface constitutes enough to be protected as trade dress balances on these elements:

- The look and feel is inherently distinctive or has acquired secondary meaning.
- The look and feel must be non-functional.
- There is not going to be a likelihood of confusion between the look and feel of the product and competing products.¹⁰

Therefore, to fully protect its branding, a business should consider registering its trade dress over the actual look and feel of its digital presence online and its software applications.

Are Hashtags Protectable as Trademarks?


Hashtags are tools used to categorize searchable content online. They are used in a variety of ways, but are most often found on social media websites. Hashtags always begin with the “#” symbol and are followed by a word that describes something a user of the site may be looking for.


If a researcher were on Instagram searching for a photo featuring a specific kind of content, they would use a hashtag.

For example, if someone wanted to find pictures of Mt. Whitney, they may enter *#mtwhitney* in the search bar to find photos of the mountain and conditions of the trail that people have posted recently.

This type of search may also be used in the context of a business’ branding. If someone were to search for *#starbucks* they would likely expect to find pictures or information about Starbucks coffee. Businesses often use hashtags to develop a brand and increase their online presence to expand their customer base.

The USPTO provides guidance in its publication, *Trademark Manual of Examining Procedure*, regarding hashtags and whether someone may obtain trademark protection for one. The agency says that a mark consisting of or containing a hashtag is registrable as a trademark if

**CISLO & THOMAS LLP®**
Patent, Copyright and Trademark
Litigation Attorneys at Law

**Successfully Won or Settled
98% of Our Cases**
“We have the best Intellectual Property
Attorneys in Southern California,
who litigate and protect IP.”
Super Lawyers
2018
Daniel M. Cislo, Esq.
Managing Partner

Serving Businesses in California Since 1979
Office Locations:
West Los Angeles/Santa Monica
Westlake Village
Santa Barbara
Pasadena
San Diego
www.cisloandthomas.com | (310) 979-9190

it functions as an identifier of the source of the applicant's goods or services.

However, the USPTO also warns that the hashtag symbol itself does not typically carry any source identifying weight because it is merely used as a search tool to categorize content online.¹¹


A technique that may be used to obtain a trademark over a hashtag search term is to disclaim the hashtag symbol or the actual word hashtag in connection with the mark attempting to be protected. Therefore, if a mark consists of the hashtag along with a word that is distinctive for the goods or services, the hashtag should be disclaimed.

Essentially, what the USPTO is saying is that businesses are really trademarking the word attached to the hashtag itself, which should be something that helps customers associate the goods or services with the business' brand or the "source of goods or services."¹²

The Madrid Protocol

This agreement provides the owner of a trademark a cost-effective and efficient way to protect their mark in several countries by filing a single application. The owner of a trademark can procure protection in multiple countries by filing one consolidated application with the USPTO.¹³

An additional benefit is that the countries that an applicant applies to must communicate a provisional refusal within one year that may be extended, with some exceptions, for up to 18 months. However, if a country does not provide a provisional refusal within the applicable time limits, the mark will be considered protected in that country.¹⁴

This type of application is especially useful in the ever-changing digital world. When an internet or software-based business launches today, its reach is instantly global. This means that it is critical to seek protection in multiple countries to prevent others from stealing a mark or benefiting from customer goodwill generated by the work invested in creating a global digital identity. 

¹ *Basic Facts About Trademarks* (2018), <https://www.uspto.gov/sites/default/files/documents/BasicFacts.pdf> (last visited April 2, 2019).

² (Reg. No. 88135570).

³ (Reg. No. 79114998).

⁴ *Data Concepts v. Digital Consulting*, 150 F.3d 620 (6th Cir. 1998).

⁵ *Brookfield Communications v. West Coast Entertainment* 174 F.3d 1036 (9th Cir. 1999).

⁶ *Multi Time Machine, Inc. v. Amazon.com, Inc.*, 804 F.3d 930 (9th Cir. 2015).

⁷ *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979).

⁸ *Network Automation, Inc., v. Advanced Sys. Concepts, Inc.*, 638 F. 3d 1137, 1145 (9th Cir. 2011).

⁹ *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763; TMEP §1202.02.

¹⁰ *Click Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252, 1258 (9th Cir 2001); *Ingrid & Isabel, LLC v. Baby Be Mine LLC* 2014 US List LEXIS 140553, *72 (ND Cal, Oct 1, 2014).

¹¹ TMEP § 1202.18.

¹² *Id.*

¹³ *Madrid Protocol* (2009), <https://www.uspto.gov/trademark/laws-regulations/madrid-protocol> (last visited April 2, 2019).

¹⁴ *Frequently Asked Questions: Madrid System*, <https://www.wipo.int/madrid/en/faq> (last visited April 2, 2019).

How to retain your Top Performers

CALL

CorpStrat

One of Southern
California's largest
insurance brokers

INTRODUCING

Life Comp™

Tax-favored unique strategies to
attract, reward and retain
your most valuable employees



- **Recruit, Retain, Reward**
- **Build supplemental retirement income**
- **Restrict access (Golden Handcuffs)**
- **Various balance sheet options**
- **Full administration**

Contact me to have a unique
conversation about how companies
"lock-up" their most important
key performers.

Martin Levy, CLU/RHU
marty@CorpStrat.com
818.377.7260 Office
www.CorpStrat.com



CorpStrat

INSURANCE • EMPLOYEE BENEFITS • HR • PAYROLL

CA Lic. #0635783



Test No. 127

This self-study activity has been approved for Minimum Continuing Legal Education (MCLE) credit by the San Fernando Valley Bar Association (SFVBA) in the amount of 1 hour. SFVBA certifies that this activity conforms to the standards for approved education activities prescribed by the rules and regulations of the State Bar of California governing minimum continuing legal education.

1. A trademark protects the creative expression in a word, phrase, symbol, and/or design.
☐ True ☐ False
2. When services are being offered instead of goods, a mark describing the source of the services is known as a service mark.
☐ True ☐ False
3. If a business' customers do not associate a top-level domain such as .com in association with the business' products or services, the business will likely not be able to register a trademark over its domain name.
☐ True ☐ False
4. Registering a domain name with a domain name registry counts as an initial date of use when challenging priority with another trademark holder.
☐ True ☐ False
5. Initial interest confusion happens as a customer is initially searching for a product or service as opposed to when the customer is actually purchasing the product.
☐ True ☐ False
6. If a customer is no longer confused at the time of a purchase, initial interest confusion still constitutes trademark infringement.
☐ True ☐ False
7. The test for likelihood of confusion in the Ninth Circuit is known as the *Sleekcraft Factors*.
☐ True ☐ False
8. In the area of internet commerce and the doctrine of initial interest confusion, the issue of likelihood of confusion often comes down to the strength of the mark from the *Sleekcraft Factors*.
☐ True ☐ False
9. The court in *Multi Time Machine* stated that labeling of search results that feature a competitor's product is a secondary consideration in determining trademark infringement.
☐ True ☐ False
10. The court in *Multi Time Machine* distinguished *Amazon.com*'s search results from competitors by showing that *Amazon.com* did not clearly inform customers that it did not carry MTM watches when the competitors did provide such a disclaimer.
☐ True ☐ False
11. Trade dress was originally only considered to be applicable to packaging of a product.
☐ True ☐ False
12. Trade dress may be defined as the total image and overall appearance of a product and may include features such as size, shape, color or color combinations, texture, and graphics.
☐ True ☐ False
13. The look and feel of a product or service may not be protected under trade dress.
☐ True ☐ False
14. The features of a digital product or service may be protectable under trade dress law if those features are functional.
☐ True ☐ False
15. If a hashtag functions to identify a business' goods or services, it may be registrable with the United States Patent and Trademark Office.
☐ True ☐ False
16. The hashtag symbol in a business' mark carries source identifying weight according to the *Trademark Manual of Examining Procedure*.
☐ True ☐ False
17. A technique for obtaining trademark protection over a hashtag mark is to disclaim the hashtag symbol or the word hashtag in connection with the mark.
☐ True ☐ False
18. The Madrid Protocol gives trademark owners the ability to file one consolidated trademark application at the United States Patent and Trademark Office to protect their marks in several countries.
☐ True ☐ False
19. Countries must provide a provisional refusal under the Madrid Protocol within 24 months.
☐ True ☐ False
20. Under the Madrid Protocol, if a country does not provide a provisional refusal within the applicable time limits the mark will be considered abandoned.
☐ True ☐ False

MCLE Answer Sheet No. 127

INSTRUCTIONS:

1. Accurately complete this form.
2. Study the MCLE article in this issue.
3. Answer the test questions by marking the appropriate boxes below.
4. Mail this form and the \$20 testing fee for SFVBA members (or \$30 for non-SFVBA members) to:

San Fernando Valley Bar Association
20750 Ventura Blvd., Suite 140
Woodland Hills, CA 91364

METHOD OF PAYMENT:

- ☐ Check or money order payable to "SFVBA"
☐ Please charge my credit card for \$_____.

Credit Card Number

CVV code

Exp. Date

Authorized Signature

5. Make a copy of this completed form for your records.
6. Correct answers and a CLE certificate will be mailed to you within 2 weeks. If you have any questions, please contact our office at (818) 227-0495.

Name _____

Law Firm/Organization _____

Address _____

City _____

State/Zip _____

Email _____

Phone _____

State Bar No. _____

ANSWERS:

Mark your answers by checking the appropriate box. Each question only has one answer.

- | | | |
|-----|-------------------------------|--------------------------------|
| 1. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 2. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 3. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 4. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 5. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 6. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 7. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 8. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 9. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 10. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 11. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 12. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 13. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 14. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 15. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 16. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 17. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 18. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 19. | <input type="checkbox"/> True | <input type="checkbox"/> False |
| 20. | <input type="checkbox"/> True | <input type="checkbox"/> False |