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USE OF SPECIAL MASTERS IN PATENT LITIGATION: A SPECIAL MASTER'S PERSPECTIVE

Thomas L. Creel
Thomas McGahren *

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I. INTRODUCTION

Are there unique aspects of patent infringement trials that make the use of a special master of particular benefit to the judge and the litigants? Yes, is the answer from many judges who have used them. The unanimous decision of the Supreme Court in *Markman v. Westview Instruments, Inc.*[1] lends credence to the use of special masters. In *Markman*, the Supreme Court stated that claim construction is exclusively for the court in a jury trial. Thus, the judge is to construe the claim for the jury much like a statute, and the jury then decides infringement of the claim so construed. Because claim construction is a matter of law, the United States Court of Appeals for the Federal Circuit ("Federal Circuit") reviews the construction under a de novo, not clearly erroneous, standard. As a result, a judge who is untutored in the science of the patented invention and in the vagaries of patent law is required to make a claim construction that can be reversed without regard to findings of fact. Such a reversal could negate a potentially lengthy trial and necessitate a re-trial. A judge may wish for help in making this cornerstone decision.

One of the authors of this paper was the special master in a liability jury trial of a complex patent infringement case involving a computer video game patent.[2] The patent infringement portion of the bifurcated proceedings lasted four weeks. Experiences from the trial serve as a backdrop to explore where, when, and for what purposes a special master is appropriate in patent litigation.

This paper also explores the legal and practical requirements for the appointment and use of special masters. For example, Rule 53 of the Federal Rules of Civil Procedure only allows the appointment of a special master in non-jury trials in "exceptional conditions" and in jury trials where the issues are "complicated."[3] In light of *Markman*, and the increased use of special masters generally, the "exceptional conditions" requirement today seems

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[1] 517 U.S. 370, 38 U.S.P.Q.2d (BNA) 1461 (1996), *aff'g* 52 F.3d 967, 34 U.S.P.Q.2d (BNA) 1321 (Fed. Cir. 1995).

[2] *See* Alpex Computer Corp. v. Nintendo Co., 34 U.S.P.Q.2d (BNA) 1167 (S.D.N.Y. 1994), *aff'd in part, rev'd in part*, 102 F.3d 1214, 40 U.S.P.Q.2d (BNA) 1667 (Fed. Cir. 1996), *cert. denied*, 117 S. Ct. 2480 (1997).

[3] FED. R. CIV. P. 53.

inadequate. The bar should take steps to modify this rule, particularly in cases involving patents and other high technology issues where judges may wish assistance to arrive at the "just, speedy and inexpensive" resolution of controversies which is the goal of our federal court system.[4]

II. USE OF A SPECIAL MASTER IN *ALPEX V. NINTENDO* FROM THE SPECIAL MASTER'S PERSPECTIVE

A. *The Litigation*

Alpex Computer Corp. ("Alpex"), a start-up company, conceived of a microprocessor-based home video game system that used modular plug-in ROM cartridges to play multiple games. The invention was made in 1974, early in the use of microprocessors. Alpex brought suit against Nintendo Co. ("Nintendo") for patent infringement based on its phenomenally successful video games, such as the *Super Mario*® titles.

In 1990, Nintendo filed a motion for summary judgment on the grounds that the Alpex patent, U.S. Patent No. 4,026,555 ("'555 patent"), was invalid as anticipated under 35 U.S.C. section 102 and as obvious under 35 U.S.C. section 103.[5] In denying Nintendo's motion for summary judgment,

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[4] FED. R. CIV. P. 1.

[5] *See* Alpex Computer Corp. v. Nintendo Co., No. 86 CIV 1749 (KMW), 1991 WL 8549 (S.D.N.Y. Jan. 18, 1991).

Judge Kimba Wood construed the patent claims.[6] She then certified this claim construction to the Federal Circuit, which denied the interlocutory appeal.[7]

Several years after the summary judgment opinion, and shortly before the jury trial was to commence its liability phase, Thomas Creel, co-author of this article, was appointed Special Master to construe certain disputed claim elements.[8] His appointment occurred because Nintendo had long urged the "law of the case," i.e., the claim construction, was in error in certain respects. The court noted possible error, indicating that it might engage in limited reconsideration closer to trial. The court sought the views of the parties on whether the claim construction in the opinion denying summary judgment should be revisited before trial, and, if so, what claim construction matters were still at issue. Nintendo urged such a hearing, arguing that, unless the claim construction that it believed to be in error was

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[6] *See Alpex*, 1991 WL 8549, at *3. Only claims 12 and 13 of the '555 patent were at issue. These are:

> 12. Apparatus for playing games by displaying and manipulating player and ball image devices on the screen of a display tube, comprising first means for generating a video signal representing a linear player image device aligned in a first direction, second means for generating a video signal representing a ball image device, manually operable game control means, and means responsive to said manually operable game control means for causing said first means to generate a video signal representing the player image device rotated so that it is aligned in a second direction different from said first direction.
>
> 13. Apparatus according to claim 12, wherein said means for causing includes programmed microprocessor means and a replaceable memory having program game instructions stored therein for controlling said microprocessor means, whereby different games may be played with said apparatus by replacing said replaceable memory.

[7] *See* Alpex Computer Corp. v. Nintendo Co., Misc. No. 320 (Fed. Cir. Sept. 2, 1992).

[8] *See Alpex*, 34 U.S.P.Q.2d (BNA) at 1171.

corrected prior to trial, its experts would have to give alternative opinions at trial concerning how to construe these claims. Nintendo stated it did not want to go to trial with the opinion as it then stood. Alpex, on the other hand, urged the court to defer any change in the ruling, because the court would have an opportunity to change the claim construction after hearing evidence at the trial, but before the jury was instructed as to what the claims meant.

My appointment was only a few weeks before the trial was to start.[9] Approximately one week before trial, a hearing was held to construe certain aspects of the claims. I presided at this hearing and made rulings on evidence objections with Judge Wood observing. Nintendo presented two expert witnesses, and Alpex presented one, together with exhibits. The primary issue at this hearing was whether the claims required that the memory for playing the games be "on-board" as a part of the structure into which the cartridges were inserted, or whether the memory could also be in the cartridges themselves.

Prior to trial, I rendered a first report in which I construed portions of the claims,[10] reserved other portions until such time as the record was further developed, and suggested others for the jury as questions of fact.[11] Judge Wood adopted this report and requested me to attend the trial to construe the claims further when the record was appropriate. I issued a

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[9] The portion of this paper describing the *Alpex* litigation is exclusively authored by Mr. Creel and is based upon his personal experience. It is therefore written in the first person format.

[10] *See* Special Master's Initial Report, May 7, 1994, which included withdrawal of a portion of the claim construction the court had earlier made.

[11] This hearing, on May 2, 1994, was prior to the Federal Circuit's *Markman* decision, holding that claim construction is a matter of law exclusively for the judge. *See Markman*, 52 F.3d at 970-71, 34 U.S.P.Q.2d (BNA) at 1322. One of the reasons for a deferred ruling was that the Federal Circuit might have decided *Markman* during the trial, thus establishing the appropriate role for the judge vis-a-vis the jury in claim construction.

second report near the end of the liability portion of the trial.[12] This supplemental report further addressed the "on-board" memory issue on the more complete record and also addressed claim construction issues not raised by Nintendo in the claim construction hearing before trial. The new issues were how the video display was generated, by "on-the-fly" or "bit map," and the distinction between a "player image", a "linear player image," and a "ball image."[13]

Judge Wood adopted my report after the jury answered claim construction interrogatories in favor of Alpex.[14] After the liability portion of the trial, but before the damages portion, I rendered a third report on the application of the attorney-client privilege and work product doctrine to documents withheld from document production by Alpex.

The bifurcated trial continued in the damage phase before the same jury. I had no involvement in the damages portion of the trial. The jury awarded damages of $208,268,418 and concluded that Nintendo had willfully infringed the patent.[15] After the trial, Judge Wood wrote a 128-page opinion on Nintendo's motion for judgment as a matter of law and a new trial.[16] The court denied those motions, leaving the jury verdicts in place.

The Federal Circuit reversed, holding that claim construction as to the means of video display was incorrect.[17] The Federal Circuit held that

[12] *See* Supplemental Report of Special Master on Claim Construction of Claims 12 and 13 of United States Patent No. 4,026,555, June 1, 1994.

[13] *See Alpex*, 34 U.S.P.Q.2d (BNA) at 1171-72.

[14] *See id.* at 1172-73.

[15] *See id.* at 1198.

[16] *See* Alpex Computer Corp. v. Nintendo Co., 34 U.S.P.Q.2d (BNA) 1167 (S.D.N.Y. 1994), *aff'd in part, rev'd in part*, 102 F.3d 1214, 40 U.S.P.Q.2d (BNA) 1667 (Fed. Cir. 1996), *cert. denied*, 117 S. Ct. 2480 (1997).

[17] *See* Alpex Computer Corp. v. Nintendo Co., 102 F.3d 1214, 1220-21, 40 U.S.P.Q.2d (BNA) 1667, 1671-72 (Fed. Cir.), *cert. denied*, 117 S. Ct. 2480 (1997).

there was no infringement, neither literally nor under the doctrine of equivalents.[18]

B. *The Appointment Process*

1. Procedure

At the time of my selection in the *Alpex* case, I was unaware as to how I was chosen. This information was withheld so that there could be no appearance of bias in my knowing that one side or the other had proposed or opposed my appointment. Each side provided three names to the court, which then made the selection. I have been proposed for other special master appointments where one side or the other has first contacted me to ascertain my general availability, technological training, and willingness to serve before proposing my name.

There is no incorrect way to make the selection, but there are some important considerations. The special master can have an enormous impact on the case. He or she will be interacting with both the court and counsel. Everyone should have as much confidence in the special master as possible. Confidence is strengthened by allowing everyone involved to have maximum input to the selection decision, while minimizing the prospective special master's knowledge of the selection process.

As to the pool of qualified special masters, the only way to assemble a group of acceptable people is for the parties themselves to propose candidates. Although in other areas, the judge may know qualified potential special masters whom he or she can appoint, in patent cases usually only the parties know which persons possess the necessary technical, legal, and judicial temperament to be effective special masters.

As to procedure, the parties should propose the names of the persons to the court without contacting them first. If no one has an initial reason to object, the judge's staff can contact the proposed special masters to discuss preliminaries, such as willingness to serve, time availability, technical capability, and potential conflicts. If potential candidates are stricken, the proposing party should have the opportunity to amend its list.

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[18] *See id.* at 1223, 40 U.S.P.Q.2d (BNA) at 1674.

Once a pool of prospective special masters is established, in-depth investigations can take place. This investigation would include the potential special master's ability to handle the subject matter. A very important factor may be, depending on the role of the special master, the ability of the judge and the special master to work together, taking into account their judicial and legal philosophies. The judge can investigate all of these issues in personal interviews. As much as possible, the court should keep the parties apprised of pertinent information.

2. Timing Of Appointment

The appointment of the special master should be as early as possible in the proceedings, consistent with cost effectiveness. The old adage, "the more information available, the better the result," is apt here as elsewhere. For example, if the special master is to construe claims, the more he or she can learn early on by participating in resolving discovery disputes, the better he or she will be able to understand all of the ramifications of any claim construction and to become generally more familiar with the technology and the patent.

3. Assistance To The Special Master

In many situations it would be helpful to the special master to have the use of associates or paralegals in his or her own office. Such assistance could be useful for things such as legal research and document control. In the *Alpex* case, I requested, and the parties and the court agreed, that a designated associate from my office would be available to assist me as required.

4. Legal Authority To Appoint Special Masters

This paper focuses upon special masters exclusively, as opposed to magistrate judges[19] or experts,[20] whom the judge may also appoint to assist in certain areas.[21]

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[19] By way of comparison, magistrate judges have broader powers than masters and may be authorized to preside over any civil matter that can come before a district court judge, as well as some criminal matters. Magistrate judges are a relatively recently created class of judicial officers who derive their authority from the Federal Magistrates Act of 1968, Pub. L. No. 90-578, 82 Stat. 1107 (codified as amended at 28 U.S.C. §§ 631 *et seq.* (1988)). The powers of the magistrate judge and the types of references that can be made are detailed in the Federal Magistrate Act, as well as Rules 72-76 of the Federal Rules of Civil Procedure. FED. R. CIV. P. 72-76. Under 28 U.S.C. § 636(b)(1)(A), a district court judge may designate a magistrate judge to hear and determine any pre-trial matter pending before the court, except certain dispositive motions. 28 U.S.C. § 636(b)(1)(A) (1994). Under 28 U.S.C. § 636(b)(1)(B), a judge may designate a magistrate judge to conduct hearings, including evidentiary hearings, and to submit to a judge of the court proposed findings of fact and recommendations for disposition of any motions excepted in (b)(1)(A) and also certain prisoner petitions. 28 U.S.C. § 636(b)(1)(B) (1994). Under 28 U.S.C. § 636(b)(3), a magistrate judge may be assigned "such additional duties as are not inconsistent with the Constitution and the law of the United States." 28 U.S.C. § 636(b)(3) (1994). Section 636(c) provides authority for magistrate judges to try cases and order the entry of judgment in a case when the parties consent. 28 U.S.C. § 636(c) (1994).

[20] The roles of experts and special masters are fundamentally different. Special masters make findings that may then be offered in evidence. Experts, on the other hand, generally only advise and are subject to cross-examination. Experts are appointed under Rule 706 of the Federal Rules of Evidence. FED. R. EVID. 706; *see generally* JOE S. CECIL & THOMAS E. WILLGING, COURT-APPOINTED EXPERTS: DEFINING THE ROLE OF EXPERTS APPOINTED UNDER FEDERAL RULE OF EVIDENCE 706 (Fed. Jud. Ctr. 1993).

[21] *See* Active Products Corp. v. A.H. Choitz & Co., Inc., 163 F.R.D. 274, 282-83 (N.D. Ind. 1995) (stating that "[c]ourts have routinely appointed special masters for various tasks: discovery masters, case managers, settlement masters, fact finders, expert advisors, remedial masters, monitors, claims evaluators, etc."); *see also In re* Armco, Inc., 770 F.2d 103, 105 (8th Cir. 1985) (holding that the district court acted properly in a CERCLA case by granting a master broad authority "to supervise and conduct pretrial matters, including discovery activities, the production and arrangement of exhibits and stipulations of fact, the power to hear

Traditionally, one of the most common uses of special masters has been to serve as fact finders to ascertain damages in complex accounting situations, but courts have also appointed special masters to act as case managers, to preside over settlement activities, and to serve as expert advisors to the court. Special masters have been given the narrow task of writing a report on a particular issue,[22] and they have been asked to conduct an entire trial prior to judicial review.[23]

The legal authority of special masters derives from Rule 53 of the Federal Rules of Civil Procedure, the consent of the parties, and the inherent power of the court to appoint special masters.

a. *Rule 53 Of The Federal Rules Of Civil Procedure*

The powers and conduct of special masters are generally governed by Rule 53 of the Federal Rules of Civil Procedure, and the specific powers of the master are defined by the order of reference in each particular case. Rule 53 applies solely to the district courts, but its principles have been applied by analogy in references ordered by courts of appeals.[24] As defined in Rule 53(a), the term "special master" includes a "referee, an auditor, an examiner, and an assessor."[25] The compensation of the special master is fixed by the court and "shall be charged upon such of the parties or paid out

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motions for summary judgment or dismissal, and to make recommendations with respect thereto.").

[22] *See* Skinner v. Aluminum Co. of America, 95 F. Supp. 183, 184, 88 U.S.P.Q. (BNA) 212, 213 (W.D. Pa. 1951).

[23] *See* Minnesota Mining & Mfg. Co. v. Johnson & Johnson Orthopaedics, Inc., 976 F.2d 1559, 24 U.S.P.Q.2d (BNA) 1321 (Fed. Cir. 1992); U.S. Pipe & Foundry Co. v. Woodard Iron Co., 246 F. Supp. 424, 147 U.S.P.Q. (BNA) 479 (W.D. Va. 1965); International Nickel Co. v. Ford Motor Co., 166 F. Supp. 511, 119 U.S.P.Q. (BNA) 72 (S.D.N.Y. 1958).

[24] *See* 9A CHARLES ALAN WRIGHT & ARTHUR R. MILLER, FEDERAL PRACTICE AND PROCEDURE § 2602 (2d ed. 1994).

[25] FED. R. CIV. P. 53(a).

of any fund or subject matter of the action, which is in the custody and control of the court."[26]

Reference to a special master is governed by Rule 53(b), which provides:

> A reference to a master shall be the exception and not the rule. In actions to be tried by a jury, a reference shall be made only when the issues are complicated; in actions to be tried without a jury, save in matters of account and difficult computation of damages, a reference shall be made only upon a showing that some exceptional condition requires it. Upon the consent of the parties, a magistrate may be designated to serve as a special master without regard to the provisions of this subdivision.[27]

Rule 53 does not articulate the standards governing the propriety of reference to a master. In actions tried without a jury, reference is made only upon a showing that some exceptional condition requires it.[28] The justification for a reference to a master in non-jury cases is that a matter is so difficult or complex the court may not fully understand it, or a master can more easily effectuate its disposition because of a particular expertise or an ability to be in constant attendance.[29]

When a reference is made, the order of reference to the master may specify or limit the master's powers, may direct the master to report upon

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[26] *Id.*

[27] FED. R. CIV. P. 53(b).

[28] Rule 53(b) of the Federal Rules of Civil Procedure does not address the question whether the exceptional condition requirement is applicable when *private masters* who are not magistrates are appointed with the consent of the parties. *See* Advisory Committee Notes to FED. R. CIV. P. 53.

[29] *See* Irving R. Kaufman, *Masters in the Federal Courts: Rule 53*, 58 COLUM. L. REV. 452, 455 (1958).

specified issues, or may otherwise direct the master's activities and power.[30] Subject to the specifications of the order, the master has the power to regulate all proceedings before him or her and to take all necessary and proper measures, including requiring the production of evidence, examining witnesses and the parties under oath, and ruling upon the admissibility of evidence.[31]

In non-jury trials the master's report is submitted to the court along with a transcript of both the proceedings and the evidence, and the original exhibits upon which the report is based, so the court can review the evidence and decide whether it must sustain the master's findings as not clearly erroneous.[32] If the parties have agreed to accept the master's findings as final, the court may only consider questions of law raised by the report.[33] The weight given to the master's findings is the same regardless of whether the parties have consented to the appointment of the master.[34]

In cases tried with a jury, reference is allowed when the issues are complicated, because the master's findings are admissible as evidence, and the parties are free to present additional evidence to the jury.[35] Where masters make findings of fact in a jury case, the evidence on which the master bases his or her findings will be excluded from the record, unless the parties introduce it independently at trial. Thus, in a jury trial, the master's findings, but not the evidence upon which they are based, are admissible as evidence of the facts found and may be read to the jury, subject to objections.[36]

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[30] *See* FED. R. CIV. P. 53(c).

[31] *See id.*

[32] *See* 5A JAMES WM. MOORE ET AL., MOORE'S FEDERAL PRACTICE AND PROCEDURE ¶ 53.14[4] at 53-141 (2d ed. 1996); FED. R. CIV. P. 53(e)(2).

[33] *See* MOORE ET AL., *supra* note 32, ¶ 53.14[4].

[34] *See id.*

[35] *See* FED. R. CIV. P. 53(e).

[36] *See* Burgess v. Williams, 302 F.2d 91 (4th Cir. 1962).

Parties objecting to the master's report in a jury trial are not entitled to discover the evidence upon which it is based, although much of the evidence may be introduced independently for the jury's consideration. The parties may not examine the master at trial,[37] and a party cannot wait to see whether it approves of a master's findings before challenging the use of a master. Failure to object in a timely fashion constitutes a waiver.[38]

Reference of issues to a master, even a compulsory reference, does not violate the right under the Seventh Amendment to trial by a jury, even though a master's findings may be read to the jury.[39] Rule 53(e)(3) provides:

> In an action to be tried by a jury the master shall not be directed to report the evidence. The master's findings upon the issues submitted to the master are admissible as evidence of the matters found and may be read to the jury, subject to the ruling of the court upon any objections in point of law which may be made to the report.[40]

In *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*,[41] a patent infringement action, the appellant argued that reference to a special master deprived it of the right to trial by jury because the report was before the jury. The appellant also objected to the fact that it was required to try the

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[37] *See* MANUAL FOR COMPLEX LITIGATION § 21.52 (3d ed. 1997).

[38] *See* Constant v. Advanced Micro-Devices, Inc., 848 F.2d 1560, 1566, 7 U.S.P.Q.2d (BNA) 1057, 1061 (Fed. Cir. 1988) (only after master issued recommendations unfavorable to appellant did appellant object to use of master); *see also* Spaulding v. University of Wash., 740 F.2d 686, 695 (9th Cir. 1984); Hill v. Duriron Co., 656 F.2d 1208, 1213 (6th Cir. 1981); Hayes v. Foodmaker, Inc., 634 F.2d 802, 803 (5th Cir. 1981).

[39] *See* Crateo, Inc. v. Intermark, Inc., 536 F.2d 862, 868 (9th Cir. 1976) (referring several issues, including the issue of debtor's insolvency, to a special master in a bankruptcy action).

[40] FED. R. CIV. P. 53(e)(3).

[41] 72 F.3d 857, 37 U.S.P.Q.2d (BNA) 1161 (Fed. Cir. 1995).

entire case twice, first to the master and then to the jury.[42] The Federal Circuit explained that consent of the parties is not required for appointment of a master and that the trial judge found the case to be "sufficiently complicated to be referred to a special master" for a hearing on the issues of patent validity and infringement and recommendations on those issues.[43]

b. *Consent Of The Parties*

Rule 53 of the Federal Rules of Civil Procedure restricts the appointment of masters in jury trials to cases in which "the issues are complicated" and in non-jury trials to cases in which there is "a showing that some exceptional condition requires it."[44] However, even where such conditions do not exist, the parties may consent to the appointment of a master under any circumstance, just as litigants may waive their personal right to have an Article III judge preside over a civil trial.[45]

Long ago, the Supreme Court recognized that the parties to litigation can consent to the disposition of their disputes by non-Article III personnel, such as special masters. In *Kimberly v. Arms*,[46] the parties agreed to the appointment of a master to "hear the evidence and decide all the issues between the parties."[47] The Court found that, had the parties not consented to a reference to a master, general equity rules would have precluded the court from referring the entire decision to a master.[48] It should be noted,

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[42] *See id.* at 864, 37 U.S.P.Q.2d (BNA) at 1166.

[43] *Id.* at 865, 37 U.S.P.Q.2d (BNA) at 1166.

[44] FED. R. CIV. P. 53(b).

[45] *See* Peretz v. United States, 501 U.S. 923, 935-37 (1991); Goldstein v. Kelleher, 728 F.2d 32, 35 (1st Cir. 1984); *see also* Margaret G. Farrell, *The Role of Special Masters in Federal Litigation*, C842 A.L.I.-A.B.A. 931, 936 (1993).

[46] 129 U.S. 512 (1889).

[47] *Id.* at 524.

[48] *See* Farrell, *supra* note 45, at 936.

however, that the court may refuse to refer a matter even though both parties have consented to the reference.[49]

c. *Court's Inherent Powers*

In addition to the authority in Rule 53, the federal courts have always had inherent authority to appoint masters.

In *Ex parte Peterson*,[50] the Supreme Court stated:

> Courts have in the absence of prohibitions, *inherent power* to provide themselves with the instruments required for the performance of their duties. This power includes authority to appoint persons unconnected with the court to aid judges in the performance of specific duties as they may arise in the progress of a cause. From the commencement of our government it has been exercised by the federal courts, when sitting in equity, by appointing, either with or without the consent of the parties, special masters, auditors, examiners, and commissioners.[51]

In *Peterson*, the district court appointed an auditor to make a preliminary investigation as to the facts, to hear the witnesses, to examine the accounts of the parties, and to produce a report "with a view to simplifying the issues for the jury."[52]

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[49] *See* 9A WRIGHT & MILLER, *supra* note 24, § 2603; Wilver v. Fisher, 387 F.2d 66, 99 (10th Cir. 1967) (stating "[t]he fact that the parties agreed to such an anomalous procedure does not make it permissible").

[50] 253 U.S. 300 (1920).

[51] *Id.* at 312 (emphasis added).

[52] *Id.*; *see also* Reilly v. United States, 863 F.2d 149, 154 n.4 (1st Cir. 1988).

d. *Appropriateness Of Special Masters Under Rule 53's "Exceptional" Circumstances*

As noted, Federal Rule 53(b) allows appointment of a special master in non-jury cases only "on a showing that some exceptional condition requires it" and where the issues of concern are not matters of account or difficult computation of damages.[53] Thus, the threshold for reference to a special master in a non-jury case is higher than a jury case.[54]

The leading case addressing the threshold for reference to a special master in a non-jury case is the Supreme Court's opinion in *La Buy v. Howes Leather Co.*[55] The Rule 53(b) controversy in *La Buy* arose out of two antitrust actions instituted in the district court, involving some ninety-three plaintiffs and twelve defendants. In support of reference to a special master, the district court asserted that "the cases were very complicated and complex, that they would take considerable time to try," and that the "calendar was congested."[56] In confirming the Seventh Circuit's issuance of a writ of mandamus vacating the order of reference, the Supreme Court in *La Buy* stated:

> [C]ongestion in itself is not such an exceptional circumstance as to warrant a reference to a master. If such were the test, present congestion would make references the rule rather than the exception. Petitioner realizes this, for in addition to calendar congestion he alleges that the cases referred had unusual complexity of issues of both fact and law. But most litigation in the antitrust field is complex. It does not follow that antitrust litigants are not entitled to a trial before the court. On the contrary, we believe

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[53] FED. R. CIV. P. 53(b).

[54] *See* Prudential Ins. Co. v. United States Gypsum Co., 991 F.2d 1080, 1085 n.10 (3d Cir. 1993).

[55] 352 U.S. 249 (1957).

[56] *Id.* at 254.

> that this is an impelling reason for trial before a regular, experienced trial judge rather than before a temporary substitute appointed on an ad hoc basis and ordinarily not experienced in judicial work. Nor does petitioner's claim of the great length of time these trials will require offer exceptional grounds.[57]

The Supreme Court in *La Buy* made it clear that in non-jury cases the "exceptional circumstances" standard is to be narrowly construed. Indeed, the Court called the referral of these cases to a special master "little less than an abdication of the judicial function" that justified the extraordinary remedy of mandamus.[58]

Cases subsequent to *La Buy* have demonstrated the strict interpretation of the "exceptional condition" standard. In *Apex Fountain Sales, Inc. v. Kleinfeld*,[59] the Third Circuit stated:

> The [*La Buy*] Court reminded that a court may use special masters only 'to aid judges in the performance of special judicial duties, as they may arise in the progress of a cause.' Nothing since *La Buy* has suggested an attenuation of this standard.[60]

In *Apex*, the Third Circuit ruled that the question of whether design changes in certain fountains manufactured by defendant-appellee could not be identified as fountains made by plaintiff-appellant was a simple issue that did not meet the exceptional circumstances standard required to permit reference to a special master.[61]

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[57] *Id.* at 259.

[58] *Id.* at 256.

[59] 818 F.2d 1089, 3 U.S.P.Q.2d (BNA) 1430 (3d Cir. 1987).

[60] *Id.* at 1096-97, 3 U.S.P.Q.2d (BNA) at 1435 (internal citations omitted).

[61] *Id.*

Thus, voluminous records, complex factual situations, and time pressures do not necessarily qualify as "exceptional conditions."[62] Reference has simply been approved on a case-by-case basis, and the particular instances where reference to a special master will automatically be approved do not appear to be foreseeable.[63] Indeed, commentators have noted that *La Buy* severely limited the circumstances that permit the

[62] Representative cases where the appointment of a special master has been disapproved include: Prudential Ins. Co. v. United States Gypsum Co., 991 F.2d 1080 (3d Cir. 1993) (holding that a property owner's product liability claims did not involve an "exceptional condition" requiring reference to a special master); Stauble v. Warrob, Inc., 977 F.2d 690 (1st Cir. 1992) (disapproving a special master in non-jury case involving complex issues, voluminous records, and multiple defendants, where reference authorized master to try the case); *In re* United States, 816 F.2d 1083, 1088-91 (6th Cir. 1987) (holding that calendar congestion, complexity of issues, possibility of lengthy trial, extraordinary pretrial management in case with 250 parties, and public interest in quick resolution of case did not satisfy "exceptional condition" for appointment of special master to determine dispositive pretrial legal issues); Madrigal Audio Lab., Inc. v. Cello, Ltd., 799 F.2d 814, 818, 230 U.S.P.Q. (BNA) 764, 766 (2d Cir. 1986) (that judge did not "understand anything about . . . patent or trademark" law and was "not about to educate [him]self" was not sufficient reason to justify appointment of a master to hear and determine the entire case); Jack Walters & Sons Corp. v. Morton Bldg., Inc., 737 F.2d 698, 712 (7th Cir. 1984) (finding that the lack of time for lengthy trial, several thousand pages of materials, and large number of issues did not satisfy "exceptional condition" standard); Bennerson v. Joseph, 583 F.2d 633 (3d Cir. 1978) (ruling that reference to a special master to conduct hearings in non-jury case was error where hearings assigned to master took only three days, produced 444-page transcript, and concerned simple factual matters that turned on credibility).

[63] Representative instances where reference to a special master has been approved are shown by the following cases: Williams v. Lane, 851 F.2d 867, 884 (7th Cir. 1988) (upholding appointment of master in non-jury cases to supervise enforcement of court order pertaining to prison conditions where judge's busy docket prevented him from doing so himself); Halderman v. Pennhurst State School and Hosp., 612 F.2d 84, 111-12 (3d Cir. 1979) (finding that a special master was appropriate to supervise reorganization of major health institution); Gary W. v. Louisiana, 601 F.2d 240, 244-45 (5th Cir. 1979) (holding that a special master was appropriate to supervise multi-year implementation of court order affecting care of all mentally retarded children in Louisiana).

appointment of a special master in a non-jury case.[64] Whether the consent of the parties can override the exceptional condition requirement of Rule 53(b) is an undecided issue.[65]

There is some authority that the stage to which the case has progressed may make a difference. Some courts have reversed appointments of special masters who were assigned to conduct formal evidentiary hearings during the liability, as opposed to the discovery, phase. These courts have said this violates the limitations of Article III of the Constitution that requires a judge to perform these duties.[66]

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[64] *See* 9A WRIGHT & MILLER, *supra* note 24, § 2605 at 789-91 (quoting Kaufman, *supra* note 29, at 459, "Though the [*La Buy*] court was silent about what does constitute an exceptional condition, its rejection of the three most obvious matters claimed to constitute such a condition justifies the observation of Judge Kaufman that the utilization of special masters to hear and report on the main issues in litigation under Rule 53 has little support in the non-jury area"); *see also* Liptak v. United States, 748 F.2d 1254, 1257 (8th Cir. 1984) (declaring that "[b]eyond matters of account, difficult computation of damages, and unusual discovery, 'it is difficult to conceive of a reference of a non-jury case that will meet the rigid standards of the *La Buy* decision.'") (quoting 9A WRIGHT & MILLER, *supra* note 24, § 2605 at 791).

[65] *See* Advisory Committee Notes to FED. R. CIV. P. 53(b) ("The provisions of 28 U.S.C. § 636(b)(2) not only permit magistrates to serve as special masters under Rule 53(b) but also eliminate the exceptional condition requirement of Rule 53(b) when the reference is made with the consent of the parties . . . . It should be noted that subdivision (b) does not address the question . . . as to whether the exceptional condition requirement is applicable when *private masters* who are not magistrates are appointed with the consent of the parties.") (emphasis added).

[66] *See e.g., Stauble*, 977 F.2d at 695.

C. *Conflicts Of Interest*

Many things assure the neutrality of United States judges: the Code of Conduct for United States Judges,[67] federal disqualification statutes, [68] and the judicial oath of office.[69] It is unclear which of these restrictions apply to special masters, and indeed whether they all should.

There is no doubt that masters must provide neutral and objective determinations. On the other hand, it may not be appropriate to apply all judicial requirements to special masters. All potential special masters have various possible conflicts that should not be disabling. For example, practicing attorneys, and their firms, have an interest in maintaining their professional reputation and in obtaining future employment. Other potential appointees, including retired judges or law professors, are investing in their reputations as successful masters so that they may be retained repeatedly. They also may have ideological positions and academic credentials that can affect their performance. Special masters, hired particularly for their scientific expertise, may have a professional status to maintain as a member of a particular scientific community that could make it difficult for them to objectively evaluate information produced by professionals espousing a different doctrine.

The possible conflicts may be resolved differently depending upon the duties of the special master. Insofar as special masters perform duties functionally equivalent to those of a judge, they might be held to the same standards as judges for the purpose of disqualification. On the other hand, if they perform less traditional functions, such as settlement, then perhaps disclosure and waiver and estoppel, can be used to permit the appointment of people with expertise, who may have at least some potential conflicts of the type mentioned above. Such people are retained because they *do* have

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[67] *See, e.g.*, Cannon 3(C)(1) of the Code of Conduct for United States Judges, 150 F.R.D. 307, 311 (1993).

[68] *See, e.g.*, 28 U.S.C. § 455(a) (1994) (stating, "Any justice, judge, or magistrate of the United States shall disqualify himself in any proceeding in which his impartiality might reasonably be questioned.").

[69] *See* 28 U.S.C. § 453 (1994) (requiring the justice or judge to swear an oath that he or she will "faithfully and impartially" discharge his or her duties).

special knowledge and are not employed as full-time judges, but as scientists, practitioners, and professors. Perhaps the benefit of their expertise can only be obtained at the cost of some tolerance for potential conflicts of interest.

Clearing of conflicts of interest should involve having the potential masters disclose all potential conflicts. There then should be an opportunity for the parties to question the possible special master about any potential conflicts of interest and to raise any objection that they have with the judge. The judge may also take action to eliminate possible conflicts by restricting the master's subsequent employment by either party, or the master's representation of other parties with conflicting interests, including representation by his or her firm. Putting this on the record should minimize or eliminate the effect of conflicts arising later. If the parties do not object once something is made of record, they should be estopped from complaining thereafter.

D. *Scope Of A Special Master's Duties*

1. The *Alpex* Litigation

As noted, I was originally appointed to conduct what is now called a *Markman* type hearing prior to the start of a jury trial. My appointment was silent as to what type of report I should render and what type of pretrial hearing I should undertake. Rule 53(c) of the Federal Rules of Civil Procedure generally provides that the special master has the power to regulate all proceedings and to take all measures necessary, including the production of evidence, examination of witnesses under oath, and ruling upon admissibility of evidence.[70]

The procedure I actually used was to conduct a one day hearing as the presiding official, with Judge Wood sitting in the courtroom and observing the proceedings to familiarize herself generally with the subject matter. This procedure is useful. The more exposure the judge has to the case, the better equipped he or she will be in subsequently presiding over the trial. It also allows the court to be more familiar with the witnesses and the evidence if objections are made to the special master's report. By observing the hearing, the judge will be better able to rule on the

[70] FED. R. CIV. P. 53(c).

appropriateness of the evidence in the report than he or she would be on the paper record alone.

As to the type of report I should make, Rule 53(d) provides that the master shall not be directed to report on the evidence.[71] Rather, the master's findings on the issues submitted are admissible as evidence and may be read to the jury, subject to a ruling by the Court on objections. I decided that, without any clear directions, it might be unfair to have my findings read to the jury. Accordingly, I specified in my report that it was not a report under Rule 53(e). My report after the pre-trial hearing was, therefore, not read to the jury. Rather, I submitted the report to Judge Wood, who adopted it. The terms of reference should clearly specify whether the master's report can be read to the jury or not.

In a *Markman* type pretrial hearing, it seems clear that the master's claim construction would be read to the jury, but only after being approved or rejected by the court. Rule 53(e)(3) provides that the master's findings may be read to the jury, "subject to the ruling of the court upon any objections in point of law which may be made to the report."[72] If the court does not act on objections to the report during trial, then the report apparently could not be read to the jury. The same would be true of non-jury actions under Rule 53(e)(2). Note, however, Judge McKelvie's observation about the practicalities of when claim construction is handled:

> In a bench trial, the court can delay resolution of the claim construction issue until all of the evidence has been presented. However, in a jury trial, delaying resolution of this issue until trial may raise serious practical problems of how to adequately and fairly rule on these often difficult and vitally important issues at the close of the evidence while a jury waits.[73]

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[71] FED. R. CIV. P. 53(d).

[72] FED. R. CIV. P. 53(e)(3).

[73] Elf Atochem North America, Inc. v. Libbey-Owens-Ford Co., 894 F. Supp. 844, 857, 37 U.S.P.Q.2d (BNA) 1065, 1075 (D. Del. 1995).

Some commentators have proposed the types of things which should go into the order of reference to a special master. For example, the following had been suggested for inclusion or consideration in establishing terms of reference.[74]

(1) consent of the parties (desirable, although not necessary)
(2) circumstances which make the case exceptional
(3) procedure for selecting the special master, if permitted by judge
(4) disclosure of any conflicts of interest of special master
(5) procedure before special master
    (a) limitation on ex parte communication
    (b) scope of investigative authority
    (c) adequate time to present case
    (d) opportunity to reply to new information
    (e) evidentiary objections
    (f) review draft of report
(6) compensation
(7) judicial review of master's findings of law (if modification is desired)

As to the specificity of the reference to the master, there are competing schools of thought on whether a specific reference is better than a more general reference. The general reference, for example, grants freedom to the master to handle all matters quickly and efficiently and to tailor procedures to fit the case as it evolves. This type of reference generally involves trust in the master's general approach. The other school of thought emphasizes the court's need to describe the master's duties and powers, as specifically as possible, to contain the master within certain limits.

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[74] *See* Herbert F. Schwartz and Edward F. Mullowney, *Reference and Arbitration*, 453 PLI/Pat 133, 141-42 (1996).

Whatever type of referral is used, consideration should be given to how much the procedure insulates the judge from the substance of the case. If the judge's knowledge remains superficial, he or she is more likely to defer to the master than would be the case otherwise.

Concerning the scope of investigative authority, the parties should consider carefully what authority the master has to request additional information. What technical studies, for example, could he or she order to be performed by one of the parties' experts? Can the master seek additional scientific tests? Special masters have exercised such authority in the past, even though it was not expressly granted or limited. If additional work is ordered, who bears the expense?

Another item for consideration is the specification of a termination date in the Order of Reference. The parties and the master then know the timetable against which they are working. Additionally, a specific time limitation may promote negotiations and settlement.

In drafting the order of reference, the parties should also consider the procedural differences between conclusions by a master and conclusions by a court-appointed expert. Generally, masters make findings of fact which can be read to the jury. On the other hand, the views of court-appointed experts may be tested through cross-examination and must compete in court with the views of the parties' experts. Additionally, the findings of special masters are appealable to the judge under the clearly erroneous standard. It may be possible, however, to provide for review under other terms, if so specified in the order of reference. For example, it might be ordered that the master only report the evidence or make recommendations, which could be specified to be appealed to the court on a lower standard than clearly erroneous.

2. How Special Masters Have Been Used In Other Patent Infringement Cases

Although reference to special masters is the "exception rather than the rule,"[75] patent infringement actions are particularly suited for reference

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[75] FED. R. CIV. P. 53 (b); *see also* Helene Curtis Indus. v. Sale Affiliates & Gillette Safety Razor Co., 105 F. Supp. 886, 906, 93 U.S.P.Q. (BNA) 398, 413 (S.D.N.Y. 1952) (deeming a declaratory judgment action as to validity and

in whole or in part to a special master.[76] Presentation of technical material in patent cases often exceeds the comprehension of a jury of laymen, or that of many judges. Our adversarial system, which encourages patent litigants to utilize technical experts who produce partisan testimony, compounds this problem. Thus, the jury or court is left to decipher a mass of undigested technical data that may be confusing.[77] In addition to the scientific and technical nature of the particular invention at stake, special masters may be best equipped to render preliminary opinions on issues peculiar to patent law, such as claim construction, validity, and infringement.

Special masters have been appointed to serve as fact finders in patent cases. In *Maurice A. Garbell, Inc. v. Boeing Co.*,[78] the court was not convinced that plaintiff's design for an air foil constituted a unique and novel approach to wing geometry. The court found that the invention had been anticipated by prior art, such as a series of planes built by the Curtiss-Wright Co. The issue of the geometry of the wings of these Curtiss-Wright models was referred to a special master who found that the geometry of the wings of the Curtiss-Wright planes embodied the same combination of elements as claimed in the contested patent.[79] In *In re Newman*,[80] the district court appointed a special master, citing the substantial and contradictory submissions of record and the complicated issues of scientific and technical

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infringement of patent to be an exceptional situation allowing reference to a master in a non-jury case).

[76] *See generally*, Sidney B. Williams and Joan Thierstein, *Use of Masters in Litigation*, 12 AIPLA Q.J. 227 (1984).

[77] *See* 5A MOORE, *supra* note 32, ¶ 53.05[2] at 53-64, 65. Reference to a master in patent cases could be made where the situation is "intricate," of "economic consequence," and "presses for solution," where "an entire industry is disrupted," and where "all the parties stress the urgency of expedition."; *see also* Kaufman, *supra* note 29, at 460.

[78] 546 F.2d 297, 192 U.S.P.Q. (BNA) 481 (9th Cir. 1976).

[79] *See id.* at 299, 192 U.S.P.Q. (BNA) at 482.

[80] 763 F.2d 407, 226 U.S.P.Q. (BNA) 97 (Fed. Cir. 1985).

fact. In this case, the court appointed a former Commissioner of Patents and Trademarks.[81]

In some patent cases, reference to a special master included the whole case, and the referring court merely accepted or adopted the special master's report. In *Minnesota Mining & Manufacturing Co. v. Johnson & Johnson Orthopaedics, Inc.*,[82] the special master conducted a trial on validity that lasted thirty-four days, involved the testimony of thirty-two witnesses and over one thousand evidentiary exhibits, and resulted in 435 findings of fact and eighty-six conclusions of law made by the master. In *Deering Miliken & Co., Inc. v. Temp-Resisto Corp.*,[83] the court referred nearly all of the issues, including those of validity, infringement, and monopolization, but not damages, to a special master. The court adopted the findings of the master, even though it reserved full power to review, amend, or set aside those findings.

Judges often refer specific patent issues, such as validity and infringement, to special masters. In *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki, Co.*,[84] the judge to whom the case was first assigned deemed the case to be sufficiently complicated to be referred to a special master for a hearing on the issues of patent validity and infringement, and for recommendations on those issues. Although the "exceptional condition" standard of Rule 53 dictates that complexity alone in a nonjury case does not warrant reference to a master, the Federal Circuit justified reference to a special master in *Festo* because the case was a jury action, the "technology was complex," and the "fine points of patent validity and infringement were complex."[85]

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[81] *See id.* at 409, 226 U.S.P.Q. (BNA) at 97.

[82] 976 F.2d 1559, 24 U.S.P.Q.2d (BNA) 1321 (Fed. Cir. 1992).

[83] 160 F. Supp. 463, 116 U.S.P.Q. (BNA) 386 (S.D.N.Y. 1958).

[84] 72 F.3d 857, 37 U.S.P.Q.2d (BNA) 1161 (Fed. Cir. 1995), *vacated, remanded*, 117 S. Ct. 1240 (1997).

[85] *Id.* at 886, 37 U.S.P.Q.2d (BNA) at 1167.

Special masters have been appointed to determine patent validity and infringement in the context of summary judgment motions.[86] In *Constant v. Advanced Micro-Devices, Inc.*,[87] the trial judge, with the agreement of the parties, appointed an experienced patent attorney as a special master to make recommendations to the court concerning motions for summary judgment on issues of patent invalidity. After the special master issued recommendations concluding that the patents were invalid, the appellant moved to disqualify the special master and to strike his report.[88] The Federal Circuit found there was no abuse of discretion in the district court's denial of appellant's motion to disqualify the master, and it noted that the appellant was "wrong in presuming that a master need have the same expertise in the technology as the inventor."[89] The Federal Circuit explained that "[w]here complicated issues of patent law are involved, the appointment of an experienced attorney is quite appropriate."[90]

In *McGraw Edison Co. v. Central Transformer Corp.*,[91] the order of reference directed the master, a patent attorney, "to receive and report the evidence on behalf of the respective parties upon all of the issues, to make necessary computations, and to make findings of fact and conclusions of law upon all of the issues."[92] The master found that both patents-in-suit had been infringed by the defendant under the doctrine of equivalents, but that neither patent was valid. The master further found that the defendant had not been guilty of unfair competition in any of the respects relied upon by

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[86] *See, e.g.*, Miliken Research Corp. v. Dan River, Inc., 739 F.2d 587, 222 U.S.P.Q. (BNA) 571 (Fed. Cir. 1984); D.L. Auld Co. v. Chroma Graphics Corp., 714 F.2d 1144, 219 U.S.P.Q.2d (BNA) 13 (Fed. Cir. 1983).

[87] 848 F.2d 1560, 7 U.S.P.Q.2d (BNA) 1057 (Fed. Cir. 1988).

[88] *See id.* at 1563, 7 U.S.P.Q.2d (BNA) at 1058.

[89] *Id.* at 1567, 7 U.S.P.Q.2d (BNA) at 1061.

[90] *Id.*

[91] 196 F. Supp. 664, 130 U.S.P.Q. (BNA) 189 (E.D. Ark. 1961), *aff'd*, 308 F.2d 70, 135 U.S.P.Q. (BNA) 53 (8th Cir. 1962).

[92] *Id.* at 666, 130 U.S.P.Q. (BNA) at 190.

the plaintiff.[93] Moreover, the master found that both patents-in-suit were invalid for want of a patentable invention over the prior art, and that one of the patents, a method patent, was invalid on the further ground of public use for more than one year prior to the filing of the patent application.[94] The court held that the master was justified by the evidence in finding that the patents were invalid, and that the method patent was invalid due to prior public use.[95]

Claim construction is an integral component of a special master's report whenever validity and infringement have been referred.[96] Claim construction is a question of law for the court,[97] but the proliferation of *Markman* hearings in patent litigation highlights the possible use of special masters to provide initial claim construction.[98] *Markman* has thus created a platform that many judges believe to be ideally suited for reference to a special master who possesses the pertinent legal or technical expertise required to construe claims. The *Alpex* case is merely one example.

As outlined in Rule 53(b), special masters have traditionally played a role in the assessment of damages. In patent cases, courts have also asked

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[93] *See id.* at 666, 130 U.S.P.Q. (BNA) at 191.

[94] *See id.* at 671, 130 U.S.P.Q. (BNA) at 195.

[95] *See id.* at 672-73, 130 U.S.P.Q. (BNA) at 195-96.

[96] *See* Wiener v. NEC Elec., Inc., 102 F.3d 534, 41 U.S.P.Q.2d (BNA) 1023 (Fed. Cir. 1996) (the district court adopted the special master's recommendations on claim construction and infringement), *overruled on other grounds by* Cybor Corp. v. FAS Tech., Inc., 138 F.3d 1448, 46 U.S.P.Q.2d (BNA) 1169 (Fed. Cir. 1998); Minnesota Mining & Mfg. Co. v. Johnson & Johnson Orthopaedics, Inc., 976 F.2d 1559, 1566, 24 U.S.P.Q.2d (BNA) 1321, 1327 (Fed. Cir. 1992) (The special master construed claims as part of the entire patent case referred to him by the district court).

[97] Markman v. Westview Instruments, Inc., 517 U.S. 370, 38 U.S.P.Q.2d (BNA) 1461 (1996), *aff'g* 52 F.3d 967, 34 U.S.P.Q.2d (BNA) 1321 (Fed. Cir. 1995).

[98] *See* Ethicon Endo-Surgery v. United States Surgical Corp., 900 F. Supp. 172, 173, 38 U.S.P.Q.2d (BNA) 1385, 1386 (S.D. Ohio 1995) (holding a *Markman* hearing to construe the claims), *aff'd in part and vacated in part, remanded*, 40 U.S.P.Q.2d (BNA) 1019 (Fed. Cir. 1996).

special masters to determine underlying damages issues, such as willfulness of infringement,[99] and whether non-infringing alternatives were available.[100]

A court may refer special masters to supervise discovery. In *Maurice A. Garbell, Inc. v. Boeing Co.*, the district court appointed an attorney in private practice to supervise all discovery.[101] During the discovery proceedings in this case, the special master held approximately thirty-seven meetings with counsel and attended numerous depositions to supervise the discovery proceedings.[102] Similarly, in *Elipse Corp. v. Ford Motor Co.*,[103] the court appointed a special master to "conduct and supervise all discovery proceedings and to rule upon all motions concerning discovery" for the damages phase of a patent infringement action.[104]

Courts are also using special masters more in mediation and settlement. Pursuant to the Judicial Reform Act of 1990, all federal trial courts must integrate Alternative Dispute Resolution ("ADR"), including mediation of all cases, in all civil cases.[105] One of the authors has been

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[99] *See* Studiengesellshaft Kohle v. Dart Indus., Inc., 862 F.2d 1564, 9 U.S.P.Q.2d (BNA) 1273 (Fed. Cir. 1988) (appointing special master to determine damages, prejudgment interest, and willfulness of infringement).

[100] *See* Comair Rotron, Inc. v. Nippon Densan Corp., 49 F.3d 1535, 1537, 33 U.S.P.Q.2d (BNA) 1929, 1931 (Fed. Cir. 1995) (adopting special master's report and finding that there were non-infringing acceptable alternatives in the market).

[101] 385 F. Supp. 1, 3, 180 U.S.P.Q. (BNA) 294, 296 (C.D. Cal. 1973), *aff'd*, 546 F.2d 297, 192 U.S.P.Q. (BNA) 481 (9th Cir. 1976).

[102] *See id.* at 11.

[103] 312 F. Supp. 646, 164 U.S.P.Q. (BNA) 161 (N.D. Ill. 1969), *aff'd in part and rev'd in part*, 452 F.2d 163, 171 U.S.P.Q. (BNA) 513 (7th Cir. 1971).

[104] *Id.* at 647, 164 U.S.P.Q. (BNA) at 162.

[105] *See* 28 U.S.C. §§ 471-482 (1994). In particular, section 473(a)(6) requires each United States district court to consider the "authorization to refer appropriate cases to alternative dispute resolution programs" in the formulation of the provisions of its civil justice expense and delay reduction plan. 28 U.S.C. § 473(a)(6) (1994).

appointed as a mediator or settlement master in several patent cases. Courts normally select mediators from lists of attorneys who have volunteered to be mediators in settlement situations. Most courts, however, do not try to match a particular case and its subject matter to the mediator's expertise. This often leads to situations in which a non-patent attorney is assigned as a mediator in a patent case. Because most counsel in this situation would prefer a mediator who has knowledge of both the technology and patent law, counsel often requests the court to appoint a candidate not from the agreed upon list. This often leads to appointment of patent attorneys as mediators.

Special Masters also serve in Early Neutral Evaluation, as required, for example, by the Northern District of California.[106] The court directs experienced neutral litigators to host an evaluation session. The parties normally submit statements identifying the issues, as well as discovery which might contribute to meaningful settlement negotiations. Both clients and counsel must attend this meeting. Each side presents its case and answers questions from the evaluator. The evaluator then assesses the strengths and weaknesses of the evidence and suggests an overall evaluation range. If the parties are interested in settlement at that time, the evaluator can attempt to assist in that process. If the parties go forward with the litigation, the evaluator helps plan for discovery.

Another situation where masters might be used is one in which a patentee sues an entire industry. The multitude of defendants sometimes creates a situation similar to mass tort suits. Special masters have often been used in the mass tort area, such as in the asbestos,[107] Agent Orange,[108] and DDT cases.[109] The court used special masters in those cases to help manage the cases and simplify discovery.

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[106] *See* U.S. DIST. CT. RULES N.D. CALIF. ADR L.R. 5-1.

[107] *See In re* Joint Eastern and Southern Districts Asbestos Litig., 22 F.3d 755, 757 n.1 (7th Cir. 1994).

[108] *See In re* Agent Orange Prod. Liab. Litig., 597 F. Supp. 740, 750 (E.D.N.Y. 1984).

[109] *See* United States v. Montrose Chem. Corp., 50 F.3d 741, 745 (9th Cir. 1995).

One commentator has grouped the reasons for referrals to evaluate scientific matters (not necessarily limited to patent cases) into four categories: (1) to evaluate scientific and technical evidence presented at trial by the parties or by other experts; (2) to assess claims and facilitate settlement, such as claims of loss in product liability cases; (3) to educate the fact-finder in the subject matter of particular controversies, such as patent disputes; and (4) to analyze and evaluate quantitative evidence, such as statistical evidence of discrimination.[110]

E. *Carrying Out Assigned Duties*

At the *Alpex* pretrial hearing, I ruled on evidence objections, pursuant to Rule 53 of the Federal Rules of Civil Procedure. Four distinct areas of possible dispute arose during the hearing. The first dispute was whether any claim construction, particularly concerning the meaning of a particular word or words in a claim, was an issue of fact. The second dispute concerned who was the hypothetical person of ordinary skill of the art to whom the claims are directed. Nintendo argued it was a person knowledgeable about computers, whereas Alpex alleged it was a person knowledgeable about electronic games. The third dispute was about the type of extrinsic evidence the court should consider in claim construction, which was especially important because a matter of law was at issue. The parties agreed that the patent, the file history, and expert testimony were appropriate. However, Nintendo urged that evidence of the circumstances surrounding the inception of the invention, including the development work which led to the alleged invention, should be considered. This would include such things as the inventor's testimony, including the inventor's lab notebooks.[111] The fourth dispute was whether admissions in counsels' opinions produced on the issue of willful infringement should be included in claim construction.

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[110] *See* Margaret G. Farrell, *Coping with Scientific Evidence: The Use of Special Masters*, 43 EMORY L.J. 927, 952 (1994).

[111] The subsequent case of Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 39 U.S.P.Q.2d (BNA) 1573 (Fed. Cir.1996), makes clear that only the patent and the file history, if in evidence, should be considered. Other extrinsic evidence, such as inventors' or experts' testimony should normally be excluded. *See id.* at 1584, 39 U.S.P.Q.2d (BNA) at 1578.

My rulings on these disputes were as follows: (1) the court construes a claim according to what it means to a person of ordinary skill in the art, with help of expert testimony if needed, except when there is an ambiguous term, at which point that is a question of fact for the jury; (2) the person of ordinary skill in the art is a fact question to be decided by the jury; (3) testimony is limited to the patent and expert testimony. Extrinsic evidence of the inventors' understandings and the work done leading to the patented invention was excluded; and (4) because neither party believed it was appropriate to consider whether counsels' opinions might be admissions, they presented no such evidence at the hearing. I therefore did not consider this evidence, although I raised the issue at the hearing. Note that this was a bifurcated trial, with damages and willful infringement to be tried in the second phase. Thus, testimony as to possible attorneys' admissions in opinions would not be presented during the initial liability phase.

Upon reflection, it may have been more appropriate for Judge Wood to have ruled on the evidence objections than for me, or at least to have overruled any rulings I made on the spot if she disagreed. In this way there would be a full and complete record at the pretrial hearing that should mirror the evidence the court believed was appropriate for claim construction. As noted, the Judge adopted my initial report.[112]

As noted earlier, I did not completely construe the claims because the record was incomplete. Judge Wood asked that I continue in my capacity as Special Master during the trial to construe the claims when the

[112] It is clear that the hearing I conducted and the report I wrote would not be the same today. *Markman* establishes that the issue of claim construction is entirely a matter of law for the judge. There are no factual issues on claim construction to be submitted as fact findings to the jury. *See* Markman v. Westview Instruments, Inc., 52 F.3d 967, 34 U.S.P.Q.2d (BNA) 1321 (Fed. Cir. 1995), *aff'd*, 517 U.S. 370, 38 U.S.P.Q.2d (BNA) 1461 (1996). Additionally, *Vitronics* confirms that extrinsic evidence, such as inventor testimony and the work performed leading to the invention, should not be considered in claim construction. It further indicates that extrinsic evidence should rarely be heard. Intrinsic documents such as patents and dictionaries are said by the court to be more objective as reliable guides than expert testimony. Indeed, the court stated that such documents are preferred over expert testimony. The court indicated that expert testimony should rarely be received on the issue of claim construction. *See* Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 39 U.S.P.Q.2d (BNA) 1573 (Fed. Cir.1996).

record became complete. Because I was already attending the trial, another function I was asked to undertake was as an advisor on patent law and practice, as well as on the technology in the suit. This was done with the concurrence of the parties and at the request of the court.[113]

During the trial I occupied the table with the law clerks next to the bench. When an objection was argued at sidebar that related to my patents or technology assignments, I would go to the bench and listen to the arguments being made. When the judge thought it appropriate, she would ask the parties whether they objected if she conferred with me. For the first week or so of trial, neither of the parties objected. The judge would confer with me in private at the side of the bench and then make her ruling. After some period of time, one of the parties did object to the judge conferring with me outside its presence. Because the conferring was done with the consent of the parties, the judge stated she would no longer confer with me outside the presence of the parties. Thereafter, when the judge wished my views on a particular area, I would be put on the witness stand at the end of the day, where she could ask me questions on the record. The parties would then cross examine me to amplify or supplement the statements that I had made in response to the judge's questions. All of this was on the record and transcribed by the reporter.[114]

This procedure worked well. The main issues for counsel, however, are first, to define exactly what the special master's duties are if he or she

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[113] Rule 53 of the Federal Rules of Evidence does not specifically state whether ex parte communications with the judge is prohibited. However, as a court-appointed officer with quasi-judicial responsibilities, it is clear that the special master should keep ex parte communications to a minimum and remain impartial. The code of judicial conduct for the United States judges does not specifically indicate that it applies as well to special masters. Commentators at least seem to be split on whether the code does apply. *See generally*, Kenneth R. Fineberg, *Creative Use of ADR: The Court-Appointed Special Settlement Master*, 59 ALB. L. REV. 881, 891 n.26 (1996).

[114] An interesting sidelight was that one of the experts, being unfamiliar with the nuances of court proceedings, mentioned my name in making his presentation to the jury, apparently because of my role at the trial. This resulted in a motion for a mistrial, because I had never been formally identified to the jury. The motion was denied because the reference had no impact on the jury.

attends trial, and second, to define the procedure under which the special master will implement those duties. Should the special master and the judge have free and ready ex parte access? If not, in what areas should there be some restriction? Should any communication between the judge and the special master be on the record?

One particularly difficult issue arises if the master perceives the case differently than either party. This could be particularly true when a master is construing claims in a situation in which both sides are espousing extreme claim constructions based on their view of how best to win the case, and the master does not accept either party's construction. Alternatively, should the master help a party when the party's lawyer does not appreciate all of the issues or where one party is believed to be more strongly represented by counsel than the other? Does the master then have a duty or right to share his perception? In such situations in which the master is acting in a judicial-like capacity, he or she should handle this situation like a judge would in the same situation.

Rule 53 does not specifically provide whether there can be ex parte communications between the special master and the parties, or the special master and the judge. Therefore, when the issue has been raised, judges have not been entirely consistent. Some view such communications as improper for both the master and the judge without the party's consent, while others do not.[115]

The extent of ex parte communications with the parties also will depend on the function of the special master. If the special master is to engage in settlement discussions, for example, then ex parte communication with the parties should be allowed. Where the purpose of the appointment is to obtain the master's recommended findings of fact, ex parte communication appear inappropriate because the judge must review these findings under a clearly erroneous standard. On the other hand, discussion of merely administrative matters concerning the performance of the special master's duties does not seem to raise any prejudice, so long as the parties are informed about the substance of the conversations between the master and the judge.

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[115] *See generally* James S. DeGraw, *Rule 53, Inherent Powers, and Institutional Reform: The Lack of Limits on Special Masters*, 66 N.Y.U. L. REV. 800, 816-24 (1991).

F. *Liability Of The Special Master*

Many masters would be surprised to learn that liability for dereliction of duty is not without question. The question probably hinges on the nature of the functions a master performs. If the special master performs functions that are essentially judicial, he or she may enjoy judicial immunity. In suits against judges for personal liability, a distinction has been made between the adjudicatory functions of the judges, which are found to be immune from suit, and their administrative, managerial and executive functions, which have been found to be susceptible to suit.[116]

On the question of special master liability, courts generally extend absolute quasi-judicial immunity to non-judicial officials whose official duties have an integral relationship with the judicial process.[117] The Supreme Court has reasoned that judicial immunity may be extended to officials other than judges when "their judgments are functionally comparable to those of judges—that is, because they, too, exercise a discretionary judgment as part of their function."[118] Indeed, courts have extended absolute quasi judicial immunity to special masters.[119] It also has been held that judicial immunity extends to mediators, arbitrators, and others appointed by the court to play a role in alternative dispute resolution programs.[120]

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[116] *See, e.g.*, Barrett v. Harrington, 130 F.3d 246 (9th Cir. 1997) (holding that a judge was entitled to absolute immunity for contacting prosecutors to prompt investigation of litigant's allegedly obstructive conduct, but that the judge was not entitled to immunity for allegedly retaliatory statements to the media), *cert. denied*, 118 S. Ct. 1517 (1998).

[117] *See, e.g.*, Imbler v. Pachtman, 424 U.S. 409 (1976); Ashbrook v. Hoffman, 617 F.2d 474, 476 (7th Cir. 1980).

[118] Antoine v. Byers & Anderson, Inc., 508 U.S. 429, 436 (1993).

[119] *See* Atkinson-Baker Assoc., Inc. v. Kolts, 7 F.3d 1452, 1454-55 (9th Cir. 1993) (noting that a special master "clearly exercise[s] discretionary judgment as part of his function.").

[120] *See* Wagshal v. Foster, No. 92-2072 (TPJ), 1993 WL 84699 (D.D.C. 1993) (challenging a case evaluator on conflict of interest grounds).

Because of the uncertainty of the law, special masters should investigate whether purchase of special liability insurance should be obtained.

G. *Compensation*

Under Rule 53 of the Federal Rules of Civil Procedure, the court fixes the compensation to be paid to the special master, which is taxed as a cost.[121] This does not necessarily mean that the parties will share equally. Judges have assessed the entire cost to one party, and have even assessed it against amici.[122] The standard rate is the practitioner's normal hourly rate.[123] Some judges, however, ask masters to discount their fees to subsidize justice in the public interest.

It is fairly routine for a special master to have someone assist him or her. That might be an associate or paralegal. Normally, hourly rates prevail in this case as well. Additionally, expenses, such as clerical and legal computer services, are usually billed separately.

III. CONCLUSION

With the widespread use of *Markman* pretrial hearings, and the effect claim construction has on the entire case, many judges are turning to special masters for assistance. The appointment process, the special master's assigned tasks, and his or her interaction with the court and the parties should be carefully considered and planned. With appropriate foresight, a special master can greatly increase the quality of justice in our court system.

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[121] *See* FED. R. CIV. P. 53(a) ("The compensation to be allowed to a master shall be fixed by the court, and shall be charged upon such of the parties or paid out of any fund or subject matter of the action, which is in the custody and control of the court as the court may direct.").

[122] *See* Nebraska v. Wyoming, 504 U.S. 982 (1992).

[123] *See* Linda Silberman, *Judicial Adjuncts Revisited: The Proliferation of Ad Hoc Procedure*, 137 U. Pa. L. Rev. 2131, 2150 n.104 (1989) ("Ordinarily, masters will charge their hourly fees unless some other arrangement has been made, and the courts will generally appoint them at that rate.").

The current Federal Rules of Civil Procedure, however, are an impediment to reference of claim construction to special masters. With *Vitronics* holding that a judge may not refer to extrinsic evidence as expert testimony, a judge may be ill-equipped to construe claims in complex technologies. Our bar associations should investigate whether Rule 53 should be expanded to allow referral where the subject matter of the litigation is technologically complex.

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TRADEMARKS AS METATAGS: INFRINGEMENT OR FAIR USE?

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I. INTRODUCTION

In the fast-developing world of Internet law, clashes over the use of trademarks are common.[1] In recent months, however, a series of cases has raised unique questions about the ability to protect trademarks on the Internet as well as the overall role of trademarks in commerce. The issue involves the unauthorized use of trademarks as "metatags" in various World Wide Web sites. To date, at least three trademark owners have sought to enjoin the use of their marks as metatags,[2] and the results of their suits are likely to have far-reaching ramifications in the area of electronic commerce.

Metatags are keywords. Embedded in the hypertext markup language ("HTML") of a Web site, most Internet search engines recognize metatags. These metatags are tools that allow the owner of a Web site to use terms and phrases that are not visible to a user yet enable the user to receive data retrieved by a search engine.

Search engines are widely used on the Internet to retrieve information and locate Web pages. Lately, the content and arrangement of metatags has become a major factor in determining how many "hits" per day a given Web site will receive.[3] In order to boost their search engine rankings

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[1] *See, e.g.*, Cardservice Int'l., Inc. v. McGee, 950 F. Supp. 737, 42 U.S.P.Q.2d (BNA) 1850 (E.D. Va. 1997); Zippo Mfg. Co. v. Zippo Dot Com, Inc., 952 F. Supp. 1119, 42 U.S.P.Q.2d (BNA) 1062 (W.D. Pa. 1997); Intermatic Inc. v. Toeppen, 947 F. Supp. 1227, 40 U.S.P.Q.2d (BNA) 1412, *adopted in full*, 41 U.S.P.Q.2d (BNA) 1223 (N.D. Ill. 1996); Hasbro, Inc. v. Internet Entertainment Group, Ltd., 40 U.S.P.Q.2d (BNA) 1479 (W.D. Wash. 1996).

[2] *See* Insituform Techs., Inc. v. National Envirotech Group, L.L.C., No. 97 Civ. 2064 (E.D. La., final consent judgment entered Aug. 27, 1997); Playboy Enters., Inc. v. Calvin Designer Label, 985 F. Supp. 1220, 44 U.S.P.Q.2d (BNA) 1156 (N.D. Cal. 1997); Oppedahl & Larson v. Advanced Concepts, No. 97 Civ. Z-1592 (D.C. Colo., complaint filed July 24, 1997).

[3] The number of hits per day a Web site receives is directly related to its "ranking" on the ten major Internet search engines. While the exact algorithms used by these search engines to rank Web sites are considered proprietary, most involve a process of locating key words and phrases within the text of the site as well as its metatag section. The metatag section allows Web site operators to include large lists of related words and phrases, including commonly misspelled terms and multiple

and hit rates, Web site owners will often include popular words, including famous trademarks, in their metatags. The actual content of the metatag section often appears to be irrelevant. Content is important only insofar as it serves as an effective hit generator among a target audience.

Many commentators have described the unauthorized use of "invisible" trademarks as deceptive.[4] Indeed, to the average observer, the practice may seem opportunistic, even unscrupulous. As metatag infringement cases begin to percolate through the courts, it is likely that many judges will view this practice with a jaundiced eye. Based on the limited judicial action taken in this area, it appears that some courts would hold any unauthorized use of an "invisible" trademark deceptive *per se*.[5]

This article argues against the development of such a broad rule of law. Case law stemming from the Lanham Act reveals that not every apparently improper unauthorized use of a trademark is necessarily deceptive. A number of fair uses have been recognized, permitting an otherwise unauthorized use of trademarks, even for the purpose of fostering direct competition. The rationale behind these exceptions reveals a balance of three important principles: (1) protecting the intellectual property rights of trademark owners; (2) protecting individuals' right to free speech; and (3)

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variations of the same phrase, which would (1) not fit within the text of the site or (2) detract from the site's aesthetic, literary, or artistic presentation. Telephone Interview with Enod Lott, Technical Assistant at *Infoseek* (Apr. 22, 1998).

[4] *See* John Eckhouse, *Seek and ye shall find . . . what?*, HOME PC, Dec. 1, 1997, at 212 (describing the use of invisible trademarks as unscrupulous and sly); M.A. Stapleton, *On 'Information Highway' Vigilance Is Toll That Must Be Paid*, CHICAGO DAILY LAW BULLETIN, Nov. 19, 1997, at 2, 22 (reporting the comments of Eileen Kent, Vice-President for New Media for Playboy Enterprises, Inc.); John Fontana, *Trademark Trickery*, INTERNETWEEK (Sept. 29, 1997) <http://www.techweb.com/wire/news/1997/09/0929piracy.html> (describing invisible trademark use as a "blatant case of piracy").

[5] In *Playboy Enters., Inc.*, the court granted a preliminary injunction based in part on the defendant's use of metatags and noted an "absence of any public interest factors militating against the interim relief sought." 985 F. Supp. at 1221, 44 U.S.P.Q.2d (BNA) at 1157.

ensuring that the property right associated with trademark ownership does not unduly hinder free market competition.

This article examines each of these principles in an attempt to determine whether a fair use exception is warranted in some metatag situations. The discussion begins with a short history of metatag case law and a summary of the Lanham Act. This article also examines the threshold question of whether or not a metatag should be considered "use" of a trademark within the meaning of the Lanham Act. In addition, this article considers various issues of free speech as they relate to the use of metatags. The use of "invisible" trademarks on the Internet is compared to the conventional use of trademarks in comparative advertising. Finally, this article addresses the need for narrowly crafted judicial decisions in this area and suggests a possible legal approach.

II. BACKGROUND

A. Insituform v. National Envirotech

The first trademark case involving the use of metatags was *Insituform Technologies, Inc. v. National Envirotech Group, L.L.C.*[6] In that case, the defendant had embedded the words "INSITUPIPE" and "INSITUFORM" into its Web site, in the form of hidden metatags. Both words were federal trademarks registered to the plaintiff.

In addition to the metatag use, the defendant also displayed portions of Insituform's marketing materials, suggesting a false affiliation between Insituform and National Envirotech. Thus, users searching for information about Insituform were likely to be led to the defendant's Web site by the presence of the unauthorized metatags, and once at the site, they were likely to have mistakenly assumed a connection between the two companies.

Insituform was not a pure metatag case since it also involved more conventional unauthorized uses of the plaintiff's marks, such as the use of the plaintiff's marketing materials on the defendant's Web site. Nonetheless, as part of a settlement agreement between the parties, the court issued a consent decree barring the defendant from using the

[6] No. 97 Civ. 2064 (E.D. La., final consent judgment entered Aug. 27, 1997).

plaintiff's trademarks as metatags in the defendant's Web site.[7] The decree also enjoined the defendant from displaying various marketing materials of the plaintiff, including photography, slogans, and illustrations on its Web site.[8]

B. Playboy Enterprises v. Calvin Designer Label

A similar situation arose in *Playboy Enterprises, Inc. v. Calvin Designer Label*.[9] In that case, the plaintiff, Playboy Enterprises, Inc. ("PEI"), alleged that the defendants, Calvin, were using the federally registered trademarks "PLAYBOY" and "PLAYMATE" in their commercial Web site service. As in *Insituform*, Calvin's use of plaintiff's marks was not confined to the Web site's metatag section. For example, the defendants allegedly used the marks in their domain name ("www.playboyxxx.com"), in the name of their service ("Playmate Live Magazine"), and within the text of their Web site ("Get it all here @ Playboy").[10] PEI's complaint alleged trademark infringement under the Lanham Act, false designation of origin, and false representation.

The court granted the plaintiff's motion for a preliminary injunction and barred the defendants from using the marks "PLAYBOY" and "PLAYMATE" in their domain name and as part of their Web site service name.[11] Additionally, the preliminary injunction barred the defendants' use of the trademarks "in buried code or metatags on their home page or Web pages or in connection with the retrieval of data or information. . . ."[12] This result indicates the court's unwillingness to distinguish potential legal differences between "conventional" (*i.e.*, visible) trademark infringement and the use of *invisible* trademarks on the Internet.

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[7] *See id.*

[8] *See id.*

[9] 985 F. Supp. 1220, 44 U.S.P.Q.2d (BNA) 1156 (N.D. Cal. 1997).

[10] *See id.* at 1221, 44 U.S.P.Q.2d (BNA) at 1157.

[11] *See id.* at 1221-22, 44 U.S.P.Q.2d (BNA) at 1157-58.

[12] *See id.* at 1221, 44 U.S.P.Q.2d (BNA) at 1157.

C. Oppedahl & Larson v. Advanced Concepts

As noted previously, *Insituform* and *Playboy* were not pure metatag cases because both involved attributes of conventional trademark infringement. The pending case of *Oppedahl & Larson v. Advanced Concepts*,[13] however, may be a dispute in which the alleged infringement is confined strictly to the use of metatags. The plaintiff, an intellectual property law firm, alleges that the defendant purposely used the firm's name (a common law trademark) as a metatag to attract customers to the defendant's Web site. Oppedahl is seeking an injunction based on unfair competition, dilution, and common law trademark infringement theories.

What distinguishes *Oppedahl* from *Insituform* and *Playboy* is that *Oppedahl* does not involve the overt use of the plaintiff's mark in a way that would ordinarily be considered deceptive. Indeed, Internet users who arrive at the defendant's Web site never see the words "Oppedahl & Larson." Thus, users have no reason to assume a connection between plaintiff and defendant except that defendant's Web site address appears on a search engine list resulting from the search term "Oppedahl & Larson." Arguably, a reading of this list might impute a connection between the search term and the defendant's Web site.

D. *Lanham Act Issues*

Civil actions for trademark infringement may be brought under state statutory law, state common law of unfair competition, or the Federal Trademark Act of 1946 (commonly referred to as the Lanham Act). While there are differences among these various grounds for legal action, as a common denominator, they share issues of infringement and likelihood of confusion.[14] In view of this commonality, we chose to focus this discussion primarily on the Lanham Act.

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[13] No. 97 Civ. Z-1592 (D.C. Colo., complaint filed July 24, 1997).

[14] *See* 2 JEROME GILSON, TRADEMARK PROTECTION AND PRACTICE § 5.01[2][b] (1998).

Under Section 32(1) of the Lanham Act, a party is liable for trademark infringement if that party, without the consent of the registrant:

> (a) use[s] in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or
>
> (b) reproduce[s], counterfeit[s], cop[ies], or colorably imitate[s] a registered mark and appl[ies] such . . . to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce . . .[15]

Section 43(a)(1) states, in pertinent part, that a party is liable for infringement if that party

> uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which
>
> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, . . . or

[15] *See* 15 U.S.C. § 1114 (1997).

> (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of . . . goods, services, or commercial activities, ...[16]

Section 43(c) outlines the federal anti-dilution statute under which the owner of a famous mark may enjoin the commercial use of any other mark that is likely to cause dilution of the distinctive quality of the famous mark. Unlike the other two Lanham Act sections described above, Section 43(c) is equitable in nature and does not require proof of likelihood of confusion. However, Section 43(c) excludes from liability all noncommercial uses and comparative advertising, as well as all forms of news reporting and commentary.[17]

III. USE IN COMMERCE

The familiar focus in many trademark infringement suits is the question of likelihood of confusion. Before one gets to that question, however, a threshold element of Sections 32(1), 43(a), and 43(c) must be met: a determination that the allegedly infringing mark was used in commerce. Thus, when considering the unauthorized use of an invisible trademark, an initial question that must be addressed is whether such use, which is entirely hidden from the view of consumers, should be considered a "use in commerce" within the meaning of the Lanham Act.

While there is not yet any precedent on the subject of "metatag infringement,"[18] one analogy may be drawn from cases involving so-called "vanity numbers." These are telephone numbers, often toll-free, that spell out easily remembered words, names, or pneumonic devices so that a user can call a desired party without having to remember a series of digits. Some of these numbers become very valuable as a result of advertising campaigns

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[16] 15 U.S.C. § 1125(a) (1997).

[17] 15 U.S.C. § 1125(c)(4) (1997).

[18] *See* cases cited *supra* note 2. None of these cases to date have resulted in a final judgment.

that create widespread consumer recognition, and for this reason, owners usually seek trademark protection.

A. Holiday Inns v. 800 Reservation

In *Holiday Inns, Inc. v. 800 Reservation, Inc.*,[19] the plaintiff, Holiday Inns, alleged infringement of its trademark vanity number "1-800-HOLIDAY." The plaintiff reserved that number to enable people to call for reservations at a Holiday Inn without being required to look up the number or memorize a series of digits. The defendants had secured the use of "1-800-H[zero]LIDAY," a telephone number that potential Holiday Inn customers frequently dialed by mistake when they confused the number zero with the letter "O" on the telephone keypad.

Although this case did not involve metatags, there are several significant similarities that may help shed light on this hitherto unexplored area of Internet law. First, both cases involve an unauthorized "user" of a trademark who seeks to capitalize on the advertising and good will generated by the actual owner of the mark by incorporating features of that mark. Second, both cases involve consumers, who, to some degree, manifest a desire to seek out a specific brand of goods or services by typing or dialing a trademark word or pneumonic associated with that brand. Third, and most significantly, both cases involve allegedly infringing trademarks intentionally designed to be "invisible" to the user. An Internet user who inputs a search request cannot see the metatags that are responsible for the Web sites that a search engine retrieves. Similarly, the errant phone dialer who inputs "1-800-H[zero]LIDAY" does not actually see a display of the plaintiff's trademark "1-800-HOLIDAY" when dialing the defendant's telephone number.[20]

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[19] 86 F.3d 619, 39 U.S.P.Q.2d (BNA) 1181 (6th Cir. 1996), *cert. denied*, 117 S. Ct. 770 (1997).

[20] Thus, both the Internet user and the phone dialer receive information based on their input. The source of that information, however, is not completely clear to the user. The Internet user receives a variety of Web site addresses which may or may not be related to what she is seeking. Likewise, the phone dialer is not sure of the exact nature of the location called (*i.e.*, a particular hotel, a reservation dispatcher, a travel agent, etc.). Both situations require the individual to make a decision, based on the information received from the input, as to whether or not to proceed.

The plaintiff in *Holiday Inns* argued that defendants had violated the Lanham Act by using Holiday Inns' trademark, or a mark that was confusingly similar to it. The defendants, on the other hand, maintained that they never used Holiday Inns' trademark because their phone number (1-800-405-4329) was phonetically and visually different from the plaintiff's. Although the defendants admittedly intended to benefit from consumer confusion regarding the "O" in 1-800-HOLIDAY, they argued that they had never actively advertised or publicized anything that would create or promote further confusion among Holiday Inns' customers.[21] In other words, they were passive recipients of the benefit.

The district court granted the plaintiff's motion for partial summary judgment on the issue of trademark infringement and enjoined the defendant from activating its 1-800-H[zero]LIDAY number.[22] On appeal, however, the Sixth Circuit reversed the judgment and dissolved the injunction.[23] The court's opinion was based on the fact that the defendants had not actually used the plaintiff's trademark number.[24] Since actual use is a threshold element of a Lanham Act violation, the court declined to consider arguments regarding the likelihood of confusion between the phone numbers.[25] The court did note, however, that the defendant did not cause any existing consumer confusion. Instead, the confusion was attributable to the plaintiff's failure to reserve "1-800-H[zero]LIDAY" for itself. Indeed, the court noted that several other large hotel chains had

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[21] *See Holiday Inns*, 86 F.3d at 620-21, 39 U.S.P.Q.2d (BNA) at 1182-83.

[22] *See* Holiday Inns, Inc. v. 800 Reservation, Inc., 838 F. Supp. 1247 (E.D. Tenn. 1993), *rev'd*, 86 F.3d 619, 39 U.S.P.Q.2d (BNA) 1181 (6th Cir. 1996).

[23] *See Holiday Inns*, 86 F.3d at 626, 39 U.S.P.Q.2d (BNA) at 1187.

[24] It is important to note that the Sixth Circuit Court of Appeals' focus was not on whether there was a use *in commerce*, but whether there was a *use* at all. Since the "in commerce" requirement is jurisdictional in nature, most courts construe it broadly. The *Holiday Inns* court, however, did not reach the "in commerce" question, because it found that the plaintiff's mark had not been "used" at all. *See* 86 F.3d at 624-25, 39 U.S.P.Q.2d (BNA) at 1186-87.

[25] *See Holiday Inns*, 86 F.3d at 624-25, 39 U.S.P.Q.2d (BNA) at 1186-87.

reserved as trademarks vanity numbers that had a zero in the place of the "O."[26]

Even though it was probably obvious to the court that the defendant's number was confusingly similar to the plaintiff's,[27] the court refused to hear arguments on the issue, because the mark had not been used.[28] Thus, the threshold requirement to a finding of infringement was not satisfied. The court focused primarily on the question of use rather than likelihood of confusion.

B. *Are Metatags "Used" In Commerce?*

Returning to the issue of trademark metatags, assume the following scenario. A defendant incorporates a plaintiff's trademark as an invisible code word to attract search engine hits to the defendant's Web site. The defendant's Web site contains no reference to the trademark, and he does nothing to create or promote confusion. He simply waits, passively, for consumers to visit his site. Is there any difference between this scenario and that discussed above in the vanity number case of *Holiday Inns*?

Certainly an argument could be made that the two situations are similar, because in each situation consumers are initially seeking information relating to a certain mark and then must decide how to use the retrieved information (*i.e.*, telephone connection or Web page). Under this argument, trademark metatags should be allowed, regardless of the likelihood of consumer confusion, because the threshold element of "use" is not triggered. Like the defendant in *Holiday Inns*, the metatag creator is essentially passive. Just as the former depends on the consumer's use of a telephone, the latter depends on the consumer's use of an Internet search

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[26] *See id.* at 620, 39 U.S.P.Q.2d (BNA) at 1182.

[27] The defendant acknowledged that his company reaped benefits *in direct proportion* to Holiday Inns' effort at marketing 1-800-HOLIDAY. *See id.* at 620, 39 U.S.P.Q.2d (BNA) at 1182.

[28] *See id.* 624-25, 39 U.S.P.Q.2d (BNA) at 1186-87.

engine. Neither defendant actively engages in advertising or any other activity designed to increase or perpetuate public confusion.[29]

A counter-argument, however, rejects the analogy between telephone consumers and Internet consumers and points out critical differences between the two scenarios. First, unlike the *Holiday Inns* defendants, the users of invisible trademarks do not depend on preexisting consumer confusion. When a consumer types a trademarked word into his search engine, he is neither confused about which brand he is looking for nor has he misspelled or mistyped a word. Any confusion that results between the time that he types in the search request and the time when he arrives at the defendant's Web site, results from the multitude of listings that appear as a result of his search. If he is unable to tell which of the listed sites is an authorized trademark site, then it cannot be said that his confusion was "preexisting." Although the issue of preexisting consumer confusion was not dispositive in *Holiday Inns*, it was considered by the court to lend weight to the decision in the case.[30]

Another important difference is that, unlike the plaintiff in *Holiday Inns*, Internet advertisers have no legally recognized process of "reserving" their trademarks from use as metatags in other sites. Their only recourse is to seek an injunction from a court *after* infringement has already occurred.[31] The issue of the plaintiff's burden to reserve the use of its mark properly was considered relevant (although not dispositive) by the *Holiday Inns* court. The plaintiff had the responsibility to ensure that "complimentary" numbers, such as 1-800-H[zero]liday, were removed from the market.

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[29] Note that in some cases, courts hold that the passive nature of Web sites does not subject owners to personal jurisdiction in those states that merely provide access to those sites. *See, e.g.*, SF Hotel Co., L.P. v. Energy Investments, Inc., 985 F. Supp. 1032, 45 U.S.P.Q.2d (BNA) 1308 (D. Kan. 1997).

[30] 86 F.3d at 624, 39 U.S.P.Q.2d (BNA) at 1185.

[31] This issue has received widespread attention in the area of domain names. *See* Lockheed Martin Corp. v. Network Solution, Inc., 985 F. Supp. 949, 44 U.S.P.Q.2d (BNA) 1865 (C.D. Cal. 1997); Intermatic, Inc. v. Toeppen, 947 F. Supp. 1227, 40 U.S.P.Q.2d (BNA) 1412, *adopted in full*, 41 U.S.P.Q.2d (BNA) 1223 (N.D. Ill. 1996); *see generally* KENT D. STUCKEY, INTERNET AND ONLINE LAW § 7.04 (1998) (describing Network Solution's evolving role as arbiter and distributor of domain names).

Ultimately, the question of whether a given trademark metatag constitutes a "use" of that trademark under the Lanham Act may depend on the particular facts of the case. The above discussion was merely intended to raise the possibility that invisible trademarks on the Internet might not trigger the "use" requirement of the Lanham Act and, thus, should not be considered a violation.

IV. FIRST AMENDMENT ISSUES

The issue of free speech may have some bearing on the legality of using another's trademark as a metatag. Although certainly not a claim in every situation, there may be cases where the argument would be valid.[32]

Under the doctrine set forth by the Supreme Court in *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc.*[33] and *Central Hudson Gas & Electric Corp. v. Public Service Commission of N.Y.*,[34] state and federal laws affording trademark protection must sometimes yield to First Amendment claims.[35] However, the outcomes of such cases depend on whether the use of the trademark is for noncommercial or commercial purposes.

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[32] *See generally* Terminiello v. Chicago, 337 U.S. 1, 4 (1949) (finding that "freedom of speech, though not absolute . . . is nevertheless protected against censorship or punishment, unless shown likely to produce a clear and present danger of serious substantial evil that rises far above public inconvenience, annoyance, or unrest").

[33] 425 U.S. 748 (1976).

[34] 447 U.S. 557 (1980).

[35] The Supreme Court outlined a four-part analysis for determining whether commercial speech is entitled to First Amendment protection. *Central Hudson*, 447 U.S. at 566. Initially, the analysis requires a determination of whether the expression, at a minumum, reflects a legal activity and is not misleading. Second, whether the asserted governmental interest is substantial. If both a legal, non-misleading statement and a substantial governmental interest exist, the analysis turns to a question of whether the regulation directly advances the governmental interests asserted, and finally, whether the effects of the regulation are overly broad to serve the governmental interest asserted. *Id.*

A. *Noncommercial Uses*

In cases involving the noncommercial[36] use of a trademark, the First Amendment usually outweighs both any state interest in regulating such use and the trademark owner's property rights in the mark. For instance, the First Circuit Court of Appeals in *L.L. Bean, Inc. v. Drake Publishers, Inc.*[37] held that a noncommercial parody of L.L. Bean's trademark in a sexually explicit magazine was a constitutionally protected form of speech.[38] Other courts have held accordingly,[39] although there have been exceptions.[40]

Many courts are especially receptive to the First Amendment argument in cases involving "traditional" forms of literature, art, and news

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[36] The differentiation between commercial and noncommercial use is not always clear. For a detailed discussion, see 4 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 31:152 (3d ed. 1992).

[37] 822 F.2d 26, 1 U.S.P.Q.2d (BNA) 1753 (1st Cir. 1987).

[38] *Id.* at 33, 1 U.S.P.Q.2d (BNA) at 1758 (determining that "[i]f the anti-dilution statute were construed as permitting a trademark owner to enjoin the use of his mark in a noncommercial context . . . a corporation could shield itself from criticism by forbidding the use of its name in commentaries critical of its conduct").

[39] *See, e.g.*, Hormel Foods Corp. v. Jim Henson Prods. Inc., 73 F.3d 497, 37 U.S.P.Q.2d (BNA) 1516 (2d Cir. 1996); Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ'g Group, Inc., 886 F.2d 490, 12 U.S.P.Q.2d (BNA) 1289 (2d Cir. 1989); Girl Scouts v. Personality Posters Mfg. Co., 304 F. Supp. 1228, 163 U.S.P.Q. (BNA) 505 (S.D.N.Y. 1969).

[40] *See, e.g.*, San Francisco Arts & Athletics, Inc. v. United States Olympic Comm., 483 U.S. 522, 3 U.S.P.Q.2d (BNA) 1145 (1987) (Defendant's noncommercial use of "Gay Olympics" was enjoined. Note, however, that Congress grant to plaintiff of the use of "OLYMPIC" differs from normal trademark protection, and unauthorized users do not have normal statutory defenses.); Pillsbury Co. v. Milky Way Prods., Inc., 215 U.S.P.Q. (BNA) 124 (N.D. Ga. 1981) (holding that sexually explicit parody of plaintiff's trademark characters violated Georgia's anti-dilution statute).

reporting.[41] In *Girl Scouts v. Bantam Doubleday Dell Publishing Group, Inc.*,[42] the Second Circuit seemingly extended First Amendment protection to an unauthorized use of a trademark, beyond parody and social/political commentary. Other cases involving newspapers and magazines have reached similar results.[43]

Thus, it is reasonable to conclude that an Internet site devoted to art, literature, or news, that uses another's trademark as part of its substantive content, should be permitted under the First Amendment to use the trademark as a metatag to inform search engine users of the Web site's Internet address.[44]

An analogy here is illustrative. Few would disagree that members of an organization dedicated to workers' rights have a First Amendment right to picket in front of "XYZ Co." Furthermore, under the rationale of *L.L. Bean*, there is little question that those picketers have a similar right to use XYZ's name and logo on their picket signs, either as a form of political commentary or parody.[45]

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[41] *See* 4 MCCARTHY, *supra* note 36, § 31:147 (noting that a "traditional communications medium such as a newspaper, magazine, radio or television" gives rise to a more potent First Amendment defense).

[42] 808 F. Supp. 1112, 25 U.S.P.Q.2d (BNA) 1737 (S.D.N.Y. 1992), *aff'd per curiam*, 996 F.2d 1477, 27 U.S.P.Q.2d 1316 (BNA) (2d Cir. 1993).

[43] *See, e.g.*, Dr. Seuss Enters., L.P. v. Penguin Book, USA, Inc., 109 F.3d 1394, 42 U.S.P.Q.2d (BNA) 1184 (9th Cir. 1997), *cert. dismissed*, 118 S. Ct. 27 (1997); New Kids on the Block v. News America Publ'g, Inc., 745 F. Supp. 1540, 16 U.S.P.Q.2d (BNA) 1283 (C.D. Cal. 1990); Yankee Publ'g, Inc. v. News America Publ'g, Inc., 809 F. Supp. 267, 25 U.S.P.Q.2d (BNA) 1752 (S.D.N.Y. 1992); Lucasfilm Ltd. v. High Frontier, 622 F. Supp. 931, 227 U.S.P.Q. (BNA) 967 (D.D.C. 1985).

[44] For a similar conclusion regarding the use of domain names for noncommercial purposes, see STUCKEY, *supra* note 31, § 7.04.

[45] *See* 4 MCCARTHY, *supra* note 36, § 31:148 ("[U]se of a mark in a purely communicative, non-trademark setting should be permitted or else trademark law could be used as a vehicle to stifle unwelcome discussion."); *accord* RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 25 cmt. i (1995) (hereinafter RESTATEMENT). Note, however, that in some jurisdictions the protesters must show that they have no other reasonable

Now imagine that the organization sets up an Internet Web site containing the same trademarks, logos, and social/political commentaries criticizing XYZ Co. By placing the XYZ name in the metatag section of the site, the organization will ensure that any Internet user seeking information on XYZ Co. will also retrieve the address of the organization's Web site containing information on XYZ's treatment of workers. How is this different than picketing in front of the company's building? Arguably, there is no difference.

This example illustrates that at least some trademark metatag uses may be protected under the First Amendment.

B. *Commercial Uses*

Cases involving the commercial[46] use of a trademark where the mark itself serves to identify the product in the marketplace have had different results. Some courts have suggested that unauthorized commercial use of a trademark is never protected under the First Amendment where alternate

way to convey their message. *See* Lighthawk, The Environmental Air Force v. Robertson, 812 F. Supp. 1095, 25 U.S.P.Q.2d (BNA) 2014 (W.D. Wash. 1993) (allowing an environmental group to use the character "Smokey the Bear" in its criticism of the U.S. Forest Service); *cf.* Reddy Communications, Inc. v. Environmental Action Found., Inc. 199 U.S.P.Q. (BNA) 630 (D.D.C. 1977) (denying defendants' First Amendment defense because alternate methods of criticism were available).

[46] These cases arise less often than those involving the noncommercial use defense. Often they involve the title of a book, movie, or other literary work that incorporates another's trademark. In other cases, the defendant has used a parody of the plaintiff's mark primarily as a means of selling merchandise. *See generally* 1 MCCARTHY, *supra* note 36, § 10.

avenues of expression exist,[47] and some authorities on the subject agree.[48] Many courts, however, first look to the question of whether the defendant's use of the mark creates a likelihood of consumer confusion.[49] Where such likelihood of confusion does not exist, the defendant's First Amendment claim will overcome the potential for public harm posed by its use of the mark.

It may be reasoned that, at least in some jurisdictions, where a defendant in a trademark metatag infringement suit asserts a First Amendment defense, the court must first evaluate the likelihood of confusion that such metatag use creates. Where likelihood of confusion is not found, and where the defendant's commercial use of the mark is legitimately related to some form of expression protected under the First Amendment (i.e. the title of an "on-line" magazine or work of art), the defendant may escape liability for infringement.[50]

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[47] *See, e.g.*, Dallas Cowboys Cheerleaders v. Pussycat Cinema, Ltd., 604 F.2d 200, 206, 203 U.S.P.Q. (BNA) 161, 165 (2d Cir. 1979) (stating that "[p]laintiff's trademark is in the nature of a property right and as such it need not 'yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist'" (citations omitted)).

[48] For one such commentary see, 2 GILSON, *supra* note 14, § 5.09[5][i], opining that "[a] total ban on the use of an infringing mark requiring the infringer to adopt a totally dissimilar mark, does not significantly affect his freedom of speech."

[49] *See* No Fear, Inc. v. Imagine Films, Inc., 930 F. Supp. 1381, 38 U.S.P.Q.2d (BNA) 1374 (C.D. Cal. 1995); *Girl Scouts*, 808 F. Supp. at 1121, 25 U.S.P.Q.2d (BNA) at 1743 (identifying the relevant test as "whether the risk of confusion as to the source of Defendant's merchandise is greater than the public interest in artistic expression"); Anheuser-Busch, Inc. v. L & L Wings, Inc., 962 F.2d 316, 22 U.S.P.Q.2d (BNA) 1502 (4th Cir. 1992); Rogers v. Grimaldi, 875 F.2d 994, 999, 10 U.S.P.Q.2d (BNA) 1825, 1828 (2d Cir. 1989) (construing the Lanham Act "to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression").

[50] For an example of this analysis, see Planned Parenthood Federation of America, Inc. v. Bucci, 42 U.S.P.Q.2d (BNA) 1430 (S.D.N.Y. 1997). The court enjoined defendant's use of the domain name "plannedparenthood.com" for the purpose of distributing anti-abortion literature. *Id.* at 1441. First the court determined defendant's use was

V. FAIR USES

A. *Comparative Advertising*

Probably the strongest argument in favor of allowing the unauthorized use of trademarks as metatags is that the results of such use could constitute a form of comparative advertising. This concept, and the closely related issue of false and deceptive advertising, will be discussed in the following two sections.

A "fair use" exception for comparison advertising has been recognized since at least 1910, when the Supreme Court in *Saxlehner v. Wagner*[51] allowed defendants to use the name of their competitor's product in an advertisement. In that opinion, Justice Holmes wrote:

> They have the right to tell the public what they are doing, and to get whatever share they can in the popularity of the [competing product] by advertising that they are trying to make the same article . . . .
>
> By doing so they are not trying to get the good will of the name, but the good will of the goods.[52]

These principles have been upheld repeatedly by the courts,[53] and comparative advertising has consequently become a mainstay of the

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commercial in nature, then it determined that the site was likely to cause public confusion. *Id.* at 1440-41.

[51] 216 U.S. 375 (1910).

[52] *Id.* at 380.

[53] *See, e.g.*, August Storck K.G. v. Nabisco, Inc., 59 F.3d 616, 35 U.S.P.Q.2d (BNA) 1211 (7th Cir. 1995); G.D. Searle & Co. v. Hudson Pharmaceutical Corp., 715 F.2d 837, 220 U.S.P.Q. (BNA) 496 (3d Cir. 1983); Upjohn Co. v. American Home Prods. Corp., 598 F. Supp. 550, 225 U.S.P.Q. (BNA) 109 (S.D.N.Y. 1984); Seven-Up Co. v. No-Cal Corp., 191 U.S.P.Q. (BNA) 202 (E.D.N.Y. 1976).

competitive marketplace in the United States.[54] In fact, comparative advertising is not only permitted under U.S. law but is actually encouraged. For instance, the official policy of the Federal Trade Commission is to promote truthful comparative advertising:

> Comparative advertising, when truthful and nondeceptive, is a source of important information to consumers and assists them in making rational purchase decisions. Comparative advertising encourages product improvement and innovation and can lead to lower prices in the marketplace.[55]

The Food and Drug Administration also supports this view,[56] as does most prevailing precedent from the bench.[57]

B. *Metatags As Comparative Advertising*

The argument that some trademark metatag uses may be acceptable forms of comparative advertising depends on a preliminary analytical step. Rather than focusing on the actual inclusion of the trademark term in the metatag section of a Web site, one must look instead at the results of such inclusion. This analysis is logical given the unique environment in which metatags are used. Since they are not visible to ordinary users and can only be read by search engines in the context of HTML, then to the extent that

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[54] For a short history of the evolution of comparative advertising on television, see 2 GILSON, *supra* note 14, § 5.09[2].

[55] *See* 16 C.F.R. § 14.15(c) (1997).

[56] *See* 21 C.F.R. § 101.13(j)(1)(ii)(A) (1997).

[57] *See August Storck K.G.*, 59 F.3d at 618, 35 U.S.P.Q.2d (BNA) at 1212 (Comparative advertising "is beneficial to consumers. They learn at a glance what kind of product is for sale and how it differs from a known benchmark."); Calvin Klein Cosmetics Corp. v. Lenox Lab., Inc., 815 F.2d 500, 564, 2 U.S.P.Q.2d (BNA) 1285, 1288 (8th Cir. 1987) (stating that "an imitator is entitled to truthfully inform the public . . . that it has produced a product equivalent to the original and that the public may benefit through lower prices by buying the imitation").

metatags are used in commerce at all,[58] such use is not manifested until a search engine actually reads the metatags in HTML and returns the results in user-readable form.

In practice, when a Web site operator inserts another company's trademark name into the metatag section of her Web site, she is ensuring her site's address will appear on any list generated by a user's search request for the other company's trademark name. How does this situation differ from what we observe every day in our local supermarket?

Assume a consumer walks into a supermarket or drug store looking for TYLENOL®[59] brand pain relief pills. Despite the fact that he specifically wants to purchase TYLENOL® brand pills and no others, when he arrives at the pain relief section of the store he will be confronted with dozens of different brands of pain relievers. In fact, a generic brand will probably be positioned right next to TYLENOL®, along with comparative information as to pricing and effectiveness. Thus, despite his initial desire to purchase only the TYLENOL® brand, the consumer will nonetheless be confronted with a multitude of competing products.

Now assume that the generic drug manufacturer and the maker of TYLENOL® both operate Web sites containing information about their respective products. The generic manufacturer wants to ensure that anyone who seeks information about TYLENOL® also has an opportunity to read about competing generic brands; therefore, it inserts "TYLENOL" in the metatag section of its Web site. Clearly, the methodology is different, but the results are substantially the same. Although the consumer initially wants TYLENOL's® Web site, he is nonetheless confronted with a multitude of competing Web sites to choose from.

The ability of consumers to compare products "side-by-side" is absolutely essential to the success of the Internet as an electronic marketplace. As every store owner knows, the key to a successful marketplace is the organization of consumer products in like groups and the availability of comparative pricing information, such that consumer

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[58] *See* discussion *supra* Part III.B.

[59] TYLENOL® is a registered trademark of Johnson & Johnson, New Brunswick, N.J.

decisions can be made quickly and efficiently. A grocery store in which different brands of cereal, bread, and soda are scattered all over the store will quickly go out of business. Likewise, an electronic marketplace in which product brands are consistently segregated from each other will never thrive among mainstream consumers.[60]

C. *False And Deceptive Advertising*

Clearly, comparative advertising has its limits. Under the infringement provisions of the Lanham Act, the use of a registered trademark in comparison advertising may be enjoined if such advertising is likely to cause confusion, mistake, or deception,[61] or if it misrepresents the nature, characteristics, qualities or geographic origin of the plaintiff's product.[62]

False advertising claims pursuant to Section 43(a) tend to be highly fact-specific, and are unlikely to be triggered by the mere use of an invisible metatag. Therefore, only likelihood of confusion will be discussed in this article.

1. Likelihood Of Confusion

A trademark holder establishes a *prima facie* case of trademark infringement by demonstrating that the allegedly infringing use of its mark is likely to confuse consumers as to the source of the product.[63] The question is whether, by its inherent nature, the unauthorized use of trademarks as metatags might fall prey to a judicial ruling that such use is likely to create confusion *per se*. We argue that such a rule would be overly broad and unjustified.

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[60] For a discussion of the role of trademarks on the Internet, see Jon H. Oram, Note, *The Costs of Confusion in Cyberspace*, 107 YALE L.J. 869 (1997).

[61] *See* 15 U.S.C. § 1114(1) (1997).

[62] *See* 15 U.S.C. § 1125(a) (1997).

[63] Weight Watchers Int'l v. Stouffer Corp., 744 F. Supp. 1259, 1268, 19 U.S.P.Q.2d (BNA) 1321, 1330 (S.D.N.Y. 1990).

The likelihood of confusion issue is a central and complex area of trademark law. For the sake of brevity, however, we choose here to discuss only the "classic" likelihood of confusion test as set forth in *Polaroid Corp. v. Polarad Electronics Corp.*[64]

2. The *Polaroid* Factors

In *Polaroid*, the court set out a series of factors that should be weighed in determining whether a defendant's mark is likely to cause consumer confusion.[65] The eight cited factors are: (1) strength of plaintiff's mark; (2) degree of similarity between the marks; (3) proximity of the products; (4) likelihood of defendant "bridging the gap"; (5) actual confusion; (6) defendant's intent in using the mark; (7) quality of the defendant's mark; and (8) the sophistication of buyers.[66]

Four of these factors, the strength and quality of plaintiff's mark, the proximity of the products, and the possibility of "bridging the gap," are entirely dependent on the specific facts of a given case. A fifth element, the similarity of the marks, can be addressed by assuming that nearly all trademark metatag cases will involve identical marks. Therefore, we will concentrate only on the remaining three factors, actual confusion, defendant's intent, and sophistication of buyers, which (at least to some degree) lend themselves to generalization.

a. *Actual confusion*

When using a search engine, a user inputs one or more search terms, and the search engine returns a list of Web sites ostensibly related to those terms. Depending on the settings of the search engine, this list may or may not contain textual descriptions of the sites. But, even if it does, those

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[64] 287 F.2d 492, 128 U.S.P.Q. (BNA) 411 (2d Cir. 1960), *cert. denied*, 368 U.S. 820 (1961).

[65] Although the *Polaroid* factors originally applied only to goods that were not in competition with each other, subsequent Second Circuit cases have applied them even when the products are in competition. *See, e.g.*, Physicians Formula Cosmetics, Inc. v. West Cabot Cosmetics, Inc., 857 F.2d 80, 8 U.S.P.Q.2d (BNA) 1136 (2d Cir. 1988).

[66] *See Polaroid*, 287 F.2d at 495, 128 U.S.P.Q. (BNA) at 413.

descriptions are often garbled, written in a foreign language, or simply unintelligible. Thus, consumer confusion may exist at the "list stage" before the user actually "visits" any of the listed sites.

At this point, the user may click any Web site address on the list to visit that site. With respect to consumer confusion, there are three possibilities: (1) the user actually thinks he is visiting the trademark owner's site, when in fact he is not; (2) the user is unsure as to the affiliation of the Web site but visits to "check it out;" or (3) the user knows that the site is not affiliated with the trademark owner but visits it anyway out of curiosity or genuine interest.

Clearly the last example is not indicative of actual confusion, but what about the first two? Let us consider the worst-case situation where the user thinks he is visiting the trademark owner's site when in fact he is not.

An analogous situation arose in *Lang v. Retirement Living Publishing Co., Inc.*,[67] in which the plaintiff alleged likelihood of confusion between her trade name "NEW CHOICES PRESS" and the defendant's magazine, "New Choices for the Best Years." In attempting to establish proof of actual confusion, the plaintiff testified that she had received several letters and over 400 phone calls from people attempting to reach the defendant's magazine.[68] However, the court found this evidence unconvincing because, although it clearly indicated some degree of confusion, it was not the type of confusion that the Lanham Act was designed to prevent. In other words, it was not related to the purchase and sale of goods.[69] As the court noted,

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[67] 949 F.2d 576, 21 U.S.P.Q.2d (BNA) 1041 (2d Cir. 1991).

[68] *See id.* at 582-83, 21 U.S.P.Q.2d (BNA) at 1046.

[69] *See id.*; *see also* Sea-Roy Corp. v. Parts R Parts, Inc., 907 F. Supp. 921, 36 U.S.P.Q.2d (BNA) 1188 (M.D.N.C. 1995); Beneficial Corp. v. Beneficial Capital Corp., 529 F. Supp. 445, 213 U.S.P.Q. (BNA) 1091 (S.D.N.Y. 1982); RESTATEMENT, *supra* note 45, § 20 cmt. b (Reporters' note, citing *Lang*, 949 F.2d 576, 21 U.S.P.Q.2d (BNA) 1041, and noting the Second Circuit's reliance on RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 20 (Tentative Draft No. 2, 1990), stating that "trademark infringement protects against mistaken purchasing decisions and not against confusion generally.").

"no evidence links the confusion evinced by the calls to any potential or actual effect on consumers' purchasing decisions."[70]

From this it should follow that, unless a defendant's or plaintiff's Web site leads directly to the purchase of goods or services, any confusion that exists between the two at the "list stage" should not be actionable under Section 32(1) or Section 43(a) of the Lanham Act.[71] For instance, a Web site that offers an "on-line" service, or an on-line order form, might have a cause of action if the plaintiff can prove that its on-line sales were diverted by confusion created by the defendant's Web site.

On the other hand, where a Web site merely advertises goods or services, and the defendant's site clearly identifies its goods or services as being distinct, no cause of action should arise. Any confusion that exists during the initial search engine listing is not directly related to a purchase decision. In other words, even if confusion exists at the "list stage," such confusion will be resolved upon visiting the defendant's Web site before a purchase decision is made.

The situation is different, of course, where consumer confusion continues to exist even after the user reaches the defendant's Web site. In this case, an argument could be made that the pervasiveness of the confusion might ultimately lead a consumer to enter into a commercial relationship with the defendant under the false impression that the defendant is affiliated with the plaintiff.

b. *Defendant's intent*

Although proof of the defendant's intent to deceive is not required to show likelihood of confusion, most courts will construe such proof as presumptive evidence of infringement and an inference that the public is likely to be deceived.[72] The question that we wish to entertain is whether

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[70] *See Lang*, 949 F.2d at 583, 21 U.S.P.Q.2d (BNA) at 1046.

[71] Of course, under Section 43(c) of the Lanham Act, the owner of a *famous* mark would still have a cause of action for trademark dilution. *See* discussion *infra* Part VI.B.

[72] *See* 2 GILSON, *supra* note 14, § 5.07[2][a].

the knowing use of trademarks as metatags should be interpreted as intentionally deceptive *per se*, thereby giving rise to "mechanical" judgments of infringement whenever a Web site owner uses an invisible trademark.

Aside from the malicious person who seeks to deceive the public solely for sport, there are two broad categories that can be used to describe most Web site operators who resort to using invisible trademarks. In the first category are "discrete users," who wish to have their Web sites included only on search engine lists relating to a specific trademark. This would include those who are marketing competitive or complimentary products; those who have newsworthy or politically-motivated information about the trademark owner or its product; and those who wish to display some form of art, literature, or parody related to the product or its manufacturer.

The second category consists of "indiscriminate users," which include those operators who simply want to increase the chances of receiving visits from Internet users who inadvertently stumble across their sites. In these cases, the operator does not particularly care which trademarks she uses, as long as they result in numerous hits for the site.

These categorical distinctions are important because it may be desirable to treat "discrete users" more leniently than "indiscriminate users" when allegations of trademark infringement are made. Unlike the latter group of Web site operators, discrete users show a reasonably close analogy in the pre-cyberspace world of commerce. An owner of a famous trademark has always had to tolerate competitors "clustering" around his stores,[73] placing advertisements in the same newspapers and magazines, and purchasing adjacent ads in the "Yellow Pages™." Similarly, in the world of electronic commerce, he should expect to tolerate equivalent practices.

c. *Sophistication of buyers*

Sometimes courts find that even competing products with similar trademarks are not likely to confuse the public because the buyers of such

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[73] The "clustering" of businesses, such as gas stations and fast food restaurants, is a very common commercial practice in the U.S. and one that is arguably beneficial to consumers, because it increases competition and centralizes many related consumer choices at a single location.

goods are exceptionally sophisticated. Thus, in *In re N.A.D., Inc.*,[74] the Federal Circuit refused to find the marks "NARKOMED" and "NARCO MEDICAL SERVICES" likely to cause confusion because, although the marks sounded similar, the relevant products were "complex pieces of technical apparatus of the kind which would be purchased only in consultation with an anesthesiologist or someone with equivalent technical knowledge."[75]

In addition, courts often use the "ordinary purchaser test" to determine whether ordinary purchasers, under ordinary conditions, would likely be confused as to the source of the defendant's products.[76] From these rules, it might be possible to assert an argument that Internet users, as a class, are more sophisticated than ordinary purchasers.

It might be said, that the average Internet user has enough savvy in the electronic marketplace to discern between genuine trademark sites and those of competitors and indiscriminate "hit-seekers." For instance, they are likely to know that genuine sites are usually listed high on the search engine list while those listed further down are usually not related to the trademark at all. Likewise, they might also discern from the domain names and short descriptions provided by the search engine that some sites are obviously not related to the trademark.

However, as Internet use becomes more prevalent, the veracity of any such "sophisticated consumer" argument is likely to diminish.[77] In other words, as the Internet user population grows it will come to reflect the population at large, including the propensity for consumer confusion in a less sophisticated marketplace.

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[74] 754 F.2d 996, 224 U.S.P.Q. (BNA) 969 (Fed. Cir. 1985).

[75] *See id.* at 999-1000, 224 U.S.P.Q. (BNA) at 971.

[76] *See* 2 GILSON, *supra* note 14, § 5.01[3][c][vii].

[77] *See* Oram, *supra* note 60, at 871 n.19 (highlighting the waning judicial assumption that Internet users are generally sophisticated).

VI. OTHER ISSUES

A. *Battle Of The Analogies*

Because the Internet is such a novel environment, analogies to the "real world" are both necessary and inevitable. Ever since the Interne gained its unfortunate moniker, "The Information Super Highway," however, many commentators have seemingly felt obliged to develop "highway" analogies of every conceivable nature. Unfortunately, not all o these accurately portray the complex world of electronic commerce.

For instance, some who have argued in favor of treating trademark metatag use as a *per se* violation of the Lanham Act have compared such use to putting up "fake" road signs on the highway. As a spokesperson for Playboy Enterprises said (regarding the hypothetical owners of a small bed and breakfast), "[i]f they can't put a Sheraton sign on the highway, they shouldn't be able to put an invisible sign on the information highway saying 'This way to the Sheraton.' It's deceptive."[78]

While technically correct, this analogy is not inclusive of all the possible legitimate uses that a bed and breakfast owner could make of a trademark metatag. For instance, why is it necessarily true that the insertion of the term "SHERATON®"[79] in the bed and breakfast owner's Web site is equivalent to saying, "this way to the Sheraton"? It could also be interpreted to mean: (1) "if you are interested in the SHERATON®, we have cheaper rates;" or (2) "our bed and breakfast is located just minutes from the SHERATON®;" or (3) "if the SHERATON® is full, try us;" or (4) "three out of four travelers prefer us to the SHERATON®." Likewise, the bed and breakfast owner could simply erect his billboard right next to SHERATON®'s billboard (zoning laws permitting) so that drivers would be forced to look at both signs at the same time. All of these would be

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[78] *See* Stapleton, *supra* note 4 (reporting the comments of Eileen Kent, Vice President for new media for PEI).

[79] SHERATON® is a registered trademark of ITT Sheraton Corp., Boston, Mass.

considered legitimate forms of comparative advertising and as such are encouraged under FTC policy.[80]

B. *"Cashing In" On Someone Else's Trademark?*

PEI's views on the propriety of trademark metatag use reflect an attitude, prevalent among many people, that such use is simply an attempt to trade on the good will of another's famous mark. This view, however, highlights an important and fundamental concept of trademark law that is sometimes overlooked, especially by courts struggling to provide strong protection to trademark owners. The principle was stated best in the landmark case of *Smith v. Chanel*:[81]

> The rule rests upon the traditionally accepted premise that the only legally relevant function of a trademark is to impart information as to the source of sponsorship of the product. . . .
>
> The courts . . . have generally confined legal protection to the trademark's source identification function for reasons grounded in the public policy favoring a free, competitive economy.[82]

Stated another way, the "spirit" of trademark protection is not to protect the investment that trademark owners may choose to make in extensive and costly advertising, but rather, to protect consumers against the nuisance of confusing and misleading marks. But consider the district court's opinion in *Holiday Inns*, in which it concluded that the defendant's use of 1-800-H[zero]LIDAY was "parasitic."

> The defendants derive benefit solely from Holiday Inns reputation. . . . If not for

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[80] *See* discussion *supra* Part V.A.

[81] 402 F.2d 562, 159 U.S.P.Q. (BNA) 388 (9th Cir. 1968).

[82] *See id.* at 566, 159 U.S.P.Q. (BNA) at 391.

> Holiday Inns spending millions of dollars on advertising each year, defendants would have no service whatsoever to provide to the consumer. For the defendants to be able to reap profits based solely on the advertising efforts and expenditures of others seems to be a clear violation of the spirit, if not the letter, of the Lanham Act.[83]

The Sixth Circuit chose not to follow this reasoning, holding tha such use was neither a violation of the letter nor the spirit of the Lanhan Act. But the district court's opinion illustrates a tendency among some courts to find that, even in the absence of a technical violation, a defendant's activity is somehow "unscrupulous" if it capitalizes on another's investmen in a trademark. As the court in *Chanel* explained, however, the correct lega inquiry is not whether a defendant has unscrupulously "cashed in" or another's mark.[84] Instead, the focus should be on whether or not the defendant's activity is likely to cause consumer confusion as to the source of the goods. Where such confusion is not likely, and notwithstanding the anti-dilution provision of Section 43(c),[85] the defendant's activity should be allowed unless it is clearly not in the best interests of consumers.

Section 43(c) applies to the unauthorized commercial use of "famous" trademarks.[86] Since Congress has provided special status to famous trademarks, a metatag that uses one of these marks should be subjected to a Section 43(c) analysis. In addition, however, metatags should be afforded the safe harbor exceptions under Section 43(c)(4) for fair use, noncommercial

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[83] *See* Holiday Inns, Inc. v. 800 Reservation, Inc., 838 F. Supp. 1247, 1255 (E.D. Tenn. 1993), *rev'd*, 86 F.3d 619, 39 U.S.P.Q.2d (BNA) 1181 (6th Cir. 1996).

[84] *See Chanel* 402 F.2d at 568-69, 159 U.S.P.Q. (BNA) at 594.

[85] Section 43(c) states, in part, that "the owner of a famous mark shall be entitled, subject to the principles of equity [and reasonableness] . . . to an injunction against [unauthorized use of that mark which] . . . causes dilution of the distinctive quality of the famous mark . . . ." 15 U.S.C. § 1125(c)(1) (1997).

[86] 15 U.S.C. § 1125(c) (1997).

use, and news reporting.[87] Thus, the use of an invisible famous trademark for comparative advertising should not be actionable under Section 43(c).

VII. SUGGESTED LEGAL APPROACH

In view of the issues surrounding the placement of invisible trademarks in Web sites, it is apparent that a "traditional" application of trademark law, which would hold this use as violating the Lanham Act, might unduly limit future use of the Internet as a means for communicating information. The Internet's purpose is to disseminate information, therefore, every precaution should be taken to prevent a rule of law that reduces the effectiveness of the Internet. Courts need to be cognizant of the value of the Internet as a conduit for commercial and noncommercial activity without abrogating the rights of trademark owners.

A ruling that the use of invisible trademarks in Web sites constitutes a *per se* violation of the Lanham Act would likely result in the removal of invisible trademarks from Web sites.[88] This would enable the owners of trademarks used on Web sites to limit the way that their competitors disseminate information about competing goods or services via the Internet. This type of restriction does not maximize the ability of the Internet to provide information to users. It must be remembered, "that confusion, not competition, is the touchstone of trademark infringement."[89] Therefore, courts presented with invisible trademark controversies should examine whether such use actually results in a likelihood of confusion to the consumer.

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[87] *Id.* Section 43(c)(4) states, in part, "[t]he following shall not be actionable under this section: (A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark." 15 U.S.C. § 1125(c)(4) (1997).

[88] In fact, some Internet search engines are already considering eliminating the use of metatags. *See* Fontana, *supra* note 4.

[89] Mutual of Omaha Ins. Co. v. Novak, 836 F.2d 397, 399, 5 U.S.P.Q.2d (BNA) 1314, 1316 (8th Cir. 1987); *see also* Hanson v. Triangle Publications, Inc., 163 F.2d 74, 78, 74 U.S.P.Q. (BNA) 280, 283 (8th Cir. 1947), *cert. denied*, 332 U.S. 855 (1948).

Judicial caution is advisable because the Internet has the potential to become a significant means by which consumers purchase goods and services. If the creator of a competing Web site is able to avoid a likelihood of confusion with the owner of a trademark, the competitor should not be precluded from using invisible trademarks in its Web site. Such use would further the goal of providing consumers on the Web with a greater variety of goods and services from which to choose. There may be many purchasers seeking to purchase a certain type of product who may not be aware of the brands available, but who know of a well-known brand in the same area of goods and/or services. Without invisible trademarks, or similar techniques, search engines might only retrieve Web sites specifically authorized by the trademark owner. Consumers using the Internet would then be deprived of the selection available in conventional store displays providing comparative advertising and generic product information.

In a situation in which a competitor distinguishes its Web site from a trademark owner's Web site, it would be unfair to limit consumer choice in selecting goods on the Internet to only well-known products. This practice would preclude a lesser known vendor from exposure to potential purchasers, who may actually be seeking the lesser-known vendor's goods.

The application of a mechanical rule against the use of invisible trademarks would result in the court performing a policymaking function. A preferred approach would be to balance the rights of trademark owners against those who use invisible trademarks in Web sites. Courts could perform this balancing by permitting those in the Internet community to self-regulate and resolve the issue prior to the courts' establishing a binding precedent. The Internet community may be in the best position to ascertain the needs of Internet users, both vendors and purchasers. The Internet community could institute a policy requiring all creators of Web sites using invisible trademarks to clearly disclose that there is no affiliation between the invisible trademark and the Web site that includes the invisible trademark.[90] One possible disclosure technique could be language in the Web site and/or a graphical indication, such as color coding, displayed at the list stage in such a fashion as to prevent the user from being confused about the source of the goods or services shown on a Web site.

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[90] *See, e.g.*, Jeffrey R. Kuester and Peter A. Nieves, *Hyperlinks, Frames and Meta-tags: An Intellectual Property Analysis*, 38 IDEA 243, 277-78 (1998) (recommending the use of disclaimers).

Alternatively, Web site providers could encourage those who wish to use registered trademarks in Web sites to use trademarks in portions of the Web site that are visible to the Internet user and properly identify the marks, rather than encoding the marks. This approach would enable retrieval but would eliminate confusion on behalf of the user regarding why a particular site was retrieved by the search engine. Encouraging this practice would enable a Web page owner to have an increased number of "hits" to the Web site and would also protect the rights of trademark owners.

With the Internet struggling to establish itself as a viable marketplace for consumer goods, courts should be careful not to hinder this effort with overly broad judicial rulings designed to protect trademark rights. Courts should be sensitive to the fact that industry self-regulation may provide a more effective means of striking a fair balance between the rights of trademark owners and the interests of Internet consumers in the creation of a free and competitive electronic marketplace.

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FUTURE MEETINGS calendar

1998

November 16-17	INTELLECTUAL PROPERTY OWNERS ASSOCIATION, IPO Annual Meeting, ANA Hotel, San Francisco, California (202-466-2396)
November 23	FOOD AND DRUG LAW INSTITUTE (FDLI) in cooperation with AIPLA, Striking the Right Balance Between Innovation and Drug Price Competition: Understanding the Hatch Waxman Act, Marriott at Metro Center Hotel, 775 12th Street, NW, Washington, DC (202-371-0649)
December 3-4	GERMAN-AMERICAN ACADEMIC COUNCIL in cooperation with the US NATIONAL ACADEMY OF SCIENCES and the MAX PLANCK INSTITUTE, 4th Public Symposium: The Changing Character, Use and Protection of Intellectual Property National Academy of Sciences Auditorium, Washington, DC (Robert D. Tuch, 202-296-2991)
December 9	INTELLECTUAL PROPERTY OWNERS ASSOCIATION and US PATENT AND TRADEMARK OFFICE, PTO Day, International Trade Center (Ronald Reagan Building), Washington, D.C. (202-466-2396)

1999

January 30-February 2	ABA-IPL SECTION, ABA - IPL 1999 Midwinter Meeting, Hyatt Regency Grand Cypress (tentative), Orlando, Florida (312-988-5639)
February 3-6	AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION, Mid-Winter Meeting, Walt Disney World Swan (Westin), Orlando, Florida (703-415-0780)
February 7-10	ASSOCIATION OF CORPORATE PATENT COUNSEL, Ritz Carlton, Palm Beach, Florida (Contact: Allen Richmond, Secretary, (918) 661-0512, Fax (918) 661-8739)
March 11-13	LICENSING EXECUTIVE SOCIETY, LES (USA & CANADA) Winter Meeting, Silverado Country Club, Napa Valley, California (703-836-3106)
April 12-13	ABA-IPL SECTION, ABA - IPL 1999 Spring CLE Meeting, Omni Shoreham Hotel, Washington, D.C. (312-988-5639)
April 22-24	AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION, Spring Meeting, Sheraton Chicago Hotel & Towers, Chicago, Illinois (703-415-0780)
May 22-26	INTERNATIONAL TRADEMARK ASSOCIATION, Washington State Convention and Trade Center, Seattle, Washington (Call Membership Services, (212) 768-9887)
June 20-23	ASSOCIATION OF CORPORATE PATENT COUNSEL, Silverado Country Club, Napa Valley, California (Contact: Allen Richmond, Secretary, (918) 661-0512, Fax (918) 661-8739)

June 23-27	ABA-IPL SECTION, ABA - IPL 1999 Summer IPL Conference, Sheraton Palace, San Francisco, California (312-988-5639)
August 6-11	ABA-IPL SECTION, 1999 Annual Meeting, Atlanta, Georgia (312-988-5639)
October 21-23	AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION, Annual Meeting, Crystal Gateway Marriott Hotel, Arlington, Virginia (703-415-0780)
October 23-30	LICENSING EXECUTIVE SOCIETY, LES (USA & CANADA) Annual Meeting, Marriott River Center, San Antonio, Texas (703-836-3106)

2000

January 26-29	AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION, Mid-Winter Meeting, La Quinta Resort & Club, La Quinta, California (703-415-0780)
April 29-May 3	INTERNATIONAL TRADEMARK ASSOCIATION, Denver Convention Center, Denver, Colorado (Call Membership Services, (212) 768-9887)
May 17-19	AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION, Spring Meeting, The Westin William Penn, Pittsburgh, Pennsylvania (703-415-0780)
September 9-16	LICENSING EXECUTIVE SOCIETY, LES (USA & CANADA) 2000 Annual Meeting, Sheraton Center, Toronto, Canada (703-836-3106)
October 19-21	AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION, Annual Meeting, Crystal Gateway Marriott Hotel, Arlington, Virginia (703-415-0780)

2001

January 31-February 3	AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION, Mid-Wintor Meeting, Boca Raton Resort & Club, Boca Raton, Florida (703-415-0780)
May 5-9	INTERNATIONAL TRADEMARK ASSOCIATION, San Francisco Marriott & Mascone Convention Center, San Francisco, California (Call Membership Services, (212) 768-9887)
May 9-11	AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION, Spring Meeting, Sheraton Palace, San Francisco, California (703-415-0780)

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