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## **Metatags using third party trade marks on the internet**

**David Llewelyn and Prashant Reddy T.\***

Keywords: Trademark, metatag, hidden use, invisible use, trademark use, adwords

With the exponential growth in importance of the internet as a platform for sales, advertising and communication, the issue of trade mark infringement has arisen both in disputes related to cybersquatting on domain names and those involving use of a third party's trade mark online. A subset of the latter is the use of trade marks as 'metatags' for webpages. Although there has been relatively little litigation on this issue when compared to that of use of trade marks as domain names or as Google AdWords, it raises fundamental questions since the metatags containing the word, protected as a trademark by some third party, are not visible to the human eye.

The initial question then is whether such invisible use is sufficient to constitute "use" for the purposes of trade mark law? Somewhat surprisingly, courts in different jurisdictions have found this difficult to answer definitively. This may be partly to do with the fact that more often than not the metatag issue is one only of a number of claims raised in a trade mark infringement action and does not attract the same attention as other claims, which are perhaps easier to fit within the traditional framework of trade mark law and theory. As a result, there is a disquieting degree of confusion and lack of clarity in the reasoning of courts as to whether metatag use is an activity that engages, and may be restrained by, trade mark law. This chapter seeks to cast some light on the question by surveying metatag related litigation in Australia, Canada, Germany, India, New Zealand, the United Kingdom and the United States.

### **I. What are metatags?**

The phrase 'metatags' was originally a term of art from the computer language Hypertext Markup Language (HTML). This is the building block of most webpages on the internet. 'Metatags' in the context of HTML refers to certain hidden descriptive identifiers or keywords embedded in the source code of a webpage.<sup>1</sup> Although there are different types of metatags, such as title metatags, description metatags, keyword metatags, this chapter will focus only on keyword metatags as it is the class of metatags that has generated most of the litigation.

Keyword metatags comprise words which in the opinion of webpage owner (through the medium of the person designing it) best describe the contents of the website. Although not visible to humans on the webpage itself, these 'metatags' are readable by computer programs and it was thought for a long time (from an internet perspective) that search engines would use them to match search queries by users and generate appropriate

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<sup>1</sup> See generally Sham Bhangai & Tomasz Jankowski, *Foundation Web Design* (Apress, 2013) 33-35.

search results.<sup>2</sup> A key point to note at this juncture is that even according to this understanding metatags influenced only the 'organic' or 'natural' search results that are returned in response to a search query. This is unlike the 'AdWords' programs operated by Google which influence only paid or sponsored advertisements that appear alongside the 'natural' or 'organic' search results but which are usually presented in a different format to inform readers that they are sponsored links.<sup>3</sup> That users are actually able to distinguish the 'organic' search results from the sponsored advertisements is a debatable proposition and will depend on a number of factors such as the manner of presentation of information by Google and the internet sophistication of the target population to online advertising practices.

Since metatags are provided by the webpage owners, they tend to be self-laudatory and do not provide the most accurate description of the website's contents. Very often such metatags include words that may be registered as trade marks by third parties, with the aim of trying to benefit from the goodwill of a better known brand. However, given the inherent unreliability of metatags, some search engines like Google have developed algorithms which supposedly do not place any reliance whatsoever on metatags provided by the webpage owner while indexing a website and deciding its ranking in the 'organic' search results. Google explained this policy in an announcement made in 2009:

***Q: Why doesn't Google use the keywords 'meta tag'?***

*A: About a decade ago, search engines judged pages only on the content of web pages, not any so-called "off-page" factors such as the links pointing to a web page. In those days, keyword meta tags quickly became an area where someone could stuff often-irrelevant keywords without typical visitors ever seeing those keywords. Because the keywords meta tag was so often abused, many years ago Google began disregarding the keywords meta tag.*<sup>4</sup>

However, despite the predominance of Google as a search engine in many parts of the world, this does not mean that metatags are of no practical relevance to trade mark law. Other search engines like Microsoft's Bing and Google's video platform YouTube appear still to depend on metatags to a limited extent, since both platforms have policies in place to punish the use of false or misleading metatags. YouTube states clearly in its support policies that 'Metadata is information about your video, such as the video title, description, tags, and annotations. Metadata helps users find your video when they search for something on YouTube'. It also warns users that if 'metadata includes names or words unrelated to your video, you may receive a strike and your video will be removed'.<sup>5</sup> Similarly, there are reports which state that Microsoft's Bing does place some kind of

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<sup>2</sup> See generally Dan McCuaig, 'Halve the Baby: An obvious solution to the troubling use of Trademarks as Metatags', [1999-2000] 18 J. Marshall J. Computer & Info. L. 643, 645-647.

<sup>3</sup> See the chapter by Burrell & Handler in this chapter on keyword advertising and actionable consumer confusion. Definition of Sponsored Search Advertising, *Financial Times Lexicon* <<http://lexicon.ft.com/Term?term=sponsored-search-advertising>> accessed September 9, 2017.

<sup>4</sup> Matt Cutts, 'Google does not use the keywords meta tags in web ranking', (*Google Webmaster Central Blog*, 21 September 2009) <<https://webmasters.googleblog.com/2009/09/google-does-not-use-keywords-meta-tag.html>> accessed September 9, 2017.

<sup>5</sup> 'YouTube Help, Best practices for metadata' <<https://support.google.com/youtube/answer/7002331?hl=en>> accessed September 9, 2017.

reliance on metatagging whilst formulating its search results.<sup>6</sup> The extent to which the metatags are of relevance to both platforms will never be completely known as the working of proprietary search algorithms is usually kept strictly confidential (or, in American parlance, is a trade secret).<sup>7</sup> The Chinese search-engine Baidu reportedly still uses meta-tags for search engine rankings.<sup>8</sup>

Unfortunately, this factual position is often missed during the course of trade mark litigation related to metatags. Lawyers, litigants and judges often appear to presume that metatags are relevant to search engines. Likewise, they often seem to presume that metatags are relevant from the fact that the offending websites, which have used the plaintiff's trade marks as metatags, display themselves in the top rankings of the search engine's results. That is, however, no proof that the metatags actually worked. The results could have been influenced by many other factors, most of which search engines will never reveal so as to prevent users from trying to game the results of a search.

The limited and decreasing dependence of search engines on metatags is perhaps one of the reasons that the use of trade marks in metatags has been raised in comparatively few actions when compared with other online activities using third party trade marks. On the other hand, the few cases that have been litigated on this point have raised interesting questions that go to the heart of trade mark law.

## **II. Trade marks as metatags – Is this use of a trade mark?**

One of the first steps in establishing trade mark infringement is to demonstrate that the trade mark in question has in fact been 'used' by the alleged infringer: the whole basis of the cause of action is the illegitimate 'use' of another's mark. Only after 'use' of the trade mark is established by the proprietor of the trade mark will the infringement analysis move on to the legitimacy of what has been done.

The threshold for 'using' a trade mark can be crossed in many different ways. The most common is where the trade mark at issue is simply affixed to a product or is advertised in relation to certain products or services. Once a trade mark is displayed in conjunction with any goods or services, and is being used to communicate information as to the trade source, it is presumed to be used for the purposes of trade mark law. The infringement analysis that ensues considers similarity of goods/services, likelihood of confusion, etc.

In most cases of trade mark infringement, the use of the mark or sign by the defendant is visual or aural and it is relatively easy to establish that it has been 'used' as required for trade mark law to be engaged at the outset. The challenge with metatags on the internet is that they are not usually visible to the average internet user. Theoretically, it is possible

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<sup>6</sup> Danny Sullivan, 'The Meta Keywords Tag Lives at Bing and Why Only Spammers Should Use it', (*Search Engine Land*, 14 October, 2011) <<http://searchengineland.com/the-meta-keywords-tag-lives-at-bing-why-only-spammers-should-use-it-96874>> accessed September 9, 2017.

<sup>7</sup> Maura Stouffer, 'Search Engine Optimization – a Search Engine's Perspective' (*Visibility*, 20 July, 2009) <<http://www.visibilitymagazine.com/search-engine-optimization-a-search-engines-perspective/>> accessed September 9, 2017.

<sup>8</sup> Harrison Jones, 'The B2B Marketer's Guide to Baidu SEO', (*Search Engine Land*, 2 January, 2014) <<http://searchengineland.com/the-b2b-marketers-guide-to-baidu-seo-180658>> accessed September 9, 2017.

for an expert to access the source code of the webpage and view the third party trade marks that have been used by the proprietor of the webpage. However, trade mark law is judged from the perspective of an average consumer (although the exact formulation of that mythical individual varies across jurisdictions) and not the expert. The question then is whether a trade mark can be said to have been ‘used’ when it forms a part of the metatags which are not visible to a reasonable person but which can be read by a computer program such as a search-engine? Or, put in more simple terms, does invisible use cross the threshold of trade mark use for all purposes in trade mark law or only some? For example, can such invisible use save a registered trade mark from being revoked due to “non-use”? A less important question from an academic perspective is the evidentiary standard that should be adopted by the court to ascertain whether metatags actually influence search engine results. These questions serve as the theoretical background for the following discussion of judgments from various jurisdictions.

### **(a) English cases**

The only English case to deal with this issue is *c.*<sup>9</sup> The claimant sued the defendant for its use of the registered trade mark ‘Reed’. One aspect of the infringement claim was the use of the words ‘Reed Business Information’ as one of the metatags on the defendant’s website. The plaintiff alleged that the use of its trade mark by the defendant as a metatag was the reason for the defendant’s website being displayed right below the plaintiff’s website in search results returned for the phrase ‘Reed jobs’.

At first instance, the High Court held the defendant’s use of ‘Reed’ as a metatag to amount both to passing off and trade mark infringement.

The Court of Appeal disagreed and allowed the appeal on the ground that the use by the defendant did not result in either a misrepresentation or in confusion since any person looking for the plaintiff’s website would clearly find it in the search engine’s results. The Court of Appeal also disagreed with the High Court that the “ultimate purpose [of the metatag] is to use the sign to suggest a connection which does not exist.”<sup>10</sup> In the words of Jacob LJ, the “purpose is irrelevant to trade mark infringement and causing a site to appear in a search result, without more, does not suggest any connection with anyone else”.<sup>11</sup> Whilst it is difficult to quibble with the conclusion, it would have helped later users if the Court of Appeal had discussed in greater detail the causal link between the metatag and the search results and the basis for presuming consumers’ perceptions of search results.

The relevance of metatags to the search algorithm of individual search engines and their ability to influence results is important because, as mentioned earlier, although metatags are not relevant for search engines like Google, it is possible that metatags were of relevance to some search engines in 2003 and may still be in certain areas. These are mixed issues of fact and law that necessarily require to be resolved through evidence.

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<sup>9</sup> [2004] R.P.C. 40 767

<sup>10</sup> *Ibid* at [148].

<sup>11</sup> *Ibid* at [148].

The more important observation by Jacob LJ, and one that has often been missed in subsequent cases, is the issue of whether use of a trade mark in a metatag is sufficient to defeat a claim to cancel a trademark registration for non-use (in the UK the relevant period is 5 years but this varies around the world)? On this, Jacob LJ stated:

First, does metatag use count as use of a trade mark at all? In this context it must be remembered that use is important not only for infringement but also for saving a mark from non-use. In the latter context it would at least be odd that a wholly invisible use could defeat a non-use attack. Mr. Hobbs suggested that metatag use should be treated in the same way as uses of a trade mark which ultimately are read by people such as uses on a DVD. But in those cases the ultimate function of a trademark is achieved – an indication to someone of trade origin. Uses read only by computers may not count – they never convey a message to anyone.<sup>12</sup>

This is at the heart of the debate on the use of third party trade marks as metatags. Most trade mark legislations allow for a trade mark to be revoked if it has not been used.<sup>13</sup> The use has to be genuine and consistent with the function of a trade mark, which is to help consumers identify goods or services without any confusion. In jurisdictions like the UK, mere internal use of trade mark or use during purely private events or on promotional items has been held to not constitute ‘use’ of a trade mark.<sup>14</sup>

If an invisible use of a trade mark can amount to use for the purposes of trade mark law, it follows that as long as a trade mark is used as a metatag it can never be revoked even if it has never been visible to any customers at all. Prima facie, this would be an absurd conclusion for two reasons. The first reason is that infringement and revocation are two sides of the same coin and it makes sense to use the same standard of trade mark use for determining both issues. That ensures that the balance of trade mark law is maintained without favouring trade mark proprietors over competitors. The second reason is that the very purpose of trade marks is to help traders to differentiate their products/services from those of others by means of visual appearance or aural distinctiveness.

Despite this issue of ‘use’ being at the crux of trade mark law, it has received surprisingly little attention by most courts handling claims of trade mark infringement in the context of metatags. Most courts, in other countries, have tended to focus their analysis on the issue of confusion and infringement rather than considering at the outset the threshold issue of “use”.<sup>15</sup>

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<sup>12</sup> Ibid at [149].

<sup>13</sup> ‘Non-Use Grace Period – Opposition and Cancellation Standards and Procedures Subcommittee, INTA Enforcement Committee’, International Trademark Association (April, 2015) <<http://www.inta.org/Advocacy/Documents/2015/Non-Use%20Grace%20Period%20Report%20to%20PDA.pdf>> accessed September 9, 2017.

<sup>14</sup> *Ansul BV v. Ajax Brandbeveiliging BV* (C-40/01) [2003] R.P.C.40 CJEU; *Silberquelle GmbH v. Maselli-Strickmode GmbH* (C-495/07) [2009]; *Verein Radetzky Orden v. Bundesvereinigung Kameradschaft Feldmarschall Radetzky* (C-442/08) [2009] E.T.M.R. 14 CJEU.

<sup>15</sup> This question of what constitutes ‘use’ runs throughout trade mark law and a failure to appreciate this can lead to incoherence in the treatment of this core concept in different contexts: see generally *Trade Mark Use*, Phillips & Simon, eds., (Oxford, 2005), including Chapter 15 Maniatis, *Trade Mark Use on the Internet*, at [263].

## **(b) Germany**

In 2006, a few years after the judgment in *Reed*, the German Bundesgerichtshof (the Federal Supreme Court) was faced with a similar question of law in the case of *Impuls Medienmarketing GmbH's Application*<sup>16</sup> The defendants had used the plaintiff's registered trade mark as a part of its metatags and this, according to the plaintiff, had resulted in the defendant's website appearing in the search results in response to the keying in of the plaintiff's trade mark to the search bar. The District Court and Court of Appeal had dismissed the plaintiff's claim. On further appeal, the Federal Supreme Court overruled the lower courts and held that use of a trade mark as a metatag was indeed trade mark infringement.

In its judgment, the Federal Supreme Court noted that there was a "controversy in both court rulings and literature as to whether a trade mark use is given if the operator of an internet site uses a third-party sign as a keyword in the source text, which is not readily visible to the user".<sup>17</sup> The court then conclusively ruled that "the use as a trade mark cannot be denied on the grounds that a metatag is not perceptible to the average user of the internet".<sup>18</sup> It reasoned that even if the keyword is not visible in such cases, the use of the keyword influences the search results and the user's attention is deflected to the competitor (the defendant's website). This is a problematic conclusion. It does not cite any evidence demonstrating that metatags are capable of influencing search results, relying instead on consequential reasoning to state the impact of using a trade mark in a metatag but without explaining the fundamental issue how this can constitute "use" within the framework of a trade mark law.

On the argument that an internet user would be able to filter the multiple search results and distinguish between different websites, the court reasoned that since the trade mark in question was a common German word, a user would likely be confused into believing that the defendant's website was in fact associated with the plaintiff's website since both parties were competing in the same field of business.

Like in most other judicial decisions on this issue, the court is silent on whether such hidden use will qualify as a defence in an action for non-use. However, the logical conclusion would seem to be that invisible use should suffice to defeat an application to have the trade mark removed from the register on the grounds of five years' continuous non-use, despite the fact that no single German consumer, whether reasonable or otherwise, has seen or even been aware of it. Of course, this is not to say that such behaviour by a defendant should be accepted as legitimate in all circumstances and should not be capable of being stopped by, for example, unfair competition laws but it is not easy to reconcile with the purpose of trade mark law.

## **(c) Canada**

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<sup>16</sup> [2007] E.T.M.R. 46.

<sup>17</sup> *Ibid* at 721.

<sup>18</sup> *Ibid* at 722.

A Canadian judgment came to similar conclusions in 2007. In *Steve Pandi v Fieldofwebs.com Ltd*,<sup>19</sup> the plaintiff sued the defendant for trade mark infringement, arguing *inter alia* that the use of its trade marks by the defendant as metatags amounted to infringement. Although during the course of litigation the defendants agreed to stop using the said metatags, the Supreme Court of Justice at Ontario ruled that if the use of the plaintiff's trade marks as metatags had continued it would have constituted trade mark infringement. The reason offered by the court for this conclusion was that use of the plaintiff's trade marks "as a meta tag was for the purpose of diverting or luring members of the public to a site that was not in fact connected with the business" associated with the plaintiff's trade marks. Like the German court, this Canadian court did not cite any evidence on the ability of metatags to actually influence search results and, again as with the German case, there was no analysis of the implications of such an interpretation in an action for revocation on the ground of 'non-use'.

In a subsequent Canadian decision rendered in *Red Label Vacations Inc. v 411 Travel Buys Ltd*<sup>20</sup> there was no dispute that the defendant was in fact using the plaintiff's trade marks as metatags. On the claim of passing off, after referencing both the English decision in *Reed* and the Canadian decision in *Steve Pandi*, the Federal Court concluded that the defendant's use of the metatags would not cause confusion amongst the users and therefore was not passing off. In pertinent part, the court stated the following:

The use of metatags in a search engine merely gives the consumer a choice of independent and distinct links that he or she may choose from at will, rather than directing a consumer to a particular competitor. Rankings may affect the choice to be made, but nevertheless, such a choice exists. Even if a searcher is looking for the website connected with a particular trade name or trademark, once that person reaches the website, there must be confusion as to the source of the entity or person providing the services or goods. If there is no likelihood of confusion with respect to the source of the goods or services on the website, there is no support for finding this prong of the test for passing off.<sup>21</sup>

The above conclusion of the court ignores its own prior observations on expert testimony which attested that metatags had no impact on search results for search engines like Google. On the claim of trade mark infringement, the court ruled:

'Use' under section 22 requires use of the plaintiff's trademarks, as registered. There has been no such use here and accordingly, section 22 does not apply. Moreover, even if it could arguably be said that there is at least some use of redtag.ca by use of red tag, that use was not in any visible portion of 411 Travel Buys' website, it was in the metatags.<sup>22</sup>

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<sup>19</sup> *Pandi v. Fieldofwebs.Com Ltd.*, 2007 CanLII 27028 (ON SC), <<http://canlii.ca/t/1s2z1>>, retrieved on 2017-09-10

<sup>20</sup> *Red Label Vacations Inc. (redtag.ca) v. 411 Travel Buys Limited (411travelbuys.ca)*, 2015 FC 18 at [22] (CanLII), <<http://canlii.ca/t/ggkxk>>, retrieved on 2017-09-10

<sup>21</sup> *Ibid* at [115]

<sup>22</sup> *Ibid* at [124]



In the very last line, the court does briefly touch on the issue of lack of visibility of the trade mark as a reason to conclude that there was no trade mark infringement, but the reasoning is sparse. Once again there is no analysis on the consequence of such an approach for claims regarding “non-use” of a trade mark. The Federal Court’s ruling was upheld on appeal to the Federal Court of Appeals, although it appears that the appellate court left the door open to allow infringement claims on the basis of trademarks as meta-tags when it states “in some situations, inserting a registered trade-mark (or a trade-mark that is confusing with a registered trade-mark) in a metatag may constitute advertising of services that would give rise to a claim for infringement”.<sup>23</sup>

#### **(d) Australia**

Australian courts have been similarly divided about whether metatags constitute trade mark ‘use’.

In at least one Australian judgment, in *Complete Technology Integrations Pty Ltd v Green Energy Management Solutions Pty Ltd*,<sup>24</sup> the Federal Court of Australia categorically stated that trade marks as metatags do not constitute use of a trade mark as understood under trade mark law because the use is invisible. In pertinent part, the court states:

..... s 120(1) of the TMA requires “the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered” before there can be an infringement. I do not accept that the use of any of CTI’s Registered Trade Marks in Green Energy’s metatags would constitute a trade mark infringement for the purposes of s 120(1). Metatags are invisible to the ordinary internet user, although their use will direct the user to (amongst other websites) Green Energy’s website. Once at the Green Energy website, then, in the ordinary course, the internet user will be made aware that the website is concerned with Green Energy’s services. It cannot, therefore, be said that the use in a metatag of CTI’s Registered Trade Marks is a use that indicates the origin of Green Energy’s services. Thus, metatag use is not use as a trade mark.<sup>25</sup>

This judgment is one of the few to expressly tackle the threshold issue of “use” under trade mark law and, it is respectfully suggested, reached the correct conclusion.

However, a more recent judgment from Australia came to a different conclusion. In *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd*<sup>26</sup> the plaintiff had produced a printout of the source code of the defendant’s website to establish that the defendant had used the plaintiff’s trade mark in the metatags. On the basis of this evidence the Federal Court of Australia concluded that the defendants had effectively “used” the trade mark. The judge stated the “evidence satisfies me that the source data that he located was

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<sup>23</sup> Red Label Vacations Inc. (Redtag.ca) v. 411 Travel Buys Limited (411 Travel Buys Limited), 2015 FCA 290 (CanLII), <<http://canlii.ca/t/gmw50>>, retrieved on 2017-09-10.

<sup>24</sup> Complete Technology Integrations Pty Ltd v Green Energy Management Solutions Pty Ltd [2011] FCA 1319 <<http://www.austlii.edu.au/au/cases/cth/FCA/2011/1319.html>>, retrieved on 2017-09-12.

<sup>25</sup> Ibid at [62].

<sup>26</sup> [2015] FCA 554 <<http://www.austlii.edu.au/cgi-bin/sinodisp/au/cases/cth/FCA/2015/554.html>>, retrieved on 2017-09-12..

visible to those who know what to look for, underlay Liv's website and influenced search results."<sup>27</sup> The problem with this conclusion is that although the metatags are visible in the source code, it is hardly normal behaviour for internet users to access the source code of a webpage to view the metatags. If it considered otherwise, the court should at least have supported that conclusion with some evidence.

On an intra-court appeal to a larger bench, the Federal Court of Australia did not disturb this conclusion despite acknowledging that "[t]he meta-tag is not displayed on the screen".<sup>28</sup> Like that of the single judge, this judgment of the appellate court presumes, without evidence one way or the other, that metatags are "used by a search engine (such as Google) to determine the search results to be listed before the person doing the search."<sup>29</sup> More importantly, like the cases discussed earlier, this judgment does not delve into the issue of how invisible use of a trade mark may qualify as "use" under trade mark law generally.

The judgments in *Complete Technology Integration* and *Accor Australia* (at first instance) were considered in a subsequent Australian case, *Veda Advantage Ltd v Malouf Group Enterprises Pty Ltd*<sup>30</sup> when dealing with the issue of trade mark infringement by the use of keywords in the Google AdWords programme. The *Veda* case endorsed the view taken by the court in *Complete Technology Integration* on the ground that since the use of trade marks as keywords is invisible, it is not possible for the consumer to make a connection between the competing services involved in the action before it. The court stated:

127. But the proposition that using words which are invisible and inaudible, indeed imperceptible, to consumers is using them as a trade mark makes no sense. How could the keywords be understood to be used to distinguish the services of one trader from those of another when the keywords are indiscernible? How could it appear to consumers that, by Malouf's designation of the Veda keywords to Google, the words are used to denote a connection in the course of trade between Malouf's services and the services provided by another trader, or to distinguish its services from the services of others, when the consumers have not seen or otherwise perceived the keywords?

The court concludes by making the pertinent observation that the use of a trademark can never be "a metaphysical relationship, no matter how expansive the concept of use was intended to be".

## **(e) New Zealand**

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<sup>27</sup> *Ibid* at [432].

<sup>28</sup> *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd*, [2017] FCAFC 56 [321] <<http://www.judgments.fedcourt.gov.au/judgments/Judgments/fca/full/2017/2017fcafc0056>>

<sup>29</sup> *Id.*

<sup>30</sup> [2016] FCA 255 <<http://www.austlii.edu.au/au/cases/cth/FCA/2016/255.html>> retrieved on 2017-09-12.

In (relatively) nearby New Zealand, the issue of trade marks as metatags was examined in significant detail by the Court of Appeal of New Zealand, in *Tasman Insulation New Zealand Ltd v Knauf Insulation Ltd*.<sup>31</sup> The plaintiff in this case sued the defendant for using as its metatags certain words that had been registered as trade marks by the plaintiff. The High Court of New Zealand<sup>32</sup> found the use to be an infringement, but this was overturned on appeal.

The New Zealand trade mark statute is clear that prior to the infringement analysis, it is necessary to establish “if the sign is used in such a manner as to render the use of the sign as likely to be taken as being use as a trade mark.”<sup>33</sup> This clause has been interpreted by New Zealand courts to require evidence that “a significant number of normally informed and reasonably attentive internet users are likely to take the use of the sign as being used as a trade mark”.<sup>34</sup>

According to the Court of Appeal, the matter had to be judged from the perspective of a “normally and reasonably attentive internet user” and evidence would be required to prove whether consumers would try to access the source code to view the metatags, and whether the consumers considered the use of the words as metatags as serving the purpose of trade marks. On the facts of the case, the court concluded that the plaintiffs had failed to provide sufficient evidence on either of these issues, holding:

There was no evidence as to why consumers might endeavour to access the HTML code and how that would be achieved. Just as important, there was no evidence as to what, if anything, the impugned words would mean to them. It is evident that the impugned words appear in a single line of source code along with numerous other lines of code of a highly disjointed nature and are unlikely to have any meaning or significance to a prospective purchaser. Even assuming the notional internet user might for some unexplained reason access the source code, the words would appear to be entirely random and essentially meaningless.<sup>35</sup>

This judgment is a useful illustration of the high evidentiary burden that there should be placed on the plaintiff to prove “use” in the case of a trade mark infringement claim based on metatags. It also provides a useful framework to consider whether a trade mark was in fact “used”. However, it should be remembered that this reasoning flows from the wording of the New Zealand trade mark law. Therefore, it may not be able to follow *mutatis mutandis* this reasoning in other jurisdictions, although whether expressly in the law or not it is an issue that should underlie trade mark law.

#### **(f) Indian cases**

The issue of trade mark infringement in the context of metatags has been raised before Indian courts on several occasions. Somewhat strangely, in most of these judgments, the courts failed to address the infringement claims based on metatags despite having recited

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<sup>31</sup> [2015] 3 NZLR 145; [2015] NZCA 602 < <http://www.nzlii.org/nz/cases/NZCA/2015/602.html> > retrieved on 2017-09-12.

<sup>32</sup> *Tasman Insulation New Zealand Ltd v. Knauf Insulation Ltd & Othrs* [2014] NZHC 960.

<sup>33</sup> S. 89(2) of the Trade Marks Act, 2002;

<sup>34</sup> [2014] NZHC 960 at [187].

<sup>35</sup> *Ibid* at [193].

the plaintiff's arguments on the question, choosing instead to dispose of the case on other grounds.<sup>36</sup> Two judgments in which metatagging was discussed in relatively more detail were *Samsung Electronics Company v Kapil Wadhwa*.<sup>37</sup> and *People's Interactive (I) Pvt. Ltd v Gaurav Gerry*.<sup>38</sup>

In the *Samsung* case, the plaintiff sued the defendant for trade mark infringement before the Delhi High Court because it was involved in parallel imports of Samsung's products. A second claim was made with regard to the use of words by the defendants, as metatags, that were registered as trade marks by the plaintiff. Before the Single Judge and the Division Bench (on appeal), the defendants argued that the use of the words registered as trademarks was fair use because they were selling genuine goods. This argument failed before the Single Judge as the court ruled that parallel imports were not allowed under the Trade Marks Act 1999. On appeal, it was held that parallel imports were permitted but the ruling of the trial court with respect to metatags was not overruled. The court did not provide any reasoning for this conclusion apart from agreeing with the decision of the Single Judge. This decision is currently on appeal to the Supreme Court of India.<sup>39</sup>

In the *People's Interactive* case, the Bombay High Court examined in detail the workings of metatags before coming to rather sweeping conclusions. Without citing any authority or evidence, the court concluded that metatags did in fact influence the search results on search engines and, as a result, traffic was being diverted from the plaintiff's website to the defendant's website. (The plaintiff had provided some evidence to this effect although the court does not consider it in detail). The judgment did not explore the issue of whether invisible use of the words amounted to "use" under Indian trade mark law and the consequence of such an approach on other aspects of trade mark law, such as non-use challenges. As is often the case with metatag-related judgments, the court adopted a consequentialist line of reasoning which presumes that the marks are used from the fact that some users got confused between the websites.<sup>40</sup> It should be noted also that the judgment was delivered *ex parte*.

### **(g) United States of America**

The United States was one of the first jurisdictions to tackle the issues of metatagging and has generated much case-law on the issue. However, the U.S. approach is as confused as that in other jurisdictions. Indeed, it would be reasonable to say that the U.S. approach is even more confused because of the application of the doctrine of 'initial interest

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<sup>36</sup> *World Wrestling Entertainment v. Savio Fernandes & Ors.* 2015 (62) PTC 573 (Del) (court records arguments with regard to metatagging but doesn't provide conclusive answer in this regard); *Mattel, Inc. & Ors. vs Mr. Jayant Agarwalla & Ors.* 2008 (38) PTC 416 (Del) (court restrained using the trademark as metatags without giving any reason); *The Himalaya Drug Company vs Sumit* 2006 (32) PTC 112 Del; (records arguments in relation to metatagging but does not rule in this regard); *Christian Louboutin Sas vs Nakul Bajaj & Ors.* 2014 (60) PTC 8 (Del) (records detailed arguments on metatags but no conclusive ruling on the issue);

<sup>37</sup> 2012(49) PTC 571 (Del) (Single Judge); 2013(53) PTC112(Del) (Division Bench)

<sup>38</sup> 2016 SCC OnLine Bom 6641.

<sup>39</sup> C.A. No. 008600 / 2013 before the Supreme Court of India.

<sup>40</sup> 2016 SCC OnLine Bom 6641 [12, 13]

confusion', a distinctly American doctrine<sup>41</sup> that has been rejected expressly in jurisdictions such as Singapore.<sup>42</sup>

One of the most cited U.S. precedents on the issue of metatagging is the decision of the United States Court of Appeal for the Ninth Circuit in *Brookfield Communications Inc. v. West Coast Entertainment Corporation*<sup>43</sup> in 1999. Delivered in the early days of the World Wide Web, before Google became the search engine of choice in most parts of the world, the *Brookfield* decision presumed that metatags directly affect search engine results but does not cite any evidence to support this. Without really considering the issue of whether the use of the words in the metatags constitutes use under U.S. trademark law, the court proceeded directly to evaluating whether metatags contribute to initial interest confusion.

Under this doctrine, even if the confusion caused by the use of a trademark does not result in a sale of a product and financial loss, the mere fact that the customer's attention has been diverted to the defendant's products is sufficient to meet the threshold required to prove trademark infringement. The court drew an analogy of a sign board put up by the defendant on the highway informing drivers that the plaintiff's shop was at the location of the defendant's shop. This would cause the customers to be diverted to the defendant's shop in the hope of finding the plaintiff's shop and when they discovered the absence of the plaintiff's shop, they would likely just make purchases from the defendant's shop despite knowing that it was not associated with the plaintiff's shop. Thus, although there was no confusion at the time of the sale, the initial interest confusion contributed to the sale. However, the analogy misses the point that metatags, unlike a signboard, are not visible to the consumer. The court should have thus determined as an initial step whether the use of the words as metatags constituted "use in commerce" as required by the Lanham Act. In fact, at an earlier point in the judgment, when deciding the issue of seniority of the competing trademarks, the court stressed the importance of visibility of the mark to the general public in order to meet the threshold of being used in commerce. This was necessary because one of the parties tried to argue that it had used the trademark, earlier in time, by registering the disputed phrase as a domain address with a service provider. The court rejected this argument, stating:

The purpose of a trademark is to help consumers identify the source, but a mark cannot serve a source-identifying function if the public has never seen the mark and thus is not meritorious of trademark protection until it is used in public in a manner that creates an association among consumers between the mark and the mark's owner.

The court, however, failed to apply this same reasoning to assess whether use of a word as a metatag, invisible to the normal internet user, can be considered "use" under trademark law. Notwithstanding this logical gap in its reasoning, the *Brookfield* judgment

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<sup>41</sup> Rothman, Jennifer E., 'Initial Interest Confusion: Standing at the Crossroads of Trademark Law'. *Cardozo Law Review*, Vol. 27, p. 105, 2005; David M. Klein & Daniel C Glazer, 'Reconsidering Initial Interest Confusion on the Internet', *TMR*, Vol. 93, p. 1035, 2003.

<sup>42</sup> *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc and another* [2013] SGCA 65 [116].

<sup>43</sup> 174 F.3d 1036 (9th Cir. 1999).

has been cited with approval for more than a decade by U.S. courts.<sup>44</sup> Most of these courts have found that use of trade marks as metatags did amount to infringement because of the initial interest confusion doctrine. In so doing these courts have repeated the evidentiary and legal errors seen in other jurisdictions. From an evidentiary viewpoint, most of the judgments that cite *Brookfield* have not assessed evidence of whether metatags in fact influenced the search results. The legal error in these cases is their failure to examine whether metatags can be considered to be “use in commerce”, which is a threshold issue under the Lanham Act.

The one exception to this trend, although not in the specific context of metatags, was the judgment of the United States Court of Appeals for the Second Circuit, in *1-800 Contacts, Inc. v. Whenu.com, Inc. and Vision Direct, Inc.*<sup>45</sup> where the court held a particular invisible use of a third party trademark as not constituting trademark infringement because it did not amount to “use in commerce” under the Lanham Act. The defendant’s software program in this case consisted of a proprietary directory, comprised of different keywords that were not visible to users. It was not possible for advertisers to pay for keywords to be inserted into the directory. When a search was conducted using the program, it would display the plaintiff’s website address and also show pop-up advertisements displaying the websites of the plaintiff’s competitors. The plaintiff alleged that the incorporation of its trademarks in the defendant’s proprietary directory and the pop-ups of its competitors in response to its trademark being entered into the program, both infringed its trademarks. The district court ruled in favour of the plaintiff before the Court of Appeals overruled it on appeal.

The Court of Appeals stated:

We hold that, as a matter of law, WhenU does not “use” 1-800’s trademarks within the meaning of the Lanham Act, 15 U.S.C. § 1127, when it (1) includes 1-800’s website address, which is almost identical to 1-800’s trademark, in an unpublished directory of terms that trigger delivery of WhenU’s contextually relevant advertising to C-users; or (2) causes separate, branded pop-up ads to appear on a C-user’s computer screen either above, below, or along the bottom edge of the 1-800 website window.

The court came to this conclusion on the ground that private internal use of a trademark by a company in a manner that does not communicate it to the public cannot result in a finding of trademark infringement. The court held:

A company’s internal utilization of a trademark in a way that does not communicate it to the public is analogous to a [sic] individual’s private thoughts about a trademark. Such conduct simply does not violate the Lanham Act, which is concerned with the use of trademarks in connection with the sale of goods or services in a manner likely to lead to consumer confusion as to the source of such goods or services.

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<sup>44</sup> *N. Am. Med. Co. v. Axiom Worldwide, Inc.*, 522 F.3d 1211, (11th Cir. 2008); *Austl. Gold, Inc. v. Hatfield*, 436 F.3d 1228, (10th Cir. 2006); *Promatek Indus., Ltd. v. Equitrac Corp.*, 300 F.3d 808 (7th Cir.2002)

<sup>45</sup> 414 F.3d 400 (2d Cir. 2005)

The court also emphasised that “use” is a threshold issue in a trademark infringement analysis: only once use has been established can the court proceed to consider whether the trademark was used “in commerce” and whether such use resulted in “confusion”. As pointed out by the *1-800* court, very often in the case of alleged trademark infringement on the internet, courts have wrongly presumed infringement on the teleological ground that consumers were getting confused, regardless of whether the trademark was in fact “used”. On the facts before it, the *1-800* court ruled that the plaintiff’s trademark was never “used” because it was never displayed (the website address displayed by the plaintiff was different from the registered trademark and the directory was scrambled and not visible to the users).

The court explained:

1-800 also argues that WhenU's conduct is "use" because it is likely to confuse C-users as to the source of the ad. It buttresses this claim with a survey it submitted to the district court that purportedly demonstrates, inter alia, that (1) a majority of C-users believe that pop-up ads that appear on websites are sponsored by those websites, and (2) numerous C-users are unaware that they have downloaded the SaveNow software. 1-800 also relies on several cases in which the court seemingly based a finding of trademark "use" on the confusion such "use" was likely to cause. See, e.g., *Bihari*, 119 F. Supp. 2d at 318 (holding that defendant's use of trademarks in metatags constituted a "use in commerce" under the Lanham Act in part because the hyperlinks "effectively act [ed] as a conduit, steering potential customers away from Bihari Interiors and toward its competitors"); *GEICO*, 330 F. Supp. 2d at 703-04 (finding that Google's sale to advertisers of right to have specific trademarks trigger their ads was "use in commerce" because it created likelihood of confusion that Google had the trademark holder's authority to do so). Again, this rationale puts the cart before the horse. Not only are "use," "in commerce," and "likelihood of confusion" three distinct elements of a trademark infringement claim, but "use" must be decided as a threshold matter because, while any number of activities may be "in commerce" or create a likelihood of confusion, no such activity is actionable under the Lanham Act absent the "use" of a trademark. 15 U.S.C. § 1114; see *People for the Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 364 (4th Cir. 2001). Because 1-800 has failed to establish such "use," its trademark infringement claims fail.

Notwithstanding the clarity of the above reasoning, there have been several judgments post 2005, where U.S. courts have delivered conflicting opinions on the issue of metatags and trademark infringement.

Post, 2005, the Court of Appeals for the First Circuit and the Tenth Circuit, have both held that use of trademarks in metatags result in trade mark infringement.<sup>46</sup> Both opinions, however fail to analyse whether use in a metatag amounts to “use in commerce”.

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<sup>46</sup> *Australian Gold Inc. v. Hatfield*, 436 F.3d 1228 (10th Cir. 2006); *Venture Tape Corporation v. McGills Glass Warehouse* 540 F.3d 56 (1st Cir. 2008)

On the other hand, there are a string of judgments from District Courts in New York which have categorically held that use in metatags does *not* amount to “use in commerce”. For instance, in 2007 in the case of *S & L Vitamins Inc. v Australian Gold Inc.*<sup>47</sup> the District Court cited *1-800* and held as follows:

‘use’ must be decided as a threshold matter, because while any number of activities may be ‘in commerce’ or create a likelihood of confusion, no such activity is actionable under the Lanham Act absent the ‘use’ of a trademark.

The court ultimately concluded that use of a mark in a metatag did not amount to “use in commerce”.

Similarly, in 2011 a United States District Court in Louisiana ruled as follows:

‘... with internet metatags, keywords, and hidden text the user never actually sees the trademarks or knows that they are in use. The customer is not likely going to be confused by the similarity in a mark whose presence is completely hidden from view. It would seem logical then that mark similarity in a metatag or hidden text case is not going to be a digit that will weigh heavily in the plaintiff’s favor when assessing likelihood of confusion.’<sup>48</sup>

It should, however, be mentioned that litigation associated with the use of trade marks as metatags before U.S. courts appears to have fallen significantly over the last few years.

### **Conclusions: Lessons from the litigation on trade marks and metatags around the world**

The above discussion of judgments from across the world illustrates how difficult it can be for courts and the legal profession to understand trade mark infringement in the context of new platforms like the internet. Whilst this chapter has focussed on the manner in which different courts have tackled trade mark infringement in the context of metatag keywords, the more important question perhaps is, why have lawyers been advising clients to sue over metatags when it has been known for more than a decade that metatags do not influence the search results of Google – the most influential search engine? These cases are a good reminder of why it is important for the legal profession to do a better job of understanding technology. The other important lesson to be learnt from a review of these cases is the need for both judges and the legal profession to be careful to avoid a teleological approach to decision-making: trade mark law is not an all-embracing law against competition. It has important functions but also important limits if right owners are not to be given *carte blanche* to stop competitors. In any action for infringement of a registered trade mark, the first step must be to assess whether a particular use is ‘use as a trade mark’ and therefore the trade mark law is properly engaged. If not, it should not be.

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<sup>47</sup> 521 F. Supp. 2d 188 (E.D.N.Y 2007).

<sup>48</sup> *Southern Snow Manufacturers Co. et. al. v. Sno Wizards Holdings, Inc., et. al.* No. 2:2006cv09170 - Document 371 (E.D. La. 2011)



The policy question that is unanswered at this stage is whether the law *should* protect against the use of third party trade marks in metatags, when innovation by different search engines has rendered metatags practically irrelevant? As the saying goes, “If it ain’t broke, don’t fix it”. However, even if policy makers feel tempted to tackle these issues, it is preferable to do so under a general advertising law rather than a law as specialised (and specific) as trade mark law. There have been cases in Europe where the EU’s directives on misleading and comparative advertising have been used to tackle the use of trade marks in metatags,<sup>49</sup> as have broad-based unfair competition laws, and this is surely the proper approach because neither of these areas requires an assessment of whether a trade mark has been used or was visible.

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<sup>49</sup> For example see *Belgian Electronic Sorting Technology NV v. Bert Peelaers*, Case C-657/11 before the CJEU.