

World Media Law Report

This article first appeared in World Media Law Report on June 26 2008. If you are interested in subscribing, please visit www.worldmedialawreport.com.

June 26 2008 - USA

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Court requires 'negative keyword' option

In *Orion Bancorp Inc v Orion Residential Finance LLC* the US District Court for the Middle District of Florida has ordered that the defendant require the activation of the term 'Orion' as a negative keyword or negative adword in any internet advertising purchased or used. The decision shows that a negotiated settlement may lead to the obligation to use an infringed mark in a negative keyword and negative adword in all future internet advertising.



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Orion Residential Finance LLC offered financial and real estate-related services using the term 'Orion' in its advertising material and domain name ('orionresidentialfinance.com'). Orion Bancorp Inc, the owner of the marks ORION BANCORP, ORION BANK and ORION (and design), had been using the term 'Orion' extensively before Orion Residential started to use it.

Orion Bancorp sued Orion Residential for federal trademark infringement as one of nine counts in the filed complaint. Before Orion Residential entered an answer to the complaint, it commenced negotiations with Orion Bancorp in an attempt to obtain a resolution of the matter. During these negotiations, Orion Residential apparently agreed to some unusual terms. No answer was ever entered in the court proceedings by Orion Residential.

On Orion Bancorp's motion for entry of final judgment and agreed permanent injunction, the court took as true that the term 'Orion':

- was first used by Orion Bancorp in 1977; and
- had become a well-known and valuable service mark of Orion Bancorp for its high-quality banking services and related products before Orion Residential ever used the mark.

The court entered the agreed permanent injunction preventing Orion Residential from:

- any and all use of the terms 'Orion', 'Orion Residential Finance' or any other confusingly similar term; and
- purchasing or using any form of advertising including keywords or adwords in internet advertising containing any mark incorporating the trademark ORION or any confusingly similar mark.

This was routine practice.

Google Inc defines 'negative keywords' as a keyword advertising system that allows a party to instruct the system never to display a particular advertisement when a certain term is searched for. Competitor Yahoo!'s equivalent system is called 'excluded words'. As part of the negotiated settlement, the parties had agreed to ask the court to include in the final order a requirement that Orion Residential seek activation of the term 'Orion' as a negative keyword or negative adword in any future internet advertising purchased or used by Orion Residential. The court added the following explanatory footnote:

"For purposes of the court order, a 'negative keyword' or 'negative adword' shall mean a special kind of advertisement keyword matching option that allows an advertiser to prevent its advertisement from appearing when specific terms are a part of a given user's internet search or search string. It does not infer that [Orion Residential] may use the specific negative keywords or adwords for any other purpose."

Notably, the court's order gave Orion Residential five weeks to comply. Further, as part of the negotiated settlement and contrary to Orion Bancorp's demands (ie, demand for an accounting and payment of all profits gained by Orion Residential, all monetary damages suffered by Orion Bancorp and an award of attorney's fees and costs), each party was ordered to bears its own costs and legal fees incurred in connection with the action.

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