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Trade Marks & Trade Names as Search Criteria: Protecting Business Assets from the Unscrupulous Meta-tagger

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Abstract

Top ranked returns on popular search engines such as Yahoo and Lycos could become the virtual equivalent of a prime time television advert. The value of judicious meta tagging could therefore be substantial. This paper examines the emerging meta tag/trade mark jurisprudence. It suggests that following the decision of *Playboy Enterprises v Welles* a 'fair use loophole' may have emerged which would allow competitors to legally exploit their competitor's trade name or mark when meta tagging their web site. This paper examines this potential loophole and evaluates whether the practice of competitive meta tagging may emerge.

Keywords

Meta Tags; Trade Marks; Playboy Enterprises v Welles; Search Engines; Fair Use Defence; Trade Marks Act 1994, s.10(6).

Introduction

We are all aware of the impact the Internet is having on our everyday lives. Since the 'network of networks' was developed in 1969 it has continued to evolve. It was originally developed as a military network designed to provide a resilient communications system in event of nuclear war. In the 1970's the network was adapted by US academics to produce an educational network which facilitated the free exchange of ideas, and disseminated key data instantaneously. More recently, it has become a commercial tool used for the advertising, sales and even distribution of products.^[1] www.isoc.org/internet-history/brief.htm^[1] http://www3.oup.co.uk/inttec/hdb/Volume_06/Issue_03/^[1] It is this latest incarnation which has brought the Internet to the attention of intellectual property practitioners. As the net has become commercialised the value of commercial property on the net has flourished, and unscrupulous individuals have sought to exploit potential cyberspace loopholes to their advantage.^[2]

One issue of central importance to businesses is the protection of their trade name (or other trade marks). A particular problem for trade mark owners proved to be the navigational system in use on the World Wide Web (the web). The web is one of several networks which uses the Internet. It is based upon the system of hypertext transfer protocol, or HTTP, developed in 1993 by Tim Berners-

Lee of the European Laboratory for Particle Physics. The revolution introduced by HTTP was its use of hypertext links. Embedded within the body of web pages were software commands allowing the user to navigate (or surf) the web simply by a click of the mouse. HTTP freed up the Internet. It allowed open access for consumers. Computer novices could be surfing within minutes of setting up their computer. It is this free accessibility which has allowed the commercial Internet to develop and flourish, but it also provided for the first round of commercial property disputes in cyberspace: the role of trade marks as domain names.[3]

Without an effective navigational system the web would be useless. In addition, as the web is a global tool, the navigational system in place requires to be global. This means each web address which represents a single page of text or images on the net requires to be unique.[4] The system put in place was the use of Internet Protocol or IP addresses. Each IP address is a unique 32-bit number key[5] that identifies the location of a web page. These IP addresses are made up of four number sets, sometimes called a "dotted quad", each in the range of 0-255. An average IP address would therefore look something like 193.25.212.31. The human brain, though, unlike a computer has difficulty remembering numbers, so to assist users of the web a human-friendly domain name is overlaid on top of the IP address. These domain names became the initial focus of trade mark protectionism on the Internet.

Established companies wished to prevent abuse of their trade marks in cyberspace. They sought to protect these assets in the same way they would in the real world. Many of them wished additionally to ensure they would be able to use their trade marks as domain names when they established their web presence. Problems arose though where several companies all shared trade marks in a similar or identical name. This is possible due to the concepts of domesticity and specificity which apply to trade marks.[6] To give an example; the trade mark 'Prince' is registered by Prince Sportswear Group Inc., both in the UK and US, in relation to sportswear and sporting goods. A separate company, Prince plc., have an unregistered trade mark in this name in relation to IT services in the UK. Both co-existed peacefully in the real world, but in cyberspace only one could have the unique domain name prince.com. Following a claim under s.21 of the Trade Marks Act 1994 (unwarranted threats) the small IT company won the right to use the domain prince.com.[7] This case and many others (Pitman Training Ltd. v Nominet UK[8]; Roadrunner Computer Systems Inc. v Network Solutions Inc.[9]; Panavision v Toeppen[10]; Avnet v Isoact[11]; Jews for Jesus v Brodsky[12]) led to academic debate on both sides of the Atlantic.[13] The problems raised by the domain name system have been scrutinised at length not only by the academic community but also by, amongst others, the International Ad Hoc Committee,[14]<http://www.iahc.org/draft-iahc-recommend-00.htm> [1] the US government[15]www.ntia.doc.gov/ntiahome/domainname/6_5_98dns.htm[1] and the World Intellectual Property Organisation.[16]<http://wipo2.wipo.int/process/eng/processhome.htm>[1] While this scrutiny of the domain names/trade marks issue was ongoing the focus of the issue has shifted from the role of domain names to the role played by meta tags.

Searching the Web

The domain name/trade mark debate was undoubtedly of importance as electronic commerce developed in the mid to late 1990's. What is clear now though is that this issue will have a limited lifespan, as the value of domain names decreases. Domain names, it now appears, may have been overvalued in the early stages of development of e-commerce. This overvaluation was based on a misunderstanding of the preferred navigational system of web users. We were treating the Internet like a physical town or city. Domain names were street names and we assumed customers would find their way to virtual stores by using domain names in the same way we locate physical stores by the use of street names. For the most part this was mistaken. Although some people do find web sites in this way most people treat the Internet in a similar fashion to a more traditional information depository - a library.

The web is more like a library than a town or city. It is not a physical environment with buildings

and streets, instead it is a repository of information, carefully catalogued and easily accessible. Domain names are not street addresses they are shelfmarks. This is the key distinction which has been recognised in the last two years. Although certain multinationals do possess valuable domains, such as Coca-Cola and Disney, most smaller businesses do not receive a high percentage of hits directly from their domain name. Rather, like a book in a library, most of their hits come from referrals from other sources, in particular search engines. Just as when you go into a library looking for information you will usually make use of a catalogue, web users make use of search engines. These are most web user's starting point.

To explain the role, and value, of meta tags we need to examine HTML or Hypertext Markup Language. HTML is the language which is used to create web sites. HTML consists of tags, or text, surrounded by less-than/greater-than (< and >) symbols. These tags format the document allowing browsers such as Microsoft Internet Explorer or Netscape Communicator to interpret them, allowing the viewer to view what the author intended. For example the author may tag text as bold in the following manner **this is bold** or as italics <i> *this is italics* </i>.

Meta tags are HTML tags, like those illustrated above, but they are not used to format the document in the manner of the bold or italic tags illustrated. Instead meta tags provide information about the document such as the document title and the author's e-mail address. The key function of meta tags, for the purpose of this paper is, though, the keyword function. The keyword function allows the meta tag to act as a holder for keywords which are then indexed by search engines such as Alta Vista, Lycos and Webcrawler. These search engines have automated indexing systems which make use of software known as 'spiders'. These spiders search the web and pull out, among other things, the keyword meta tags of a web page in order that the search engine may index the site.

Despite an honourable origin,^[17] abuse of keyword meta tags has grown in recent years. Meta tags are valuable tools; they allow webmasters to increase the traffic to their site by including keywords which they know to be popular search terms, even if that keyword has nothing to do with their web site. Well known trade marks are often popular search terms, and as a result unscrupulous webmasters have taken to meta tagging famous names and other marks in an attempt to increase the traffic to their site. It is this which has led to the developing law in the area of meta tagging.

Misuse of Meta Tags

If we accept that most people navigate the web in a similar manner to a library, with search engines fulfilling the function of a card catalogue, it is obviously to a site operator's advantage if they can promote their site through judicious keyword meta tagging. This is where, almost certainly, the growth of Internet trade marks disputes will occur in the coming years. The domain name/trade mark dichotomy may prove to be of little significance compared to the meta tag/trade mark disputes which will follow.

There have to date been no UK cases on the misuse of trade marks as meta tags, but there have been several US cases. Most of the cases to date have been straightforward cases of breach of trade mark, and have as a result been easily dealt with as clear trade mark infringements. The first signs of possible loopholes are, though, already emerging and some meta tag disputes have ended in victory for the tagger rather than the trade mark owner. We will begin by looking at the early case law in this field.

Early Meta Tag Infringements

The first reported meta tag case was *Insituform Technologies Inc. v National Envirotech Group*.^[18] This case is an example of a 'classic' meta tag case. National Envirotech, a competitor of Insituform Technologies, embedded Insituform's trade marks 'Insituform' and 'Insitupipe' into the keyword meta tags of its web site. An action was raised on 1 July 1997 by Insituform, claiming that National

Envirotech's actions amounted to unfair competition under the principle that one business may not pass off their goods or services of those of another or otherwise suggest a connection between them. [19][http://www.cll.com/keyword.ht\[m\]](http://www.cll.com/keyword.ht[m]) The case was quickly settled upon agreement from National Envirotech that they would desist and would agree to a permanent injunction being entered. At a similar time to the Insituform case, several other instances of trade mark infringement in meta tags emerged. One of the first of these involved one of the leading experts in the field, Carl Oppedahl a partner with New York attorneys Oppedahl & Larson. In *Oppedahl & Larson v Advanced Concepts*, [20] the famous law firm was required to take action to protect their trade marks 'Oppedahl' and 'Larson'. The defendants, an unincorporated entity from Texas, had tagged these terms without any use of them on their website. It appeared, and was claimed by Oppedahl & Larson, that the only reason the defendant had done so was to increase traffic to their website. This is a particularly interesting early case for several reasons. Firstly, unlike the Insituform case, there was no visible use of the plaintiff's trade mark on the defendant's website: the only use was in the hidden source code. Secondly, Oppedahl & Larson actually allow (and apparently encouraged [21] [http://www.finehummel.com/library/intellect/metataglit.ht\[m\]](http://www.finehummel.com/library/intellect/metataglit.ht[m])) the use of their trade marks on a parody page called, "This has nothing to do with Carl Oppedahl or Oppedahl and Larson." [22] [http://www.geocities.com/CapitolHill/Lobby/6620/index.ht\[m\]](http://www.geocities.com/CapitolHill/Lobby/6620/index.ht[m]) It appears Carl Oppedahl was concerned that the actions of the defendants could have led web surfers to assume the defendants were in some way linked to the famous firm as there was no reference to Oppedahl & Larson in the text of their web page, a mistake which no visitor to the parody site could ever make. Again here the plaintiffs were successful with Oppedahl and Larson obtaining permanent injunctions against all defendants following agreed settlements finalised between December 1997 and February 1998.

Several similar cases have been heard to date, some involving famous trade marks such as 'Playboy' and 'Playmate', [23] others, like the Insituform case, involving disputes between competitors: [24] all have led to restraining orders being awarded. These cases all involved a clear misuse of another's trade mark to the benefit of the infringing party. In each of these cases the infringer was attempting to increase traffic to their website through the misuse of the trade mark in question. All were clear examples of trade mark infringement.

The Terri Welles Case

More interesting from an academic point of view is the case of *Playboy Enterprises v Welles*. [25] [http://terriwelles.com/order_01.ht\[m\]](http://terriwelles.com/order_01.ht[m]) Miss Welles was a former 'Playmate of the Year' [26] who used this term, a registered trade mark of Playboy Enterprises, both on her web site and as a keyword meta tag. In February 1998 Playboy Enterprises raised an action against Miss Welles claiming five causes of action, including federal trade mark infringement and trade mark dilution. [27] Miss Welles, raised a 'fair use' defence: she contended all the terms she used accurately described her and she was therefore entitled to use them. [28] Miss Welles pointed to her prominent use of disclaimers as evidence that there was no likelihood of confusion, [29] and claimed she was accurately describing herself as Playmate of the Year 1981 within the fair use provisions of the Lanham Act. [30] The case was heard by Judge Judith Keep on 15 November 1999, and on 1 December she issued judgement in favour of Miss Welles granting her motion for summary judgement and dismissing all eight of Playboy's claims.

Playboy Enterprises based their claim on an earlier case, *Brookfield Communications Inc. v West Coast Entertainment Corp.* [31] In doing so, they claimed a web user who keyed the search term "Playboy" into a search engine would be expecting results which would take them to either the official Playboy web site or to sites affiliated with Playboy Enterprises. On this basis Playboy claimed someone who found Miss Welles site returned from such a search would assume her site was in some way linked to Playboy Enterprises causing a "likelihood of confusion on the basis of initial interest confusion". [32] Judge Keep had little difficulty in distinguishing the case before her from the *Brookfield* case. She pointed out that none of the previous meta tag cases had involved the fair use defence under the Lanham Act or a use of trade marks in meta tags which accurately and

fairly describe the contents of the web page or web site. Judge Keep pointed out that if the consumer was searching for Miss Welles' web site, but could not remember her name they would require to make use of key words describing Miss Welles, and that the key words that would identify Miss Welles to the public would be "Playboy", "Playmate" and "Playmate of the Year". As these keywords would be central to consumer access to Miss Welles' web site, and as Playboy Enterprises could not offer alternative search terms to the satisfaction of all parties and the court, Judge Keep dismissed Playboy's action saying:

"The World Wide Web is a commercial marketplace and a free speech marketplace. To give consumers access to it, the court must be careful to give consumers the freedom to locate desired names while protecting the integrity of trademarks and trade names. The court stresses that the underlying or foundational purpose of trademark protection is not to create a property interest in *all* words used in a commercial context, but rather, "[t]he policies of free competition and free use of language dictate that trademark law cannot forbid the commercial use of terms in their descriptive sense" J. McCarthy, *Trademarks and Unfair Competition*, §11.45 at 82 (1999). As Justice Holmes in *Prestonettes v Coty* 264 U.S. 359,368 (1924), put more eloquently, "[w]hen a mark is used in a way that does not deceive the public we see no such sanctity in the word as to prevent its being used to tell the truth."^[33]

This is a key decision in the development of the law in relation to meta tags. It was the first time a tagger had successfully defended their actions against a federal trade mark holder. More importantly, though, it gave an indication of the type of actions a site operator could legally carry out with a trade mark.

The Fair Use of Trade Marks as Meta Tags

Both the US and the UK allow fair use defences to a claim of trade mark infringement. The defence under the Lanham Act may be found at §33(b)(4) while the corresponding defence under the Trade Marks Act 1994 may be found at ss.10(6) and 11(2). This section opens by analysing the decision in *Playboy Enterprises v Welles* and goes on to suggest how this decision may affect the development of UK law in this area. It concludes by suggesting a possible loophole in the law may be opened up should UK courts apply the reasoning of the *Welles* decision.

Fair Use in the United States

The fair use defence under the Lanham Act states that, "the right to use the registered mark...shall be subject to the...defense that the use of the name, term or device charged to be an infringement is a use...which is descriptive of and used fairly and in good faith only to describe the goods or services of such party."^[34] To establish this defence, the defendant is required to prove three elements:^[35]

- (1) Their use of the term is not as a trade mark or service mark
- (2) They use the term "fairly and in good faith", and
- (3) They use the term only to describe their goods or services.

In addition to these three basic elements it has been accepted by most US courts that an additional element, that of an absence of a likelihood of confusion on the part of the customer is required for the fair use defence.^[36] This additional element is based on the view that it is inconsistent to find both a likelihood of confusion and a fair use. If the use being made of the trade mark is likely to confuse the customer then this is a breach of the basic purpose of a trade mark: an ability to identify the source or origin of the goods or service in question. The courts have therefore taken a view that a likelihood of confusion bars the defendant from relying upon the fair use defence. The Ninth Circuit has put forward an eight point test, called the "Sleekcraft test" which may be used to determine when

there is a likelihood of confusion.[37] In the *Welles* case though Judge Keep was keen not to adopt the Sleekcraft test in determining whether or no Miss Welles had made a fair use of the Playboy trade marks. She noted that the case was "not a standard trade mark case and [did] not lend itself to the systematic application of the eight factors in Sleekcraft." [38] The major problems with applying the Sleekcraft test to meta tag disputes had been recognised in the earlier case of *Brookfield Communications Inc. v West Coast Entertainment Corp.* [39] The key difficulty the *Brookfield* court had found in applying the Sleekcraft test was the manner in which the confusion occurred with meta tag disputes. When a trade mark is used as a meta tag the result of this action is usually a "hit" or return on a search engine when a keyword linked to that trade mark is entered as a search parameter. The result of this is the customer sees a list of potential websites which will usually contain both the plaintiff's and the defendant's website. By reviewing this list the customer should then be able to identify the web site he is seeking, and even in the event he accidentally clicks onto the defendant's website in error, any confusion is usually immediately rectified once the defendant's website loads and the customer can see its content. [40] Taking her lead from the reasoning of the court in the *Brookfield* case, Judge Keep decided the Sleekcraft test could not be applied to meta tag disputes and went on to analyse the likelihood of confusion in the instant case without reference to the eight factors listed in the Sleekcraft test.

Judge Keep chose to analyse the evidence in the case before her by using what she called a 'common sense' approach. In particular she was keen to ensure that she remained flexible when applying traditional trade mark law to the question before her. [41] In applying this common sense approach Judge Keep found that web users must utilise identifying words in their search for a web site. In the case of Miss Welles' website a consumer who could not remember her name would use key words such as 'Playboy' and 'Playmate' to search for her site, as these are her source of public recognition. Miss Welles' use of these terms as keyword meta tags were therefore not only a fair use, but one which in the interests of commerce were necessary, as without them some of Miss Welles' prospective customers would be unable to locate her site. On this basis Judge Keep ruled out Playboy Enterprises' claims of a likelihood of confusion on the part of the consumer and found that Miss Welles' use of the trademarks was a fair use.

Playboy argued there still remained a likelihood of confusion as there was a risk of 'initial interest confusion'. Initial interest confusion is the theory that the consumer will be temporarily confused by the misuse of a trade mark and as a result their attention will be drawn to the defendant's site, even if this does not lead to a sale (or loss of a sale) once the confusion abates. The right to make an initial interest confusion claim can be found in the case of *Dr. Seuss Enters v Penguin Books USA Inc.* [42] Such a claim had been allowed in the *Brookfield* case.

Playboy Enterprises argued (supported by circumstantial evidence) that an "appreciable number" of persons who enter the terms 'Playboy' or 'Playmate' into a search engine are looking for the official Playboy website. This, they argued, showed initial interest confusion; meaning Miss Welles' use of their trade marks was not a fair use and they were entitled therefore to relief. Judge Keep, though, rejected this argument. She found that the *Dr. Seuss* and *Brookfield* cases merely indicated that initial interest confusion was actionable under the Lanham Act. Neither case suggested that a finding of initial interest confusion compelled a finding of trademark infringement or prevented a finding of 'fair use'. She pointed out that to the contrary, the decision in *Brookfield* made it clear that a finding of initial interest confusion did not restrict the right of a defendant to make a fair use of a trade mark in accordance with the Lanham Act. [43] On this basis, as the court found no evidence that Miss Welles had intended to divert customers of Playboy Enterprises to her web site by trading on Playboy's goodwill. [44] Judge Keep determined that any initial interest confusion caused by Miss Welles' use of Playboy Enterprises trade marks was not such as to interfere with the finding that her use was a 'fair use', and the claim was dismissed. In reviewing all the evidence before her, Judge Keep found that Playboy Enterprises had failed to establish Miss Welles' use of their trademarks was in any way unfair or confusing. The court found that Miss Welles was entitled to continue to use these terms as they were descriptive of the contents of her site and there was no evidence of an intent

by her to trade off of the goodwill of Playboy enterprises. Playboy's claims were therefore dismissed and for the first time in a meta tag dispute the trade mark holder had lost.

Fair Use in the United Kingdom

As previously mentioned the Trade Marks Act also contains fair use provisions. The main fair use provision in the UK is found in s.10(6) of the Act which states:

"Nothing in the preceding provisions of this section shall be construed as preventing the use of a registered trade mark by any person for the purpose of identifying goods or services as those of the proprietor or a licensee. But *any such use otherwise than in accordance with honest practices in industrial or commercial matters shall be treated as infringing the registered trade mark* if the use without due cause takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark."^[45]

This provision is designed to allow competitors to use the trade mark of another for the purposes of comparative advertising. It is generally felt that to allow traders to carry out such comparative advertising is good for the consumer in that such comparisons assist consumers in making choices. There is a counter-argument that such advertising should be prevented as advertisers will be selective in the content of the advert and may therefore distort the facts. The risk of such adverts being so selective as to be distortive is though ameliorated by the requirement that the use made of the other party's trade made must be 'in accordance with honest practices'; a distortive advert would not be found to be honest by the courts.^[46] The question of when a use of another's trade mark is fair has been examined several times since the introduction of the new fair use defence in 1994.

The first major analysis was that of Mr. Justice Laddie in the case of *Barclays Bank v RBS Advanta*.^[47] In his analysis Laddie J. concluded that a plaintiff could not succeed merely by showing that the defendant was taking an unfair advantage of the trade mark in question. This is because the section was clearly intended to allow comparative advertising to take place and all comparative advertising would contain elements of selective reporting and "puffery". All such advertisements would therefore run the risk of being found in breach of s.10(6) if all the plaintiff was required to demonstrate was an 'unfair advantage'. Instead, Laddie J. felt that the plaintiff would have to make out a case for material dishonesty before the use of the trade mark would be found to be unfair.

This case and others which have followed^[48] have developed an objective standard to be applied when determining claims under s.10(6). This standard is tested with reference to a reasonable reader of the advertisement. The question posed is 'once the reader is given the full facts, would he say that the advertisement is not honest?' The reasonable reader of an advertisement is assumed to be knowledgeable about advertising practices. Therefore, they are expected to be aware of the use of advertising puffs and hyperbole in advertisements. Thus in the case of *Vodafone v Orange*^[49] it was expected that a reasonable reader of an advertisement which claimed, "on average, Orange users save £20 every month" would assume this meant Orange users at the arithmetical mean, rather than all users of the service across all tariffs and services. The cases decided thus far all suggest for an advertisement to be 'otherwise than in accordance with honest practices' in terms of s.10(6) it must be substantially misleading. This suggests that although we have no direct authority on the fair use of trade marks as meta tags in the UK, UK law on the fair use exception is broadly in line with the US position. A use will be fair unless it misleads the public or otherwise causes confusion which takes unfair advantage of, or is detrimental to, the mark.

A Fair Use Loophole?

The application of the decision in the *Welles* case gives rise to the possibility of an interesting scenario. Potentially, it opens a loophole, which would allow web site operators to legally use their competitor's trade marks as meta tag keywords. The *Welles* case has decided it is legal in the United

States[50] to use a registered trade mark of another as a keyword meta tag, if the defendant uses the mark in question to catalogue the content of their web site and they do so in such a manner which does not confuse users, and is not detrimental to the mark in question. It is the submission of the author, in the absence of authority, that the position in the UK, under s.10(6) of the Trade Marks Act would be the same, provided the use of the mark was, 'in accordance with honest practices', and did not 'without due cause take unfair advantage of, or be detrimental to, the distinctive character or repute of the trade mark'. The use of the trade mark of another as a keyword meta tag can therefore be inherently fair if you are genuinely cataloguing the content of your web site. Of course in most cases the operator of a web site would have no reason to include the trade mark of a competitor in the content of their web site. The issue of fair use meta tagging, therefore does not arise. A potential loophole does emerge though if we fuse together the principle that you may make a fair use of a competitors trade mark as a keyword meta tag, as described above, and the more traditional role of s.10(6); that is to facilitate comparative advertising. These two distinct uses of s.10(6) when taken together create the potential for a new trading practice, that of referring to, then meta tagging your competitors trade marks.

As s.10(6) allows the fair use of a competitor's trade mark for the purposes of comparative advertising, the first task the web site operator needs to carry out is the preparation of an online advertisement which complies with the objective fair use standard as defined in *Barclays Bank v RBS Advanta* and *Vodafone v Orange*. Once this advertisement is prepared the web site operator may then add this advertisement to their web site and, then in accordance with the *Welles* decision, they may fairly tag their competitor's trade mark as part of the content of their site. If there is no likelihood of confusion, and if their use of their competitor's trade mark is not detrimental to that mark this should in theory be permissible. The question for any web site operator is how would the courts react to such a practice? Would the courts view this as being in accordance with honest practices, or would they view it as taking unfair advantage of the distinctive character or repute of the trade mark?

It may be assumed that the courts would instinctively move to prevent such a development, in much the same way as they moved quickly to prevent the practice of cybersquatting in the mid 1990's. The case in point here though would not be as clear cut as with cybersquatting. With cybersquatting the courts could easily see an immoral, if not illegal, mischief occurring. Clearly the cybersquatters were appropriating valuable commercial assets to which they had no right or claim. In the event a web site operator carried out comparative content meta tagging in the manner described above the question of whether or not this is immoral would be much less clear. A strong argument could be made for the morality (and legality) of acting in this way. If we return for example to the leading case of *Barclays Bank v RBS Advanta*, the advert in issue there was one prepared by the Royal Bank of Scotland which claimed that the Royal Bank's credit card had 15 particular advantages over Barclay's Barclaycard and offered beneficial charges compared to the Barclaycard product. If the Royal Bank of Scotland were to repeat this advert on their web site and then meta tag the term 'Barclaycard', then obviously a search against Barclaycard would produce a return detailing the Royal Bank's web site. The customer could then access the Royal Bank's web site and read the advert before deciding for himself which credit card would be best for his particular circumstances. As Barclaycard is probably the best known credit card in the UK this may be a popular search term entered by persons who are considering taking out a new credit card. The courts would find it very difficult to say that the Royal Bank was not simply assisting the consumer by making the comparisons available, this being, of course, one of the key reasons for the fair use exception in the first place.

In the event the courts were to accept this line of argument a new business opportunity would emerge. With electronic commerce conservatively predicted to grow at a rate of over 2500% per annum in the next four years[51], the web is the world's fastest growing commercial marketplace. Being placed in the top 10 or top 20 returns in search engines will be the digital equivalent of prime time television advertisements, and have the potential to be just as valuable. If courts were to rule that web site operators could legally make use of competitor's trade marks, as described, a new

industry in comparative advertising specifically tailored to web sites could emerge. There is though one potential problem web site operators still require to overcome before this industry in digital comparative advertising is established. This is the problem of the initial interest confusion.

Initial interest confusion is, as previously discussed, the theory that the consumer will be temporarily confused by the misuse of a trade mark. Judge Keen in the *Welles* case stressed the importance of flexibility in dealing with evolving cyberspace law. One aspect of the initial interest confusion claim she chose not to apply, as it was not in issue in the *Welles* case, was to test to see if there was evidence of whether the "situation offers an opportunity for sale not otherwise available by enabling [the] defendant to interest prospective customers by confusion with the plaintiff's product".^[52] As a comparative advertisement by its nature is designed to offer an opportunity for sale this may be seized upon by the courts as a reason to disallow the practice of comparatively advertising and then meta tagging a competitor's product. It is by no means certain though the courts would act to prevent comparative advertisements being tagged in the manner described above if the web site operator acts in good faith. There is a loophole in the current law; the question is merely would the courts move to close that loophole by seizing on this requirement?

Conclusions

The Internet continually requires lawyers to re-examine the role of traditional legal frameworks, as the free movement of information and globalisation it brings does not comply with our traditional models of nation states, national governance and the traditional marketplace. The courts have been forced to continually adapt trade mark law to meet the challenges of cybersquatting and the role of domain names. The issue of meta tagging and trade marks is therefore just the latest in a long line of Internet specific problems.

While it is arguable that the courts were required to take flexible and innovative interpretations of the law in relation to cybersquatting^[53] and protection of domain names,^[54] the issue of the fair use defence in relation to meta tags may provide the greatest challenge to date. As mentioned, it was always clear with cybersquatters that their actions were at the very least immoral, if not illegal, while cases involving domain names usually fell clearly into one of two categories, either the *bona fides* user or the *mala fides* user. The line between good and bad faith is though much narrower in the case of meta tagging. Although almost certainly the courts would move to prevent 'competitive meta tagging' carried out in the manner described above, the author suggests that such a practice is not only legal in terms of the Trade Marks Act 1994, it is an application of the aims of s.10(6) of the Act.

[1] For a full analysis of the development of the Internet see: Leiner *et al*, A Brief History of the Internet, The Internet Society <>; Murray, [Internet Domain Names: The Trade Mark Challenge](#), [1998] IJLIT 285 at 286-291. Available online at: <>

[2] In particular the "Cybersquatter". See: *Panavision v Toeppen* 945 F Supp 1296; *British Telecommunications and others v One in a Million* [1999] RPC 1; Waelde, Domain Names and Trade Marks: What's in a name? in Edwards & Waelde eds. *Law and the Internet*, Hart, 1997

[3] On which the commentaries written are almost too numerous to catalogue. Interested readers may wish to look to: Waelde *supra* note 2.; Murray *supra* note 1.; Thorne and Bennett, Domain names - Internet Warehousing: has protection of well-known names on the Internet gone too far? [1998] EIPR 468; Haftke, 'One In A Million - domain names reconsidered' [1998] Ent. L.R241; Haydoutoya, 'Trade marks: infringement on the Internet - distinction between domain name and uniform resource locator address'. [1998] EIPR N76; Stoodley, Internet domain names and trade marks [1997] EIPR 509; Morton, 'Opinion.com'. [1997] EIPR 496; Waelde, Trade marks and Domain Names. There's a lot in a name, in Edwards & Waelde eds. *Law and the Internet 2*:

Regulation of E-Commerce, forthcoming, Hart, 2000.

[4] A comparison may be drawn with postal addresses. To allow the global postal network to function every address on the planet requires to be unique. This analogy proved to be important for our misunderstanding of how the Internet functions as discussed below.

[5] At least it was in 1993 when the net was established. These 32 bit addresses are now being supplemented by new 128-bit IPv6 addresses.

[6] See Murray *supra* note 1.

[7] *Prince plc. v Prince Sportswear Group Inc.* [1998] FSR 21

[8] [1997] FSR 797

[9] E.D. Va. Filed March 26 1996.

[10] 945 F Supp 1296

[11] [1998] FSR 16

[12] DC NJ Civil Action No. 98-274 (AJL) 3/6/98

[13] See *supra* note 3.

[14] The Final Report of the International Ad Hoc Committee: Recommendations for the Administration and Management of gTLDs, 4 February 1997, IAHC (available at [D](#))

[15] A Proposal to Improve Technical Management of Internet Names and Addresses, US Department of Commerce/NTIA, 5 June 1998 (available at [\[\]](#); Anticybersquatting Consumer Protection Act 1999.

[16]

[17] Keyword meta tags were put in place by far sighted software engineers. These individuals had the foresight to realise that a web page may contain images or other non-textual material which could not be indexed by search engines. A meta-tag allowed for a text-based keyword to be associated with the non-textual material, making it easy to search for web pages with such content.

[18] ED La. Filed 26 August 1997. Civil Action No. 97-2064.

[19] For more detail on this claim you may read a short report prepared by counsel for Insituform at: [<\[>](#)

[20] DC Colo. Filed 6 February 1998. Civil Action No. 97-Z-1592

[21] Although a link to the following site now cannot be found on the Oppedahl & Larson links page we are informed such a link existed in October 1998 by Scott Fine. See Meta tag litigation - The new threat to your trade marks [<\[>](#)

[22] [<\[>](#)

[23] *Playboy Enterprises v Calvin Designer Label*, ND Cal. Filed 8 September 1997. Civil Action No.

97-3204 CAL; *Playboy Enterprises v AsiaFocus and Internet Promotions*, ND Cal. Filed 22 April 1998. Civil Action No. 97-3204 CAL (joined actions). Note these actions were also joined with the *Playboy Enterprises v Terri Welles* case discussed below.

[24] *Niton Corporation v Radiation Monitoring Devices* 27 F. Supp.2d 102.

[25] SD Cal. Filed 1 December 1999. Civil Action No. 98-CV-0413-K. Available at: <[>

[26] Miss Welles was in fact Playmate of the Year 1981. The terms tagged by Miss Welles which were challenged by Playboy Enterprises were "Playmate of the Year", "Playboy" and "Playmate".

[27] The other claims were false designation and unfair competition, trade mark infringement under Californian common law and unfair competition under Californian common law. In April 1999 Playboy Enterprises added a further three complaints of trade mark counterfeiting, breach of contract and further claim of trade mark dilution.

[28] In addition, on 4 January 1999 Miss Welles filed a counterclaim claiming (1) defamation, (2) intentional interference, (3) intentional infliction of emotional distress, (4) unfair competition and (5) a claim for declaratory relief.

[29] Miss Welles had disclaimers on eleven of her fifteen free web pages stating, "This page is neither endorsed nor sponsored by, nor affiliated with Playboy Enterprises Inc. PLAYBOY, PLAYMATE OF THE YEAR and PLAYMATE OF THE MONTH are registered trademarks of Playboy Enterprises Inc."

[30] See 15 U.S.C. §§ 1115(b)(4) and 1125(c)(4)(1999).

[31] 174 F.3d 1036.

[32] Transcript judgement at p.35. For more discussion on initial interest confusion see *infra* p.7.

[33] *Ibid.* at p.40 (Judge Keep's emphases).

[34] § 33(b)(4).

[35] Judge Keep at p.7.

[36] See *Lindy Pen Co. v Bic Pen Corp.* 725 F. 2d 1240 (1984). *Transgo Inc. v Ajac Transmission Parts Corp.* 911 F. 2d 363 (1990).

[37] The test comes from the case of *AMF Inc. v Sleekcraft Boats* 599 F. 2d 341 (1979). The eight factors are: (1) the strength of the mark (2) the proximity or relatedness of the goods (3) the similarity in appearance, sound and meaning of the marks (4) evidence of actual confusion (5) degree to which the marketing channels converge (6) the type of good and the degree of care customers are likely to exercise in purchasing them (7) the evidence of the intention of the defendant in selecting and using the alleged infringing name and (8) the likelihood the parties will extend their product lines.

[38] Transcript pp.36-37.

[39] *Supra* note 31.

[40] "It is difficult to say that a consumer is likely to be confused about whose site he has reached or

to think that somehow [the plaintiff] sponsors [the defendant's] web site." *Brookfield* at p.1062.

[41] Transcript p.39. To quote Judge Keep, "The Internet is constantly evolving, as is the new field of cyberspace law. The novelty of this area, especially in the area of trademark infringement, is evidenced by the few courts that have considered the precise issues that are raised before the court in this case. In rendering an analysis which is flexible and reflective of "emerging technologies", this court is also mindful that it must not lose sight of either common sense or the important, foundational and underlying principles of trademarks law"

[42] 109 F. 3d 1394

[43] *Brookfield* at p.1065.

[44] This is of some importance as the courts in both *Dr. Seuss* and *Brookfield* had stated that "use of another's trademark in a manner **calculated** to capture initial consumer attention, even though no sale is finally completed as a result of the confusion may be still an infringement", *Brookfield* at p.1062, citing *Dr. Seuss* at p.1405.

[45] Emphasis added. The wording of s.10(6) would appear to comply with Directive on Comparative Advertising, Dir. 97/55/EC. It would therefore appear the UK does not require to take any further action to implement the Directive.

[46] For further discussion on these issues see Cornish, *Intellectual Property*, 4th Ed., Sweet & Maxwell, 1999 at para 17-104.

[47] [1996] RPC 307

[48] See *Vodafone v Orange* [1997] FSR 34 (discussed below); *Cable & Wireless v British Telecom* [1998] FSR 383; *Emaco v Dyson Appliances*, *The Times*, 8 February 1999

[49] *Ibid*

[50] More correctly of course the *Welles* case applies to the jurisdiction of California rather than the US as a whole, but as the court was interpreting a Federal Act it would not be unreasonable to assume other courts would come to the same conclusion.

[51] A recent survey carried out for *The Economist* suggests a 'high' estimate of the value of worldwide e-commerce could be as much as US\$3.2 trillion by 2003. If achieved this would be a growth rate of over 5000% pa. Between 1999 and 2003. Source: *Business & the Internet Survey*, *The Economist*, June 26 1999, p.39.

[52] From *Sara Lee Corp. v Kayser-Roth Corp.* 1992 WL 436279

[53] See Murray, *New Developments in Domain Name Warehousing* [1997] 30 Bus. L.B. 7.

[54] *Supra* note 3.