

No. 24-953

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IN THE  
**Supreme Court of the United States**

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LERNER & ROWE, P.C.,  
*Petitioner,*

v.

BROWN ENGSTRAND & SHELY LLC, D/B/A ACCIDENT  
LAW GROUP; JOSEPH L. BROWN,  
*Respondents.*

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ON PETITION FOR WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

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**BRIEF IN OPPOSITION TO  
PETITION FOR WRIT OF CERTIORARI**

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## QUESTIONS PRESENTED

When asserting a claim of trademark infringement, a plaintiff must show (1) it has valid and enforceable trademark rights, and (2) that the defendant’s use of its trademark is likely to cause confusion among an appreciable number of consumers. Courts evaluate the second element—likelihood of confusion—pursuant to a fact-intensive, multi-factor balancing test. Both the District Court and the Ninth Circuit applied this multi-factor balancing test and found that Petitioner failed to satisfy its burden. Respondent merely paid Google to display its ads along with search results for Petitioner, a common marketing practice known as competitive keyword advertising. None of the ads displayed Petitioner’s trademark. All of them included Respondent’s own federally registered trademark. Petitioner seeks to create new law that prohibits competitors from engaging in competitive keyword advertising except in very limited and impractical circumstances. The questions presented are as follows:

- Whether the Ninth Circuit applied the well-worn, multi-factor balancing test for “likelihood of confusion” recognized by all circuits?
- Whether the Ninth Circuit’s decision finding no likelihood of confusion—where all the defendant has done is use another’s mark as a keyword to trigger its own ad in which the other’s trademark does not appear—is consistent with the purposes of the Lanham Act?

**CORPORATE DISCLOSURE STATEMENT**

No publicly held corporation owns 10% or more of the stock of Joseph Brown & Associates, LLC, formerly known as Brown Engstrand & Shely LLC, the Respondent in this matter.

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## INTRODUCTION

Petitioner’s accusations of a circuit split are greatly exaggerated. The lower courts applied the well-worn, multi-factor balancing test for evaluating likelihood of confusion and concluded Petitioner could not meet its burden. Petitioner simply takes issue with the outcome, based on what it argues is a misapplication of those factors to the facts at issue.

Notwithstanding Petitioner’s severe representation of the decisions below, Respondent simply paid Google to serve its ads along with search results for Petitioner. This practice, known as competitive keyword advertising, is a common marketing tactic. Petitioner’s own search-engine expert acknowledged competitive keyword advertising is a common and legitimate practice. And Petitioner even admits to engaging in such practices itself.

None of the accused ads displayed Petitioner’s trademark to consumers. The ads all displayed Respondent’s federally registered trademark. The ads all included the bold word “**Ad**” in the top left corner, making it clear to viewers they were encountering an advertisement. And the ads were all partitioned from other ads and organic results—either by pronounced white space or by separate boxes.

Despite Petitioner’s rhetoric suggesting this case is a gross outlier that will lead to forum shopping and the downfall of trademark law as we know it, the seminal treatise on trademark law, McCarthy on Trademarks, observes that “[c]ourts almost always find no

likelihood of confusion if all that defendant has done is use another's mark as a keyword to trigger an ad for defendant in which the other's trademark does not appear." J. Thomas McCarthy, 5 McCarthy on Trademarks and Unfair Competition ("McCarthy") § 25A:7 (5th ed.) (collecting cases). This is precisely what the District Court found—and the Ninth Circuit affirmed—in this matter.

Both the District Court and the Ninth Circuit applied the appropriate balancing test that has been applied by all the circuits for decades. Both courts concluded Petitioner could not satisfy its burden. Petitioner suggests the case creates a circuit split because it disagrees with how the law was applied to the facts. As the likelihood-of-confusion analysis is flexible and highly factual in nature, the outcome of the present case has little effect on other litigants. Petitioner's use of inflammatory language to presage the downfall of the Lanham Act does not change the fact that the lower courts correctly applied the law and reached a conclusion that follows what most every other court across the country has done when confronted with similar facts.

Accordingly, this case does not present any unique opportunity for review. The Court should, therefore, deny the Petition.

### **STATEMENT OF THE CASE**

Respondent/Defendant Joseph Brown formed  
Respondent/Defendant law firm Joseph Brown &

Associations, LLC dba The Accident Law Group (collectively, “Accident Law Group” or “ALG”) in 2015. (App. A, 4a). ALG owns federal registrations for the marks ACCIDENT LAW GROUP and ALG + design. U.S. Reg. Nos. 5,337,381; 5,380,747.

Among its various marketing activities, Accident Law Group engages in keyword advertising. ALG purchases generic terms as well as the names of some of its competitors. This is a common strategy, and, in fact, Google recommends that advertisers buy competitors’ names as part of a robust keyword-advertising campaign. The practice causes Google to serve ALG’s ads along with search results for competitors. Lerner & Rowe acknowledges this is a common tactic and has even engaged in such keyword-advertising campaigns itself. (App. A, 5a). Lerner & Rowe’s own search-engine expert agrees this type of keyword advertising is a common and legitimate practice.

Notably, Google will serve ALG’s ads with search results for Lerner & Rowe, regardless of whether ALG specifically paid for the name as a keyword. Google’s broad-match algorithm recognizes the relatedness of search terms and will serve an ad for a company in a competitor’s search results even when the company may have only paid for a generic keyword—such as “personal injury lawyer.” Lerner & Rowe admits that if ALG did not pay for Lerner & Rowe as a keyword, but an ALG ad is served when a consumer searches for Lerner & Rowe, this is *not* use of its trademark by ALG. (App. C, 65a–66a).

Accident Law Group’s ads never use the LERNER & ROWE trademark and never mention or reference Lerner & Rowe in any way. (App. A, 5a; App. C, 66a–67a). The ads all include ALG’s federally registered trademark, either in the banner or in the URL (<accidentlawgroup.com>). (App. A, 17a–18a; App. C, 66a–67a). And Lerner & Rowe’s own ads and organic results appear immediately adjacent to ALG’s ads.

Accident Law Group stopped paying for Lerner & Rowe’s name as a keyword in May 2021. (App. A, 17a n.6; App. C, 65a–66a). Lerner & Rowe served a demand letter related to keyword advertising in August 2021. Nevertheless, Lerner & Rowe filed a lawsuit in September 2021 seeking an order to compel ALG to adopt “negative keywords,” which would preclude Google’s broad-match algorithm from ever presenting ALG’s competing ads. This demand exposes the anticompetitive nature of this lawsuit: A larger firm exploiting its greater resources to force competitors out of legitimate marketplace competition.

The District Court evaluated the relevant likelihood-of-confusion factors, concluded Lerner & Rowe could not meet its burden, and granted summary judgment in favor of ALG. (App. C).

On appeal, the Ninth Circuit applied the same likelihood-of-confusion factors, agreed Lerner & Rowe could not meet its burden, and affirmed summary judgment in favor of ALG. (App. A).

Lerner & Rowe filed the present Petition, seeking review on grounds the lower-court decisions created a circuit split that, if allowed to stand, would frustrate the purposes of the Lanham Act by allowing competitors to disregard trademark rights and causing endless confusion among consumers.

### **REASONS FOR DENYING THE PETITION**

There is no circuit split. The lower courts applied the proper balancing test for evaluating likelihood of confusion. Lerner & Rowe acknowledges the lower courts applied the correct test and merely takes issue with how the courts applied the law to the facts. (Pet., 13) (“The Court analyzed these factors in affirming summary judgment but reached conclusions of law that break from established Ninth Circuit precedent and directly conflict with conclusions of law made by numerous other Circuits.”). The Ninth Circuit’s application of law to the facts-at-issue does not create a circuit split. And the inherently case-specific nature of the likelihood-of-confusion analysis dispels Lerner & Rowe’s claim that the lower-court holdings frustrate the purposes of the Lanham Act. There is nothing unusual about this case that would justify review of this private dispute.

#### **I. The Ninth Circuit Did Not Create a Conflict with Other Circuits on the Likelihood of Confusion Test.**

Despite minor variations in their respective expressions of the multi-factor test evaluating

likelihood of confusion, the circuit courts are unanimous in holding that the test is flexible, nonexhaustive, “mere guideposts,” inherently case-specific, will not necessarily require consideration of all factors, and that, generally, no one factor is dispositive. *See, e.g., Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137, 1145 (9th Cir. 2011); *Peoples Fed. Sav. Bank v. People's United Bank*, 672 F.3d 1, 10 (1st Cir. 2012); *Guthrie Healthcare Sys. v. ContextMedia, Inc.*, 826 F.3d 27, 37 (2d Cir. 2016); *Kos Pharm., Inc. v. Andrx Corp.*, 369 F.3d 700, 709 (3d Cir. 2004); *Rosetta Stone Ltd. v. Google, Inc.*, 676 F.3d 144, 153–54 (4th Cir. 2012); *Streamline Prod. Sys., Inc. v. Streamline Mfg., Inc.*, 851 F.3d 440, 453 (5th Cir. 2017); *Progressive Distrib. Svcs., Inc. v. United Parcel Svcs., Inc.*, 856 F.3d 416, 424–25 (6th Cir. 2017); *CAE, Inc. v. Clean Air Eng'g, Inc.*, 267 F.3d 660, 678 (7th Cir. 2001); *H&R Block, Inc. v. Block, Inc.*, 58 F.4th 939, 947 (8th Cir. 2023); *1-800 Contacts, Inc. v. Lens.com, Inc.*, 722 F.3d 1229, 1243 (10th Cir. 2013); *Hard Candy, LLC v. Anastasia Beverly Hills, Inc.*, 921 F.3d 1343, 1360 (11th Cir. 2019); *In re Charger Ventures LLC*, 64 F.4th 1375, 1381 (Fed. Cir. 2023).

The Ninth Circuit analyzes likelihood of confusion by evaluating the eight *Sleekcraft* factors. *Network Automation*, 638 F.3d at 1145 (citing *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979)). The court “assign[s] each factor appropriate weight in accordance with its relevance to the factual circumstances presented.” *Id.* at 1149. In the keyword-advertising context, the Ninth Circuit has concluded the most relevant factors are “(1) the

strength of the mark; (2) the evidence of actual confusion; (3) the type of goods and degree of care likely to be exercised by the purchaser; and (4) the labeling and appearance of the advertisements and the surrounding context on the screen displaying the results page.” *Id.* at 1154.

Both the District Court and the Ninth Circuit properly applied this well-worn, multi-factor test for likelihood of confusion. (App. A, 7a; App. C, 46a–48a).

Despite acknowledging this, Lerner & Rowe argues the Ninth Circuit created a circuit split on each of the factors addressed in its Petition because it does not agree with the outcome. In each of its sections, Lerner & Rowe presents various generalized recitations of law concerning the likelihood-of-confusion factors and then simply assumes that the facts at issue should make each of the factors dispositive in its favor. But this argument has little support in reality.

#### **A. The Lower Courts Properly Analyzed the Actual-Confusion Factor.**

Lerner & Rowe argues that the Ninth Circuit deployed a novel approach to the actual-confusion factor and that this factor should have been dispositive in its favor. (Pet., 16). Initially, ALG does not dispute Lerner & Rowe’s voluminous case citations generally stating that actual confusion can be strong evidence of likely confusion and that, given the difficulty in obtaining actual confusion evidence, even a few instances of confusion can tip the balance in favor of the plaintiff. (*Id.*, 13–16). Indeed, the lower

courts cited several cases for these propositions as well. (App. A, 9a–10a; App. C, 51a, 56a–57a). But Lerner & Rowe focuses exclusively on generic platitudes reiterating these propositions and ignores another tenet of actual-confusion evidence—*i.e.*, wherever possible, the evidence of actual confusion must be evaluated against the total opportunities for confusion. Because undisputed Google-Ad data identified the total opportunities for confusion, the courts properly evaluated the actual-confusion evidence in context—as have all courts presented with the total opportunities for confusion.

While recognizing that actual-confusion evidence can be strong evidence of likelihood of confusion, courts across the country have held that limited instances of confusion may be discounted as *de minimis* when context demonstrates there are significant opportunities for confusion. *See, e.g., George & Co. LLC v. Imagination Entm't Ltd.*, 575 F.3d 383, 398 (4th Cir. 2009) (“[e]vidence of the number of instances of actual confusion must be placed against the background of the number of opportunities for confusion before one can make an informed decision as to the weight to be given the evidence.”) (citing McCarthy § 23:14); *Therma-Scan, Inc. v. Thermoscan, Inc.*, 295 F.3d 623, 635–36 (6th Cir. 2002); *Nora Beverages, Inc. v. Perrier Group of Am., Inc.*, 269 F.3d 114, 124 (2d Cir. 2001); *Kendall-Jackson Winery, Ltd. v. E. & J. Gallo Winery*, 150 F.3d 1042, 1052 (9th Cir. 1998); *Door Sys., Inc. v. Pro-Line Door Sys., Inc.*, 83 F.3d 169, 173 (7th Cir. 1996); *D&J Master Clean, Inc. v. Servicemaster Co.*, 181 F. Supp. 2d 821, 828 (S.D. Ohio 2002) (holding two misdirected phone calls per

week out of average of 550 calls was only 0.36% and did not support a finding of actual confusion); *Alchemy II, Inc. v. Yes! Entm't Corp.*, 844 F. Supp. 560, 569 n.12 (C.D. Cal. 1994) (noting phone call evidence was *de minimis* in light of the high volume of calls during the holidays); *GOLO, LLC v. Goli Nutrition Inc.*, CV-20-667-RGA, 2020 WL 5203601, at \*9 (D. Del. Sept. 1, 2020) (“While Plaintiff offers the numerator in its determination of actual confusion events, its argument leads to the question: what is the denominator?” Rejecting 210 purported instances of actual confusion as “isolated and idiosyncratic” in light of significant number of opportunities for confusion); *see also* McCarthy § 23:14.

The reasoning underlying this contextual analysis is that human nature makes some confusion inevitable. This is why the test for infringement requires probable (rather than possible) confusion of an *appreciable* number of consumers. *See* McCarthy § 23:3 (“The test of infringement cannot be a mere ‘possibility’ of confusion, because ‘[m]any consumers are ignorant or inattentive, so some are bound to misunderstand no matter how careful a producer is.’ . . . ‘Some confusion is always possible: but there must be some threshold quantum that crosses from mere possibility into a probability.’”)

This inevitable human error is further reflected in consumer-survey design principles, where a control group (without the allegedly offending ad) is assessed to determine a baseline level of confusion, which is then subtracted from the test group to obtain a net rate of confusion—*i.e.*, the level of confusion that may

be reasonably attributable to the allegedly offending ad. *See* McCarthy § 32:187 (“The use of a control in a trademark survey serves a purpose similar to the use of a placebo in testing for drug efficacy and a lineup of people including the suspect for eyewitness identification in criminal cases. . . . The net rate of confusion is the raw confusion rate minus the rate produced by the control question.”).

The Ninth Circuit, here, acknowledged the generally compelling nature of actual-confusion evidence. (App. A, 9a–10a). It also applied the contextual analysis to the evidence at issue—comparing the anecdotal evidence to the total ad impressions (the times the subject ads were presented to consumers). (App. A, 10a–14a); (*see also id.*, 12a) (“Typically, instances of actual confusion present a numerator with no denominator, saying little or nothing about the actual proportion of the consumer population that is confused. In such cases, we see the tip of an iceberg and have no ability to speculate about how much lies below the surface. Here, however, no speculation is necessary—we can see the entire iceberg.”).

The Ninth Circuit considered the cases cited by Lerner & Rowe and determined—as all courts to consider the issue have—that there is no conflict between cases where a few anecdotal instances of actual confusion were deemed potentially significant and those where the court had the benefit of knowing the total opportunities for confusion. (App. A, 13a–14a). The court concluded that the purported actual confusion evidence—which amounted to only 0.216%

of the total opportunities for confusion—was *de minimis*. (App. A, 12a).

The Ninth Circuit’s decision did not create a circuit split. All other cases where the court knew the total opportunities for confusion applied the same contextual analysis. Despite both lower courts applying this contextual analysis, Lerner & Rowe wholly ignores these decisions and focuses, instead, on those in classic trademark infringement cases, where the total opportunities for confusion were unknown. The Ninth Circuit explicitly considered these decisions, explained the distinction, and concluded there was no conflict in the respective approaches. This is hardly novel.

Accordingly, there is no circuit split, and the Petition should be denied.

**1. The Ninth Circuit could have affirmed for the alternative reason that Lerner & Rowe’s actual-confusion evidence is inadmissible hearsay-within-hearsay.**

Lerner & Rowe’s only purported evidence of actual confusion is ALG’s ambiguous call logs. The logs are ambiguous in most instances where Lerner & Rowe claims an entry is proof of confusion. Despite having names and contact information, Lerner & Rowe did not obtain a declaration or depose a single caller it now claims was confused. It also declined to depose the intake employees, who kept the logs. Instead, Lerner & Rowe sought to capitalize on this ambiguity

by claiming every note referencing “Lerner & Rowe” is evidence of actual confusion—including where the entry clearly notes the client was “referred by Lerner & Rowe.”<sup>1</sup> For most other entries, the information is ambiguous, and a factfinder can only speculate as to whether the callers were actually confused. *Cf. Cafasso v. Gen. Dynamics, Inc.*, 637 F.3d 1047, 1061 (9th Cir. 2011) (speculative evidence does not create a fact issue). Ultimately, the call logs constitute hearsay-within-hearsay, without an applicable exception for both instances of hearsay. Accordingly, the call logs should be deemed inadmissible.

The call logs were created by ALG intake employees who identified the firm as Accident Law Group and then asked a series of intake questions, including, in relevant part, “how did you find us?” The call logs consist of brief notes taken by intake employees, out-of-court, based on what a caller said to them, also out-of-court. The evidence necessarily relies on the truth of the statements at both levels of hearsay. The District Court found that the first level of hearsay (employee notes) is overcome by the business-records exception. (App. C, 52a, citing Fed. R. Evid. 803(6)). But this exception should not apply because the circumstances indicate a lack of trustworthiness. *See* FRE 803(6)(E)). Intake employees are not tasked with recording verbatim statements of callers or tracking purported instances of confusion. Rather, they are tasked with recording a referral source. The employees ask set questions and make notes summarizing the response, requiring some level of interpretation (particularly when the information

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<sup>1</sup> The parties’ principals used to refer business to each other.

provided is not a typical, expected response). Based on the questioning, the employees would have expected to identify a single referral source—a referring individual or law firm, a TV or radio ad, a Google search, a billboard. The notes are extremely brief because of the nature of the questioning and the information the employees are tasked with collecting. Operationally, the referral-source question is the least pertinent of the information. This makes for untrustworthy data, at least as it relates to the information in question.

But, even if the business-records exception applied to the employee's notes (the first level of hearsay), it would not apply to the out-of-court statements of callers (the second level of hearsay).

The District Court concluded that this second level of hearsay is overcome by the residual hearsay exception in Fed. R. Evid. 807, which deems a statement admissible if (1) “supported by sufficient guarantees of trustworthiness,” considering the totality of the circumstances, and (2) “it is more probative on the point for which it is offered than any other evidence that the proponent can obtain through reasonable efforts.” FRE 807(a). The District Court's analysis on the first point focused exclusively on the employees' maintaining call logs for a business purpose, thus, suggesting “that the callers' stated reasons for calling were recorded accurately and with care.” (App. C, 52a–53a). However, that analysis merely reiterates the business-records exception focused on the first level of hearsay (the employees). It did not address the out-of-court statements of the

callers (the second level). There are no apparent guarantees of trustworthiness emanating from a random caller of a widely publicized business phone number.

As to the second point, the Court concluded the statements made by callers are the most probative evidence on the central issue of whether they were confused. (*Id.*, 53a) But, against the backdrop of the ambiguous notes, the more probative evidence of caller confusion would have been to either obtain declarations or take depositions. Even just one declaration could have shed light on Lerner & Rowe's claim that callers were confused. Lerner & Rowe declined to present such evidence. It is not clear if Lerner & Rowe sought this evidence and simply did not disclose it because the testimony did not line up with its theory of the case. In any event, the ambiguous call logs are not the most probative evidence of caller confusion, and the exception should not apply to this second level of hearsay.

The Ninth Circuit did not address the hearsay issue. It noted the ambiguity of the call logs but ultimately concluded that, even accepting all 236 call log entries as evidence of actual confusion, the entries represented only *de minimis* evidence of actual confusion. (App. A, 10a n.2). Nevertheless, the court could have affirmed for the alternative reason that the only evidence of actual confusion was ambiguous, unreliable, and inadmissible hearsay-within-hearsay.

**B. The Lower Courts Properly Analyzed Degree of Consumer Care/ Sophistication.**

Lerner & Rowe argues the lower courts wrongfully applied a heightened standard of consumer care/sophistication and “reach[ed] the sweeping conclusion” that Google users are so discerning that they will rarely, if ever, be confused by ads. (Pet., 21). Lerner & Rowe overstates its position.

The Ninth Circuit recounted that “[s]ophisticated consumers and those shopping for high-value products are likely to exercise a higher degree of care while shopping and are, therefore, less likely to be confused by similar marks.” (App. A, 15a) (citing *Network Automation*, 638 F.3d at 1152). The District Court had found this factor weighed in favor of no confusion because acquiring legal services is expensive and important and because online shoppers are typically savvy enough to differentiate between search engine results. (*Id.*, 15a–16a). The Ninth Circuit agreed this factor weighed in favor of no confusion but noted it need not reach the issue of whether the value of legal services might suggest a heightened degree of care. (*Id.*, 16a n.5). Instead, it focused on the sophistication of online shoppers. Those who choose to use the internet to contact a business (as opposed to some other method) have likely used the internet before. The court determined the relevant consumer was “the reasonably prudent online shopper.” (*Id.*, 16a). The court recounted keyword-advertising cases—from more than a decade ago—that had analyzed this factor and applied the same standard. (*Id.*, 15a–16a); *see also Network*

*Automation*, 638 F.3d at 1152–53 (“[T]he default degree of consumer care is becoming more heightened as the novelty of the Internet evaporates and online commerce becomes commonplace.”); *Toyota Motor Sales v. Tabari*, 610 F.3d 1171, 1178 (9th Cir. 2010) (“Consumers who use the internet for shopping are generally quite sophisticated about such matters.”). The Ninth Circuit observed that, in the years since then, consumer search-engine use has become ubiquitous. A reasonably prudent online shopper would be reasonably familiar with search engine layout and function and would understand that the search engine produces sponsored links along with organic search results. (*Id.*, 16a). Indeed, anyone who has used a search engine understands that the platform returns millions (if not billions) of results of varying relatedness to the searched-for term. Under the circumstances, where consumers would be presented with adjacent ads and organic results containing distinct trademarks, this factor weighed in favor of ALG/no likelihood of confusion. (*Id.*).

The Ninth Circuit neither suggested nor implied that internet users will never be confused by online ads. The court’s determination was fact-specific, simply finding that, in this case, this factor weighed in favor of no likely confusion. The court’s conclusion aligned with numerous Ninth Circuit decisions over the past 15 years relating to consumer sophistication and online commerce. There is no circuit split on this issue. Accordingly, the Petition should be denied.

### C. The Lower Courts Properly Analyzed the Labeling of the Subject Ads

The Ninth Circuit has commented that labeling, appearance, and context is of particular importance in cases involving keyword advertising, and that clear labeling can completely eliminate the likelihood of confusion in such cases. *Multi Time Mach., Inc. v. Amazon.com, Inc.*, 804 F.3d 930, 936–37 (9th Cir. 2015); *see also 1-800 Contacts, Inc. v. JAND, Inc.*, 119 F.4th 234, 251 (2d Cir. 2024) (same); *Jim S. Adler, P.C. v. McNeil Consultants, L.L.C.*, 10 F.4th 422, 428 (5th Cir. 2021) (same); *1-800 Contacts, Inc. v. Lens.com, Inc.*, 722 F.3d 1229, 1245 (10th Cir. 2013) (same).

Lerner & Rowe argues the Ninth Circuit created a circuit split because (1) the distinguishing features that deemed ads “clearly labeled” in Ninth Circuit precedent are not present here; and (2) the court failed to consider “click-to-call” ads that are more likely to cause confusion. (Pet., 22–25).

Initially, whether the Ninth Circuit’s decision here conflicts with prior Ninth Circuit decisions does not, itself, demonstrate a circuit split. And, in fact, the current Ninth Circuit decision does not conflict with the cited Ninth Circuit precedent. Indeed, the Ninth Circuit relied heavily on both cases as a guide in crafting its present decision.

Importantly, the decisions in *Network Automation* and *Multi Time Machine* did not identify distinguishing features that were necessary for ads to

be considered “clearly labeled.” (App. A, 20a) (“*Multi Time Machine* did not elucidate a list of features that a search engine must incorporate in order for their results to be clearly labeled.”). Rather, the cases merely evaluated the facts-at-issue and recounted how certain features caused the ads to be clearly labeled.

Moreover, most of the purportedly “missing” features from *Network Automation* and *Multi Time Machine* are not actually missing in the present case. In *Network Automation*, the Ninth Circuit evaluated search-engine results, just as the Ninth Circuit evaluated here. There, the court noted that “even if [the defendant] has not clearly identified itself in the text of its ads, Google and Bing have partitioned their search results pages so that the advertisements appear in separately labeled sections for ‘sponsored’ links.” *Network Automation*, 638 F.3d at 1154. In the present case, the court similarly noted that the subject ads were separated from organic results and included a bolded “**Ad**” designation next to each ad—with ALG’s federally registered trademark included in each such ad. (App. A, 20a). The court also noted the existence of adjacent ads for Lerner & Rowe as well as organic results for Lerner & Rowe, further distinguishing the ads for ALG. (*Id.*).

While there are certainly distinctions between the results page in *Multi Time Machine* and the results page in the current case, this is hardly surprising given the distinct platforms at issue—Amazon vs. Google. Without much explanation, Lerner & Rowe argues the text on the page in *Multi Time Machine* is

of varying font sizes and colors. Lerner & Rowe then claims that, in the present case, the subject ads and the organic results are the same size. (Pet., 23–24). But there were no ads or organic results in *Multi Time Machine* because they were all Amazon listings. And all of the Amazon listings were the same size, color, and format. So this hardly supports its claim that the distinguishing features in *Multi Time Machine* are not present here. Lerner & Rowe’s argument concerning font size and color apparently derives from the *Multi Time Machine* Court’s statement that the competing watches for sale on Amazon were “clearly labeled with the product’s name and manufacturer in large, bright, bold letters and includes a photograph of the item.” *Multi Time Mach.*, 804 F.3d at 938. The subject ads in the current case also include text of varying font sizes and colors. (App. A, 17a–18a). The ads also identify ALG. And they do not include Lerner & Rowe’s trademark. (*Id.*). There are no product images in the present case, however, as the subject ads are for services rather than for products. But the search-results page in *Multi Time Machine* displayed the plaintiff’s trademark in various places (*id.* at 933), whereas ALG’s ads in the present case do not display Lerner & Rowe’s mark at all.

The *Multi Time Machine* Court raised another distinguishing feature not mentioned by Lerner & Rowe—namely, that the *sixth* and *tenth* results were books rather than watches, the context of which made clear the distinct listings were not affiliated with the plaintiff. 804 F.3d at 938. Here, the sixth and tenth results are concealed by Lerner & Rowe’s incomplete screenshots, which generally show only one or two

results, making it impossible to evaluate the full context of the subject search results. (App. A., 17a–18a).

Ultimately, the lower courts held that the subject ads were clearly labeled, and that this factor weighed in favor of no likelihood of confusion.

Lerner & Rowe further ascribes error on grounds the lower courts failed to address the “click-to-call” ads that “the Fifth Circuit recently held contribute to likelihood of consumer confusion.” (Pet., 24). Initially, the Fifth Circuit did not actually hold that click-to-call ads contribute to likelihood of consumer confusion. In *Jim S. Adler, P.C. v. McNeil Consultants, LLC*, the Fifth Circuit reversed the district court’s grant of a Rule 12(b)(6) motion to dismiss. 10 F.4th 422, 429 (5th Cir. 2021). In doing so, the Fifth Circuit merely recounted how certain factual allegations, taken as true, sufficiently stated a claim. Plaintiff alleged, *inter alia*, that defendant displayed generic text in unlabeled ads; that consumers were confused; that the defendant used click-to-call ads, wherein users who clicked on the ads were connected to defendant’s call center, whose employees did not identify themselves and sought to build rapport with the customers before disclosing their actual identity. *Id.* at 429. Accepting the factual allegations as true, the court concluded the plaintiff had sufficiently stated a claim but emphasized that it was expressing no opinion on the merits of the claims. *Id.* at 430 (“Adler’s complaint contains sufficient factual matter, accepted as true, to state a Lanham Act claim that is plausible on its face. . . . We express

no opinion on the merits of Adler’s claims, which would require, among other things, an evaluation of the digits of confusion and any other relevant factors.”). Thus, the Fifth Circuit did not hold that click-to-call ads are more likely to cause confusion.

Additionally, Lerner & Rowe’s evidence of the subject ads consisted of 28 screenshots taken by its counsel, 25 of which were taken *after* May 2021, when ALG stopped paying Google to serve its ads in search results for Lerner & Rowe. (App. A, 17a n.6). For those 25 screenshots, the ads were placed by Google’s broad-search algorithm, not as a result of any action taken by ALG. (*Id.*). Lerner & Rowe did not dispute it had a causation problem with respect to ads where ALG did not include Lerner & Rowe’s name among its keywords. As a result, the District Court only considered the three screenshots taken before May 2021. The Ninth Circuit did the same. (*Id.*). Of those three ads, none of them were click-to-call ads. (*Id.*, 17a–18a). Thus, the lower courts did not consider the import, if any, of click-to-call ads. There were no admissible click-to-call ads in the record.

Accordingly, there is no circuit split with respect to the labeling of the subject ads. The Petition should be denied.

**1. The Ninth Circuit could have affirmed for the alternative reason that Lerner & Rowe’s evidence of the accused ads was inadmissible.**

The Ninth Circuit could have affirmed summary judgment on grounds Lerner & Rowe’s evidence of the accused ads (1) was not adequately disclosed in discovery; (2) does not show the ads are the result of ALG paying for its name as a keyword, as opposed to Google unilaterally placing the ad with its broad-match algorithm; and (3) does not show the ads in full context, as they must be examined.

In its Motion for Summary Judgment, Lerner & Rowe attached 28 screenshots of Google search results where ALG’s ads appear. (App. C, 65a). ALG objected to the screenshots for lack of foundation on grounds it was unclear when the screenshots were taken and by whom, as well as for being only partial screenshots. Foundation was particularly important because ALG stopped paying for the name as a keyword in May 2021, and any screenshots taken thereafter would depict ads placed exclusively by Google, whose broad-match algorithm would have made the connection (based on ALG paying for other terms, like “personal injury lawyer”) and indexed the ad accordingly. (*Id.*).

Lerner & Rowe’s Combined Reply/Response to Countermotion attached a declaration from its attorney, identifying the dates the attorney captured each of the subject screenshots. (*Id.*). ALG objected to the late-disclosed declaration on grounds its counsel had inquired in discovery of when the screenshots

were taken and by whom and were repeatedly told it was unknown. Since Google's broad-match algorithm placed ALG's ads both before and after ALG stopped paying for Lerner & Rowe's name as a keyword, the late-disclosed declaration precluded ALG's ability to timely investigate and submit evidence of whether the subject ads were the result of ALG paying for Lerner & Rowe's name as a keyword or of Google placing the ads unilaterally based on its broad-match algorithm. Accordingly, Accident Law Group was prejudiced by the late disclosure, and the evidence of the accused ads should have been excluded.

Moreover, only three of the screenshots were purportedly captured before May 2021, while Accident Law Group was paying to serve ads with Lerner & Rowe's name. (*Id.*). And, since Google's broad-match algorithm placed ALG's ads both before and after May 2021, Lerner & Rowe failed to establish causation resulting from ALG's conduct.

Finally, the evidence of the accused ads are cut-off images, most of which show only the first or second result. (App. A, 17a–18a; App. C., 66a–67a). They do not show the subject ads in context in the marketplace, as they must be examined. *See Network Automation*, 638 F.3d at 1150, 1153 (“[The marks] must be considered as they are encountered in the marketplace.”) (“[L]ikelihood of confusion will ultimately turn on what the consumer saw on the screen and reasonably believed, given the context.”). In a keyword advertising case, the labeling and context of the subject ads is the “the most important factor” for evaluating likelihood of confusion. *Multi*

*Time Machine*, 804 F.3d at 937–38 (granting summary judgment to defendant, in part because the *sixth* and *tenth* search results were books rather than competing-brand watches). By presenting only the first or second search results, Lerner & Rowe portrays the subject ads as overwhelming all other results, which is simply not the reality consumers encountered in the marketplace. As the jury would be unable to evaluate the context of the ads as they would have appeared in the marketplace, the jury cannot fairly determine whether a likelihood of confusion results from ALG’s advertising. Thus, Lerner & Rowe’s evidence of the accused ads should have been deemed inadmissible. And the Ninth Circuit could have affirmed on this alternative ground.

#### **D. The Lower Courts Properly Analyzed Defendant’s Intent.**

Lerner & Rowe argues the Ninth Circuit created a circuit split by according the “intent” factor little-to-no weight and concluding that ALG’s intent was legitimate competition. (Pet., 26). Lerner & Rowe argues that ALG intended to deceive consumers as evidenced by the fact ALG was aware of Lerner & Rowe’s mark and used it as part of its own advertising campaign. (*Id.*). Thus, Lerner & Rowe argues, this factor should have favored likelihood of confusion. (*Id.*).

Lerner & Rowe cites classic trademark infringement cases, where a junior user knowingly adopted and displayed a senior user’s trademark to consumers

with the intent to cause confusion and capitalize on the senior user's goodwill. (*Id.*). But these cases are inapposite. The present case is not a classic case of intentional trademark infringement. ALG merely paid to have its ads served along with search results for Lerner & Rowe. ALG never displayed Lerner & Rowe's mark to consumers. And it always included its federally registered mark in the ads.

Courts regularly distinguish between an intent to deceive and an intent to compete. *See, e.g., Network Automation*, 638 F.3d at 1153 (“[W]e have also ‘recognized that liability for infringement may not be imposed for using a registered trademark in connection with truthful comparative advertising.’”) (quoting *Lindy Pen Co., Inc. v. Bic Pen Corp.*, 725 F.2d 1240, 1248 (9th Cir. 1984)); *Sensient Techs. Corp. v. SensoryEffects Flavor Co.*, 613 F.3d 754, 767 (8th Cir. 2010) (“Knowledge of another’s product and an intent to compete with that product is not . . . equivalent to an intent by a new entrant to a market to mislead and cause consumer confusion.”) (quoting *Luigino’s, Inc. v. Stouffer Corp.*, 170 F.3d 827, 831 (8th Cir. 1999)); *Century 21 Real Estate Corp. v. Lendingtree, Inc.*, 425 F.3d 211, 227 (3d Cir. 2005) (“The relevant question in this context is not whether the defendant intended to use the plaintiff’s mark, which it always has in a fair use case, but whether it used the mark with the intent to confuse the public as to the relationship between the defendant and the plaintiff.”); *Streetwise Maps, Inc. v. VanDam, Inc.*, 159 F.3d 739, 745 (2d Cir. 1998) (“The intent to compete by imitating the successful features of another’s product is vastly

different from the intent to deceive purchasers as to the source of the product.”).

Here, the Ninth Circuit concluded that, because Lerner & Rowe’s evidence of intent was identical to the evidence it offered to support its likelihood of confusion argument generally (*i.e.*, that ALG paid to serve its clearly labeled ads along with search results for Lerner & Rowe), Lerner & Rowe failed to distinguish between an intent to deceive and an intent to compete. (App. A, 23a). Nevertheless, the court gave this factor “little to no weight,” rather than concluding the factor favored ALG. (*Id.*); *cf. Network Automation*, 638 F.3d at 1153 (“[T]he defendant’s intent may be relevant here, but only insofar as it bolsters a finding that the use of the trademark serves to mislead consumers rather than truthfully inform them of their choice of products.”).

There is no circuit split as to this factor. The facts of this case merely demonstrate an intent to compete rather than an intent to deceive. Lerner & Rowe failed to proffer evidence demonstrating otherwise. The Petition should, therefore, be denied.

**E. The Ninth Circuit Could Have Affirmed for the Alternative Reason that Competitive Keyword Advertising Does Not Constitute “Use in Commerce” Under the Lanham Act.**

Subsumed in the likelihood-of-confusion analysis is the requirement that the defendant used the plaintiff’s mark in commerce. 15 U.S.C. § 1114(1)(A).

Unlike the broad treatment of the term “interstate commerce” as the basis for federal governmental authority, the Lanham Act specifically and more narrowly defines “use in commerce.” Under the Lanham Act, a mark is deemed to be used in commerce, for goods, when it is placed on goods, its packaging, or associated displays, and, for services, when it is used or displayed in the sale or advertising of services. 15 U.S.C. § 1127. This definition suggests the subject mark must be presented in some way to the relevant consumers—either displayed when the ad is visual or spoken/played when auditory (*e.g.*, radio ads or sound marks).

Moreover, trademark infringement requires likelihood of confusion resulting from “use in commerce” of “any reproduction, counterfeit, copy, or colorable imitation of a registered mark.” 15 U.S.C. § 1114(1)(a). If the “reproduction, counterfeit, copy, or colorable imitation of a registered mark” is never presented to consumers, it cannot logically be the cause of the confusion. In such cases, courts are required to evaluate whether confusion results from the mere spatial positioning of the ad near other sponsored ads or organic results. Like a product placed on a shelf next to a competing brand, consumers are not likely to be confused by the spatial positioning of an adjacent ad. The Lanham Act does not contemplate protection from confusion based on mere spatial positioning of competing ads or products.

In cases of competitive keyword advertising, the marketer does not present its competitor’s trademark to consumers. Search-engine users enter their chosen

search term and the search engine arranges the results, including the sponsored advertisements, for the user. In that case, the only trademark presented to consumers is the marketer's own trademark. This does not constitute use of the competitor's mark in commerce under the Lanham Act.

Here, the Ninth Circuit assumed the subject ads constituted use of Lerner & Rowe's mark in commerce. However, the court could have affirmed for the alternative reason that competitive keyword advertising does not constitute a "use in commerce" under the Lanham Act.

## **II. The Petition Does Not Raise a Federal Question of Broad Importance.**

Lerner & Rowe contends that, even if there is no circuit split, the Court must take the case because the lower court's rulings frustrate the purposes of the Lanham Act—otherwise competitors can disregard hard-earned trademark rights and consumers will be endlessly confused. (Pet., 28–33). Absent the Court's intervention, Lerner & Rowe presages the complete downfall of the Lanham Act and of exclusive trademark rights. But Lerner & Rowe overstates its case.

Lerner & Rowe has admitted to engaging in competitive keyword advertising itself, and its own search-engine expert stated that competitive keyword advertising is a common and legitimate marketing tactic. (App. A, 5a). Lerner & Rowe has always contended that the wrongfulness of the subject ads in

this case was that ALG's trademark is descriptive—and the ads were, thus, likely to confuse consumers.

Now, for the first time, Lerner & Rowe argues that competitive keyword advertising is only legitimate when the ad specifically references both trademarks for purposes of distinguishing or comparing the two competing brands. (Pet., 31). Essentially, Lerner & Rowe suggests the subject ads are wrongful because ALG did *not* display Lerner & Rowe's mark. Unsurprisingly, Lerner & Rowe provides no citation for this supposition.

Lerner & Rowe's argument, here, is borrowed from the doctrine of nominative fair use and the concept of comparative advertising. Under the doctrine of nominative fair use, use of another's trademark is "fair" when it is used to refer to the owner of the trademark—the use is "nominative" because it "names" the owner of the mark. *Int'l Info. Sys. Sec. Certification Consortium, Inc. v. Sec. Univ., LLC*, 823 F.3d 153, 165 (2d Cir. 2016); *New Kids on the Block v. News Am. Pub., Inc.*, 971 F.2d 302, 307–08 (9th Cir. 1992). Nominative fair use most often occurs with comparative advertising, media coverage, and independent retailers. Non-confusing comparative advertising is deemed fair because consumers correctly understand the use of the mark as a reference to the mark owner—and consumers benefit from the critical comparison. *Id.*

Competitive keyword advertising typically involves Google serving a marketer's ads among search results for a competitor, providing consumers with

alternative options. Those who engage in competitive keyword advertising typically do not use their competitor's trademark in such ads. Indeed, it would be impractical to conduct a critical comparison of two brands in the limited space allotted in keyword advertising. As such, ALG's ads did not display Lerner & Rowe's mark at all. Presumably, Lerner & Rowe never displayed its competitors' trademarks in its own competitive keyword advertising—there certainly is no evidence in the record that would suggest otherwise.

No courts have ever suggested that competitive keyword advertising requires a reference to the competitor's trademark and a comparison of the competing goods or services to avoid liability. Indeed, the seminal treatise on trademark law has observed that “[c]ourts almost always find no likelihood of confusion if all that defendant has done is use another's mark as a keyword to trigger an ad for defendant *in which the other's trademark does not appear.*” McCarthy § 25A:7 (emphasis added). This new argument appears to be a last-ditch effort by Lerner & Rowe to create new law, outlawing this common marketing tactic, so it can stifle legitimate competition.

But there is nothing extraordinary about the present case. The lower courts applied the appropriate law and concluded that Lerner & Rowe failed to carry its burden. ALG merely arranged to serve its clearly labeled ads in search results for Lerner & Rowe. ALG never displayed Lerner & Rowe's mark to consumers. And its ads all included its own federally registered

trademark. The fact-specific ruling aligns with other competitive keyword advertising cases across the country and will have little effect on most other Lanham-Act plaintiffs.

There is no basis for concluding that the lower court's rulings frustrate the purposes of the Lanham Act. Accordingly, the Petition should be denied.

### CONCLUSION

The Petition for Writ of Certiorari should be denied.

Respectfully submitted,

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