

United States Court of Appeals,
Ninth Circuit.
BROOKFIELD COMMUNICATIONS, INC.,
Plaintiff-Appellant,
v.
WEST COAST ENTERTAINMENT
CORPORATION, Defendant-Appellee.
No. 98-56918.

Argued and Submitted March 10, 1999.

Decided April 22, 1999.

Before: [CANBY](#), [O'SCANNLAIN](#), and
[WARDLAW](#), Circuit Judges.

[O'SCANNLAIN](#), Circuit Judge:

We must venture into cyberspace to determine whether federal trademark and unfair competition laws prohibit a video rental store chain from using an entertainment-industry information provider's trademark in the domain name of its web site and in its web site's metatags.

I

Brookfield Communications, Inc. ("Brookfield") appeals the district court's denial of its motion for a preliminary injunction prohibiting West Coast Entertainment Corporation ("West Coast") from using in commerce terms confusingly similar to Brookfield's trademark, "MovieBuff." Brookfield gathers and sells information about the entertainment industry. Founded in 1987 for the purpose of creating and marketing software and services for professionals in the entertainment industry, Brookfield initially offered software applications featuring information such as recent film submissions, industry credits, professional contacts, and future projects. These offerings targeted major Hollywood film studios, independent production companies, agents, actors, directors, and producers.

Brookfield expanded into the broader consumer market with computer software featuring a searchable database containing entertainment-industry related information marketed under the "MovieBuff" mark around December 1993. Brookfield's "MovieBuff" software now targets smaller companies and individual consumers who are not interested in purchasing Brookfield's professional level alternative,

The Studio System, and includes comprehensive, searchable, entertainment-industry databases and related software applications containing information such as movie credits, box office receipts, films in development, film release schedules, entertainment news, and listings of executives, agents, actors, and directors. This "MovieBuff" software comes in three versions--(1) the MovieBuff Pro Bundle, (2) the MovieBuff Pro, and (3) MovieBuff--and is sold through various retail stores, such as Borders, Virgin Megastores, Nobody Beats *1042 the Wiz, The Writer's Computer Store, Book City, and Samuel French Bookstores.

Sometime in 1996, Brookfield attempted to register the World Wide Web ("the Web") domain name "moviebuff.com" with Network Solutions, Inc. ("Network Solutions"), but was informed that the requested domain name had already been registered by West Coast. Brookfield subsequently registered "brookfieldcomm.com" in May 1996 and "moviebuffonline.com" in September 1996. Sometime in 1996 or 1997, Brookfield began using its web sites to sell its "MovieBuff" computer software and to offer an Internet-based searchable database marketed under the "MovieBuff" mark. Brookfield sells its "MovieBuff" computer software through its "brookfieldcomm.com" and "moviebuffonline.com" web sites and offers subscribers online access to the MovieBuff database itself at its "inhollywood.com" web site.

On August 19, 1997, Brookfield applied to the Patent and Trademark Office (PTO) for federal registration of "MovieBuff" as a mark to designate both goods and services. Its trademark application describes its product as "computer software providing data and information in the field of the motion picture and television industries." Its service mark application describes its service as "providing multiple-user access to an on-line network database offering data and information in the field of the motion picture and television industries." Both federal trademark registrations issued on September 29, 1998. Brookfield had previously obtained a California state trademark registration for the mark "MovieBuff" covering "computer software" in 1994.

In October 1998, Brookfield learned that West Coast--one of the nation's largest video rental store chains with over 500 stores--intended to launch a

(Cite as: 174 F.3d 1036)

web site at "moviebuff.com" containing, *inter alia*, a searchable entertainment database similar to "MovieBuff." West Coast had registered "moviebuff.com" with Network Solutions on February 6, 1996 and claims that it chose the domain name because the term "Movie Buff" is part of its service mark, "The Movie Buff's Movie Store," on which a federal registration issued in 1991 covering "retail store services featuring video cassettes and video game cartridges" and "rental of video cassettes and video game cartridges." West Coast notes further that, since at least 1988, it has also used various phrases including the term "Movie Buff" to promote goods and services available at its video stores in Massachusetts, including "The Movie Buff's Gift Guide"; "The Movie Buff's Gift Store"; "Calling All Movie Buffs!"; "Good News Movie Buffs!"; "Movie Buffs, Show Your Stuff!"; "the Perfect Stocking Stuffer for the Movie Buff!"; "A Movie Buff's Top Ten"; "The Movie Buff Discovery Program"; "Movie Buff Picks"; "Movie Buff Series"; "Movie Buff Selection Program"; and "Movie Buff Film Series."

On November 10, Brookfield delivered to West Coast a cease-and-desist letter alleging that West Coast's planned use of the "moviebuff.com" would violate Brookfield's trademark rights; as a "courtesy" Brookfield attached a copy of a complaint that it threatened to file if West Coast did not desist.

The next day, West Coast issued a press release announcing the imminent launch of its web site full of "movie reviews, Hollywood news and gossip, provocative commentary, and coverage of the independent film scene and films in production." The press release declared that the site would feature "an extensive database, which aids consumers in making educated decisions *1043 about the rental and purchase of" movies and would also allow customers to purchase movies, accessories, and other entertainment-related merchandise on the web site.

Brookfield fired back immediately with a visit to the United States District Court for the Central District of California, and this lawsuit was born. In its first amended complaint filed on November 18, 1998, Brookfield alleged principally that West Coast's proposed offering of online services at "moviebuff.com" would constitute trademark infringement and unfair competition in violation of sections 32 and 43(a) of the Lanham Act, [15 U.S.C. § 1114](#), [1125\(a\)](#). Soon thereafter, Brookfield applied *ex parte* for a temporary restraining order ("TRO") enjoining West Coast "[f]rom using ... in any manner

... the mark MOVIEBUFF, or any other term or terms likely to cause confusion therewith, including *moviebuff.com*, as West Coast's domain name, ... as the name of West Coast's website service, in buried code or metatags on their home page or web pages, or in connection with the retrieval of data or information on other goods or services."

* * *

A

We begin by comparing the allegedly infringing mark to the federally registered mark. [The court concluded that the domain name *moviebuff.com* infringes Brookfield's trademark]

* * *

B

So far we have considered only West Coast's use of the domain name "moviebuff.com." Because Brookfield requested that we also preliminarily enjoin West Coast from using marks confusingly similar to "MovieBuff" in metatags and buried code, we must also decide whether West Coast can, consistently with the trademark and unfair competition laws, use "MovieBuff" or "moviebuff.com" in its HTML code.

At first glance, our resolution of the infringement issues in the domain name *1062 context would appear to dictate a similar conclusion of likelihood of confusion with respect to West Coast's use of "moviebuff.com" in its metatags. Indeed, all eight likelihood of confusion factors outlined in Part V-A--with the possible exception of purchaser care, which we discuss below--apply here as they did in our analysis of domain names; we are, after all, dealing with the same marks, the same products and services, the same consumers, etc. Disposing of the issue so readily, however, would ignore the fact that the likelihood of confusion in the domain name context resulted largely from the associational confusion between West Coast's domain name "moviebuff.com" and Brookfield's trademark "MovieBuff." The question in the metatags context is quite different. Here, we must determine whether West Coast can use "MovieBuff" or "moviebuff.com" in the metatags of its web site at "westcoastvideo.com" or at any other domain address *other than* "moviebuff.com" (which we have determined that West Coast may not use).

Although entering "MovieBuff" into a search engine is likely to bring up a list including

(Cite as: 174 F.3d 1036)

"westcoastvideo.com" if West Coast has included that term in its metatags, the resulting confusion is not as great as where West Coast uses the "moviebuff.com" domain name. First, when the user inputs "MovieBuff" into an Internet search engine, the list produced by the search engine is likely to include both West Coast's and Brookfield's web sites. Thus, in scanning such list, the Web user will often be able to find the particular web site he is seeking. Moreover, even if the Web user chooses the web site belonging to West Coast, he will see that the domain name of the web site he selected is "westcoastvideo.com." Since there is no confusion resulting from the domain address, and since West Coast's initial web page prominently displays its own name, it is difficult to say that a consumer is likely to be confused about whose site he has reached or to think that Brookfield somehow sponsors West Coast's web site.

Nevertheless, West Coast's use of "moviebuff.com" in metatags will still result in what is known as initial interest confusion. Web surfers looking for Brookfield's "MovieBuff" products who are taken by a search engine to "westcoastvideo.com" will find a database similar enough to "MovieBuff" such that a sizeable number of consumers who were originally looking for Brookfield's product will simply decide to utilize West Coast's offerings instead. Although there is no source confusion in the sense that consumers know they are patronizing West Coast rather than Brookfield, there is nevertheless initial interest confusion in the sense that, by using "moviebuff.com" or "MovieBuff" to divert people looking for "MovieBuff" to its web site, West Coast improperly benefits from the goodwill that Brookfield developed in its mark. Recently in *Dr. Seuss*, we explicitly recognized that the use of another's trademark in a manner calculated "to capture initial consumer attention, even though no actual sale is finally completed as a result of the confusion, may be still an infringement." *Dr. Seuss*, 109 F.3d at 1405 (citing *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 257- 58 (2d Cir.1987)).

***1063** The *Dr. Seuss* court, in recognizing that the diversion of consumers' initial interest is a form of confusion against which the Lanham Act protects, relied upon *Mobil Oil*. In that case, Mobil Oil Corporation ("Mobil") asserted a federal trademark infringement claim against Pegasus Petroleum, alleging that Pegasus Petroleum's use of "Pegasus" was likely to cause confusion with Mobil's trademark, a flying horse symbol in the form of the

Greek mythological Pegasus. Mobil established that "potential purchasers would be misled into an initial interest in Pegasus Petroleum" because they thought that Pegasus Petroleum was associated with Mobil. *Id.* at 260. But these potential customers would generally learn that Pegasus Petroleum was unrelated to Mobil well before any actual sale was consummated. See *id.* Nevertheless, the Second Circuit held that "[s]uch initial confusion works a sufficient trademark injury." *Id.*

Mobil Oil relied upon its earlier opinion in *Grottrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 523 F.2d 1331, 1341-42 (2d Cir.1975). Analyzing the plaintiff's claim that the defendant, through its use of the "Grottrian-Steinweg" mark, attracted people really interested in plaintiff's "Steinway" pianos, the Second Circuit explained:

We decline to hold, however, that actual or potential confusion at the time of purchase necessarily must be demonstrated to establish trademark infringement under the circumstances of this case.

The issue here is not the possibility that a purchaser would buy a Grottrian-Steinweg thinking it was actually a Steinway or that Grottrian had some connection with Steinway and Sons. The harm to Steinway, rather, is the likelihood that a consumer, hearing the "Grottrian-Steinweg" name and thinking it had some connection with "Steinway," would consider it on that basis. The "Grottrian-Steinweg" name therefore would attract potential customers based on the reputation built up by Steinway in this country for many years.

Grottrian, 523 F.2d at 1342.

Both *Dr. Seuss* and the Second Circuit hold that initial interest confusion is actionable under the Lanham Act, which holdings are bolstered by the decisions of many other courts which have similarly recognized that the federal trademark and unfair competition laws do protect against this form of consumer confusion.

* * *

Using another's trademark in one's metatags is much like posting a sign with another's trademark in front of one's store. Suppose West Coast's competitor (let's call it "Blockbuster") puts up a billboard on a highway reading--"West Coast Video: 2 miles ahead at Exit 7"--where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast's store will pull off at Exit 7 and drive around looking for it. Unable to locate

(Cite as: 174 F.3d 1036)

West Coast, but seeing the Blockbuster store right by the highway entrance, they may simply rent there. Even consumers who prefer West Coast may find it not worth the trouble to continue searching for West Coast since there is a Blockbuster right there. Customers are not confused in the narrow sense: they are fully aware that they are purchasing from Blockbuster and they have no reason to believe that Blockbuster is related to, or in any way sponsored by, West Coast. Nevertheless, the fact that there is only initial consumer confusion does not alter the fact that Blockbuster would be misappropriating West Coast's acquired goodwill. See [Blockbuster](#), 869 F.Supp. at 513 (finding trademark infringement where the defendant, a video rental store, attracted customers' initial interest by using a sign confusingly to its competitor's even though confusion would end long before the point of sale or rental); see also [Dr. Seuss](#), 109 F.3d at 1405; [Mobil Oil](#), 818 F.2d at 260; [Green Prods.](#), 992 F.Supp. at 1076.

The few courts to consider whether the use of another's trademark in one's metatags constitutes trademark infringement have ruled in the affirmative. For example, in a case in which Playboy Enterprises, Inc. ("Playboy") sued AsiaFocus International, Inc. ("AsiaFocus") for trademark infringement resulting from AsiaFocus's use of the federally registered trademarks "Playboy" and "Playmate" in its HTML code, a district court granted judgment in Playboy's favor, reasoning that AsiaFocus intentionally misled viewers into believing that its Web site was connected with, or sponsored by, Playboy. See [Playboy Enters. v. Asiafocus Int'l, Inc.](#), No. CIV.A. 97-734-A, 1998 WL 724000, at * 3, *6-*7 (E.D.Va. Apr.10, 1998).

In a similar case also involving Playboy, a district court in California concluded that Playboy had established a likelihood of *1065 success on the merits of its claim that defendants' repeated use of "Playboy" within "machine readable code in Defendants' Internet Web pages, so that the PLAYBOY trademark [was] accessible to individuals or Internet search engines which attempt[ed] to access Plaintiff under Plaintiff's PLAYBOY registered trademark" constituted trademark infringement. See [Playboy Enters. v. Calvin Designer Label](#), 985 F.Supp. 1220, 1221 (N.D.Cal.1997). The court accordingly enjoined the defendants from using Playboy's marks in buried code or metatags. See [id.](#) at 1221-22.

In a metatags case with an interesting twist, a district court in Massachusetts also enjoined the use of

metatags in a manner that resulted in initial interest confusion. See [Niton](#), 27 F.Supp.2d at 102-05. In that case, the defendant Radiation Monitoring Devices ("RMD") did not simply use Niton Corporation's ("Niton") trademark in its metatags. Instead, RMD's web site directly copied Niton's web site's metatags and HTML code. As a result, whenever a search performed on an Internet search engine listed Niton's web site, it also listed RMD's site. Although the opinion did not speak in terms of initial consumer confusion, the court made clear that its issuance of preliminary injunctive relief was based on the fact that RMD was purposefully diverting people looking for Niton to its web site. See [id.](#) at 104-05.

Consistently with *Dr. Seuss*, the Second Circuit, and the cases which have addressed trademark infringement through metatags use, we conclude that the Lanham Act bars West Coast from including in its metatags any term confusingly similar with Brookfield's mark. West Coast argues that our holding conflicts with *Holiday Inns*, in which the Sixth Circuit held that there was no trademark infringement where an alleged infringer merely took advantage of a situation in which confusion was likely to exist and did not affirmatively act to create consumer confusion. See [Holiday Inns](#), 86 F.3d at 622 (holding that the use of "1-800-405-4329"-- which is equivalent to "1-800-H[zero]OLIDAY"-- did not infringe Holiday Inn's trademark, "1-800-HOLIDAY"). Unlike the defendant in *Holiday Inns*, however, West Coast was not a passive figure; instead, it acted affirmatively in placing Brookfield's trademark in the metatags of its web site, thereby *creating* the initial interest confusion. Accordingly, our conclusion comports with *Holiday Inns*.

* * *

Preliminary injunctive relief is appropriate here to prevent irreparable injury to Brookfield's interests in its trademark "MovieBuff" and to promote the public interest in protecting trademarks generally as well.