

TRADE MARKS

Trademarks as Keywords - Uncharted Waters for Singapore

One of the issues discussed at the INTA meeting in Chicago this year was the issue of keywords on the internet. The use of the keywords would trigger a headed link to a website of a competitor. Who then is infringing? The search engine for providing the services, the advertiser (i.e. competitor) for using the trade mark, or the user who types the keyword? These issues have not come before our Singapore Courts. However, our Trade Marks Act and UK decisions can provide some guidance on key word trade mark infringement.

Section 27 of our Trade Marks Act defines infringement where a person, without the consent of the owner of the mark (i) uses in the course of trade; (ii) an identical mark on identical goods/services or identical/similar mark on identical/similar goods/services; (iii) there exists a likelihood of confusion; and (iv) cause or is likely to cause damage to the reputation of the trade mark owner.

Therefore (i) there must be **use** of the trademark by the infringer (whether by the search engine or advertiser) and (ii) that use must be use as a trademark - suggesting a **connection** between the infringed goods/services and the Trademark owner (iii) the trade marks must be used on the identical/similar goods and services and (iv) as a consequence there exists a likelihood of confusion (v) resulting in damage or a likelihood of damage to the owner of the trademark.

Do search engines infringe the registered Trademark when they **sell** them as search terms or keywords? The difficulty for the Trademark owner is to demonstrate that when key words are sold, they are used by the search engines as trademarks i.e. suggest a connection between the keyword and **their own** goods or services.

Search engines only use these trademarks as **products** for sale - and do not use them to indicate their own goods or services. Take for example a supermarket. By selling products bearing its respective brands, the supermarket cannot be said to be using the brands as trademarks.

However the supermarket may be liable for **indirect** infringements, where it is obliged to prevent direct infringements and failed to do so. Courts have held distributors are liable for "disseminating" goods which infringe another's trademark as soon as they are made aware of this fact. It is necessary to establish that the search engine knew the "dissemination" of the keyword will infringe another's trademark.

The mere purchase of the keyword is unlikely to constitute trademark use. There is no interaction with consumers, no transparent public use, no direct connection made between the search engine and the advertiser. The keyword is only "used" in a private contractual vacuum between the search engine and the advertiser. It is therefore unlikely that purchasing a keyword is by itself use as a trademark and the advertiser would not infringe at least up to this point.

Next

- 2 -

The next act is the generation of the advertisement triggered by the keyword. Advertisers would say that they do not **directly** or overtly use the trademark as the advertisement is automatically generated by the search engines' software and therefore the only overt "use" of the trademark is by the user who types in the keyword. On closer examination, the advertiser knows (and hopes) when it purchases the keyword that a user will type it into the search field and trigger the advertisement. It may be said that the advertiser controls and is ultimately responsible for the entire chain of acts from the purchase of the keyword to the display of the advertisement. It is therefore arguable that the overt use of the user is an infringement as he is effectively an agent of the advertiser.

But this still begs the primary question - do these sequence of events qualify as **use** of a trademark by the advertiser? The advertiser, through the user, uses the keyword to trigger advertisements, rather than use the trademark **in** the advertisement. Therefore can it be said that there is a connection between the keyword and the advertiser's goods or services? In our view, the form, position and wording of the advertisements, and the way in which the user responds to the advertisement will determine whether it is being used as a trademark. If the advertisement does **not** contain a trademark, or it bears the advertiser's trademark or contains generic information, it would not be in infringement.

Consider a situation where the keyword such as "Kodak" is used to trigger an advertisement containing the advertisers' mark such as "Fuji Film". There is no mention of Kodak in Fuji Film's advertisement. Has Fuji Film used Kodak's trademark?

As explained earlier, there must be some connection suggested between the goods (or services) and the **user** of the trademark. A critical consideration is whether the user clearly connects the keyword he typed in with the advertisement that appears in the web page. It is necessary to see whether a connection exists and if it does, its strength. You need consider how busy the web page is, where the advertisement is ranked in the search results and placed on the page itself. Even observant users may overlook an advertisement in a congested page particularly where it ranks lower than more relevant links. Also users are used to irrelevant search results being generated and may ignore it. All these factors may undermine any connection between the keyword and the advertisement.

It is therefore doubtful that the Kodak trademark has been used by Fuji Film to make a connection between Kodak and Fuji Film's goods. Trademark infringement requires the infringer to use the keyword as a trademark to suggest a connection between their **own** goods and not any goods. The Kodak trademark has been used to facilitate legitimate trademark use of Fuji Film in relation to Fuji Film's goods. Once Fuji Film's advertisement appears, the user understands that the advertiser is not suggesting that Fuji Film's products are Kodak's products. Therefore the critical ingredient to support use of a trademark is missing. The use in this situation is analogous to comparative advertising.

next

- 3 -

Case Law

A case in point is the UK decision of *Reed Executive Plc vs Reed Business Information Ltd*. Reed Executive (the Plaintiff) had registered the trademark "REED" for employment agency services and had considerable reputation. The defendant Reed Business Information Ltd (RBI) published journals and magazines, which contained jobs section. RBI set up a recruitment website called Totaljobs.com. RBI purchased the keyword "reed" to generate banner advertisements for their totaljobs.com website. None of the banner ads made reference to the word REED or to RBI and referred only to totaljobs.com. The Plaintiff argued that this was infringement of the registered trademark "Reed". The Trial Judge agreed.

However the Court of Appeal disagreed stating that infringement under the UK Act requires establishing a likelihood of confusion on the part of the public, which includes the likelihood of association with the trademark. The Court focused on the requirement of confusion rather than trademark use. It held that as the advertisement referred only to totaljobs.com, there is no visible appearance of the word "Reed", there is no likelihood of confusion.

The Court also considered the hypothetical situation, where there is no requirement of confusion but instead the defendant's use must be "in the course of trade". The Court expressed doubt that such invisible use would be "in the course of trade" because there is no meaning conveyed to anyone, no sign, just computer software registering the keyword in a digitized form.

The assumption is that "in the course of trade" suggests the use must be overt, visible use and must be by the infringer. It is arguable that the user's overt use satisfies that requirement and can be made against the advertiser through the agency of the user. Provided the **user** makes some connection between the keyword and the triggered ad, there may be no infringement.

To sum up, if a keyword generates an ad containing no reference to the trademark and clearly contains the advertiser's trademark, then infringement is unlikely. Even if users link the keyword to the advertisement, there is unlikely to be "trademark use" because the advertiser has not used the complainant's trademark to denote the advertiser's goods or services.

~~~~~

**next**