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## Utah Ban On Trademarked Keywords Rankles Groups

Consumer groups and search engines sometimes differ on prohibiting using a competitor's trademark when there's no likelihood of consumer confusion.

By Thomas Claburn, [InformationWeek](#)

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Utah last month enacted [Utah SB 236](#), the "Trademark Protection Act," a law that effectively prohibits the competitive use of trademarked terms as keyword advertising triggers.

The new law establishes "an electronic registration mark that may not be used to trigger advertising for a competitor and creates a database for use in administering marks." This electronic registration appears to cover trademarks as well as domain names, which are not necessarily trademarks.

Using a competitor's trademark to trigger keyword advertising has been generally allowed by the courts when there's no likelihood of consumer confusion. It remains an ambiguous area of the law, however.

Despite the absence of clarity, Utah's new law isn't winning any praise.

"Aside from its constitutional flaws, the law is just bad public policy," said Corynne McSherry, an attorney for the Electronic Frontier Foundation, in a recent [blog post](#). "It undermines the fundamental purpose of trademarks: to improve consumer access to accurate information about goods and services."

As McSherry points out, competitive trademark use is protected under federal law. Otherwise Pepsi couldn't claim to taste better than Coke and Apple couldn't bash Microsoft.

"[T]his law is terrible policy created by a legislature out of control," said law professor Eric Goldman in a [blog post](#) on Tuesday. "We've learned over the last 15 years that keywords are a uniquely empowering tool to enable consumers to express their interests more accurately, concisely and cheaply than other alternatives, which in turn enables intermediaries like search engines to cater to their informational interests. The result is lower search costs for consumers, which in turn creates big social welfare payoffs by making more socially beneficial matches between consumers and producers. So as a matter of social policy, we should be encouraging the use of keywords, not banning it..."

The major search engines have editorial guidelines that apply to the use of trademarked terms, but they're not particularly clear.

Microsoft, for example, says it prohibits the unlawful use of a trademark but "might allow the use of a third-party trademark if its use is truthful and lawful."

Yahoo says it "allows the bids only if the advertiser presents content on its Web site that (a) refers to the trademark or its owner or related product in a permissible nominative manner without creating a likelihood of consumer confusion (for example, sale of a product bearing the trademark, or commentary, criticism or other permissible information about the trademark owner or its product) or (b) uses the term in a generic or merely descriptive manner."

Google promises only to look into complaints. "Google takes allegations of trademark infringement very seriously and, as a

courtesy, we're happy to investigate matters raised by trademark owners," the company says.

In essence, Microsoft and Yahoo are a bit more accommodating to trademark owners than Google.

Because the lawfulness of a particular third-party use of a trademarked term may not be clear until a court rules on a complaint, search engines and marketers are left to second-guess what's permissible.



The advertisement features a blue background with a white border. On the left, there is a photograph of a Tripp-Lite 6K UPS unit in a 4U rack. The text "6K UPS IN ONLY 4U..." is written in a white, hand-drawn style in the center. On the right, the Tripp-Lite logo is displayed above a yellow button with the text "Watch a short video! >>".

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