

The Use of Trade Marks in Advertising Key Words

The issue

The issue is relevant to legal advisers as emerging business practices use the internet as a means to gain market share. It is important to know where the boundaries lie.

It is not unknown for a prospective competitor in a field to adopt some indicia associated with an existing competitor. Of course this isn't limited to new businesses coming into a field but also has been seen between existing competitors, seeking market share.

The degree to which such use of copyright work such as a client database, drawings or a computer programme, a trade mark or a patented product or process is permitted are considered on a case by case basis, but are not remote.

A relatively recent development appears through the use of keywords, to give a competitor additional exposure through the internet.ⁱ

The question is whether the use of a competitor's trade mark in key words could lead to a trade mark infringement. This short comment does not seek to answer the question as each case varies, but seeks to raise some of the considerations that might arise.

Use in Metadata

This issue was considered by Kenny J in the case of *Complete*.ⁱⁱ In that case, a company (CTI) was in the business of providing electronic controls for residential and commercial buildings. The controls were used primarily for lighting and also for video visual systems, air-conditioning and other building functions.

Two of the respondents were former employees of CTI, who it was alleged, commenced a business in competition with their former employer, which CTI claimed gave rise to a number of causes of action.

Included in those causes of action was trade mark infringement based on the second and fourth individual respondent's corporate persona which had included on its website www.gemsol.com.au meta tags of "CTI", "cti", "CTI Canberra" and "Capital Technology".

Her Honour found in a summary judgment application by the applicant, that the use of CTI's registered trade mark "CTI" on the respondent's website was capable of being regarded as a use of the sign "CTI" as a trade mark: [48].

CTI argued further that use by the respondent's website of metatags of "CTI", "cti", "CTI Canberra" and "Capital Technology", amounted to use of these signs as trade marks. Kenny J explained that metatags were words selected by a business and placed in the source code of the business' website as title and content: [57].

The result is that when users of the internet with an interest in the services offered by CTI searched the internet for any of those names, the metatags captured the search and threw up the website or the page in respect of which the metatags had been placed, as part of an answer to the search.ⁱⁱⁱ The practice has seen the rapid development of companies advising and specialising in search engine optimisation (SEO).

Her Honour identified critically that metatags were not displayed on the website itself. Kenny J said rather, they were used by search engines (such as Google), to assist in indexing and ranking websites in search results.

On this basis, her Honour considered there was not a trade mark infringement for the purpose of s 120 (1) of the *Trade Marks Act 1995* (Cth), as the trade mark was not visible to the internet user or consumer in the metadata.

Accordingly, Kenny J concluded that once at the respondent's website, then, in the ordinary course, the internet user would be made aware that the website was not CTI's website. Such a temporary or ephemeral confusion does not sustain a claim under the *Australian Consumer Law* ("ACL"): *Bing! Software v Bing Technologies* [2009] FCAFC 131 (Kenny, Greenwood & Logan JJ, 30 September 2009) per Kenny J at [49].

However, an issue arises where a competitor uses a person's registered trade mark in the source code in such a particular manner that the trade mark, assumed for the moment that it is a word mark (as opposed to a composite word and image mark), appears in the title of the search results.

Arguably in that instance, the trade mark, now visible to potential customers, arguably adds the element missing from her Honour's consideration in *Complete*.

The matter is further complicated if the applicant's trade mark is not a word mark but a composite mark, which raises issues of disentangling the composite mark to rely on the word elements within such a mark.^{iv}

Practical matters

The use of another person's trade marks in metadata raises a number of issues. Firstly, in relation to trade mark infringement, is it a use *as a trade mark*? If so, is it deceptively similar to the complaining owner's trade mark?

No doubt, the question of whether the conduct is likely to mislead or deceive within s 18 of the *ACL* or represents a false misrepresentation of sponsorship or affiliation within s 29(1)(g) of the *ACL*, will require close examination. Particularly, as this raises a higher level of confusion than trade mark infringement.

Finally, lost sales through the internet are notoriously difficult to quantify. In this regard, the Court's power after 15 April 2013, to grant additional damages (damages of a punitive nature), for trade mark infringement will be relevant.^v

Conclusion

Due to the relative ease of adding or removing keywords, which have such an impact on customer exposure, this form of commercial behaviour will be appealing. It will be essential to be aware how evolving manifestations fit within the legislation and judicial landscape.

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ⁱ *Google Inc v Australian Competition and Consumer Commission* [2013] HCA 1 (6 February 2013).

ⁱⁱ *Complete Technology Integrations Pty Ltd v Green Energy Management Solutions Pty Ltd* [2011] FCA 1319 (“*Complete*”).

ⁱⁱⁱ *Kilash Centre for Personal Development Incorporated v Yoga Magik Pty Ltd* [2003] FCA 536 at [19], [33].

^{iv} *Crazy Rons Communications v Mobile World Communications* (2004) 61 IPR 212; *Colorado Group Limited v Stand Bags Good Pty Ltd* [2007] FCAFC 184; *Optical 88 Limited v Optical 88 Pty Limited (No 2)* [2010] FCA 1380 at [138] per Yates J (“*Optical 88 primary judgment*”); *Optical 88 Limited v Optical 88 Pty Limited* [2011] FCAFC 130 at [68] per Moore, Sackville and Emmett JJ.

^v *Intellectual Property Laws Amendment (Raising the Bar) Act 2012*, Schedule 5 Part 3 adding s 126(2) to the *Trade Marks Act*.