ANDRUS SCEALES STARKE & SAWALL

Intellectual Property Newsletter

Fall 2008 Volume 1, Issue 3

Firm News

East Coast Office Now Open

Partner Ed Williams has opened an office just north of Boston in the quintessential New England fishing village of Newburyport, MA. The office is located next to historic Market Square along the Merrimac River as it enters the Atlantic Ocean. All are invited to stop by the office, say hello, and get a coffee or lunch. The address in Newburyport is: 29 Water Street, Suite 210, Newburyport, MA 01950.

29 Water Street Building

Exclusively IP Since 1939

Use of Metatags and Trademark Infringement

By Benjamin R. Imhoff

A metatag is HTML code that is not expressed in the visual appearance of an associated web page. Rather, metatags provide a description or keywords that identify the contents of the web page. Internet search engines often use the content of the metatags in formulating search results.

Due to the importance of metatags in formulating Internet search results, many competitors have attempted to gain an advantage by using their competitors' marks in their metatags. Courts have struggled with the question of whether such use of a competitor's trademark is trademark infringement under the Lanham Act.

Case law regarding metatag use is currently inconsistent and therefore makes it difficult to know how to lawfully use metatags, and how to evaluate the lawfulness of competitors' uses of metatags.

Although inconsistent, recent case law regarding metatag use should still be considered closely when adopting a "metatag use strategy" for your business. The following outlines two of the directions that courts have taken regarding metatag use.

Relying upon the early Internet case of Brookfield Communications v. West Coast Entertainment[1], some courts have sided with trademark owners under the theory of initial interest confusion. The court in Brookfield made the analogy that using a competitor's trademark in a metatag is the same as a billboard that advertises a company's competitor's store at their store's address. Consumers are initially confused and thus caused to visit the advertised location. Upon arrival at the location, the consumers realize that the infringer is not affiliated with the trademark owner. Yet, the consumers still patronize the infringer out of convenience.

However, two recent district court cases have diverged from the reasoning in Brookfield. First, in Designer Skin, LLC v. S&L Vitamins, Inc.[2], a court narrowly read Brookfield's description of initial interest confusion and restricted this theory

(Continued on page 2)

[1] 174 F.3d 1036 (9th Cir. 1999)
[2] CV 05-3699-PHX-JAT (D. Ariz.) (Filed 5/20/2008)

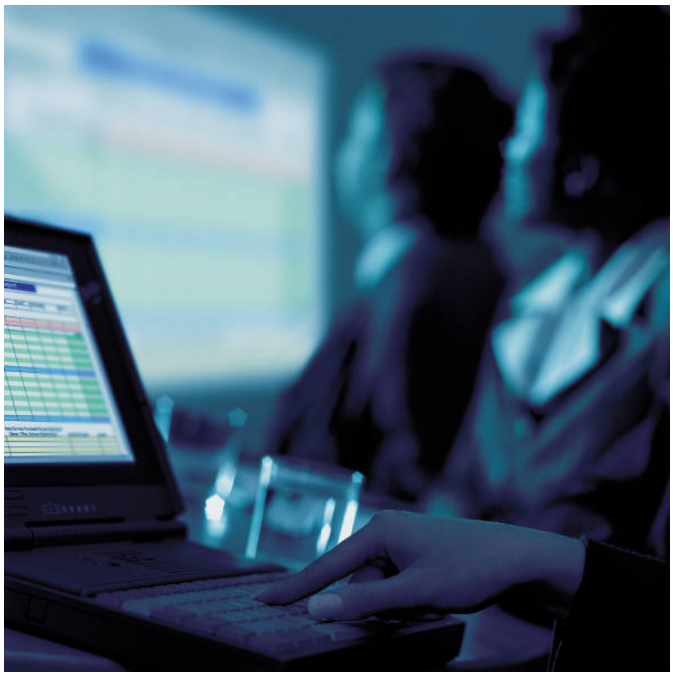
Metatags and Trademarks

(Continued from page 1)

to cases that exhibit the "bait and switch" described by Brookfield. Designer Skin dealt with an unauthorized distributor (S&L Vitamins) that sold genuine products of Designer Skin and Designer Skin's competitors through its website and used Designer Skin's trademarks in its metatags. The district court focused on the fact that Designer Skin's products could be found on each page that used Designer Skin's trademarks in the metatags. Thus consumers find what they are looking for (Designer Skin products), and there is no consumer confusion, initial interest or otherwise, when a consumer is directed to S&L's web page looking for Designer Skin products.

Another case, S&L Vitamins, Inc. v. Australian Gold, Inc.[3], followed the general rule that strictly internal use of a trademark in keywords and metatags does not constitute Lanham Act "use", and therefore, fails to meet a threshold required for a claim of trademark infringement. This contradicts the basic holding in Brookfield. In S&L, the same S&L Vitamins from Designer Skin found itself in a similar dispute with Australian Gold, a maker of tanning lotions and skincare products. S&L sold Australian Gold products and the products of Australian Gold's competitors through S&L's web sites. S&L purchased sponsored search result placements for Australian Gold's trademarks and used Australian Gold's trademarks in the metatags of S&L's web pages. Through these efforts, consumers using search engines to look for Australian Gold products found S&L's web pages.

Australia Gold failed the threshold "use" question as S&L used Australia Gold's trademarks in only internal metatags. The Court further explained in S&L that "there is no trademark 'use' where a defendant does not place the trademark on any product, good, or service and where it is not used in a way that would indicate source or origin," and comparing this to an individual's private thoughts about a trademark.



However, not all courts are following the emerging threshold "use" case law. Earlier this year, a court found trademark infringement based upon Axiom Worldwide, Inc's use of a competitor's trademarks in metatags likely to succeed on the merits, such as to warrant a preliminary injunction.[4] The court further found the threshold "use" analysis questionable when it concluded that metatag use did not require the defendant to display the trademark. The 11th Circuit decided that the plain meaning of the statutory language included internal metatag use as a 'use in commerce,' relying upon distinctions between the 'use in commerce' necessary for trademark registration and the 'use in commerce' required as an element of trademark infringement.

Therefore, it may ultimately require the Supreme Court to provide the clarity needed in the law surrounding metatag content use so that businesses can both avoid liability and readily identify actionable metatag misuses. Until then, it is advisable to be conservative when using metatags to avoid any potentially infringing activities.

[3] 521 F. Supp. 2d 188 (E.D. N.Y 2007)
[4] North American Medical Corp. v. Axiom Worldwide, Inc., 522 F.3d 1211 (11th Cir. 2008)

100 East Wisconsin Avenue
Suite 1100
Milwaukee, Wisconsin 53202

ANDRUS SCEALES STARKE & SAWALL

Tel: 414-271-7590
Fax: 414-271-5770
Website: www.andruslaw.com