

I. Introduction

The unparalleled advance of the Internet in the modern era has led to vast new opportunities for marketers in the digital realm. The fusion of information technology and access to the Internet has acted as a catalyst for software based algorithms which purport to closely match online media content to highly targeted advertising. The adoption of cookie-based tracking technologies combined with internet protocol address geotargeting has allowed online advertising to be refined to such a degree that relevant and accurate advertising can be matched to any content that any particular Internet user is viewing at any particular time. Evidently, an important facet of this technology is the critical reliance of text based inputs in order to interpret and decipher the particular content being viewed. The fundamental dependence on text interpretation by advertising algorithms has led to significant judicial confusion regarding the permitted use and manipulation of such text in the context of trademarked terms.

The conflicting legal paradigm is the apparent statutory authority provided by trademark legislation which purports to provide the registered owner of a trademark exclusive rights over a sign for the goods and/or services in which it is registered – against the use of such a mark by advertising systems as a contextual input driver in order to accurately correlate the most appropriate advertising content to the inputted term. To further complicate this paradigm, the usage of trademark terms must be categorised into two distinct and separate groupings – those terms which are driven by direct user-input – entered into search engine interfaces which then render search results correlated with relevant search advertising – and those that are automatically extracted by advertising systems from the web page meta data layer. This latter category usually couples a machine algorithmic approach with human assisted text identification – commonly referred to as meta tagging – for the purposes of enhanced content interpretation which augments the advertising matching process.

The utilisation of content tagging in the meta layer of web pages provides a further level of complexity in respect to what constitutes acceptable use of a trademarked term – as the addition of such text can be an important indexing factor for advertising engines in ranking and subsequently displaying advertising adjacent to the web content. While it is apparent that meta tagging can also be machine driven – content which is unable to machine interpreted is often identified by the addition of these human interlaced meta tags for the purposes of matching relevant advertising to content which would otherwise be uninterpretable. The inherent difficulty in rationalising the use of meta tags and sponsored links with trademark legislation is the degree to which they contribute to the likelihood of deception or confusion in the marketplace for the trademarked term and whether there is unacceptable use of the trademarked term such that this use satisfies the requirements of infringing conduct.

Consequently, this paper will seek to review the current United States and United Kingdom perspectives on the use of trademarks as keywords in meta tagging and sponsored links in online advertising systems and search interfaces. A consideration of the Australian perspective in respect to the *Trade Marks Act 1995 (Cth)* will occur, and a review of the concepts of misleading and deceptive conduct and comparative advertising under s52 of the *Trade Practices Act 1974*¹ will also be conducted. A conclusion will then be drawn in light of the preceding analysis.

¹ *Trade Practices Act 1974.*

II. International Approach

A number of international authorities have attempted to clarify the issue of infringing trademarked terms in meta tagging and sponsored links results. An exploration of the most recent decisions in both the United States and the United Kingdom may provide a sufficient basis for comparison on how the Australia judiciary may rule on current and eventual cases in our jurisdiction.

i. *The United States*

The primary defendant in the United States in respect to trademark litigation has been Google Inc – the world largest search engine facilitator which has been engaged in trademark litigation since 2004 stemming from the Ninth Circuit *Playboy v Netscape Commc'ns Corp*² decision. In this case, the Ninth Circuit Court held that selling banner advertisements triggered by Internet users' search words which resembled registered trademarks may constitute trademark infringement if consumers are sufficiently confused by such advertisements. Subsequently, in *Gov't Employees Ins. Co (GEICO) v Google Inc*³ the Federal Court held that Google could be liable for trademark infringement for displaying and using other companies' trademarks in its advertising system as it facilitates and encourages comparative advertising between competing companies.⁴

In the most recent decision of *Rescuecom Corp v Google Inc*⁵ (**'Rescuecom case'**) - the Second Circuit reversed the lower court decision which alleged that Google's keyword advertising practices constituted the 'use' of a trademark in a commercial sense. Leval, Clarabresi and Wesley JJ based their decision, and somewhat narrowed the reasoning, presented in *1-800 Contacts v WhenU Distinguished*⁶ (**'1800 Contacts'**) which provided that an adware vendor did not engage in "use in commerce" through a keyword triggered process under the *Lanham Trademark Act* (**'Lanham Act'**).⁷ Most notably, the joint justices noted⁸ that under sections 32 and 42 of the *Lanham Act*⁹ no liability could be imposed for "use in commerce" when the defendant did not "use or display" a trademark term – that is, the use only occurred as part of some internal machine mechanism or function. Critically, it was determined that "use" is not encompassed within statutory confinements of § 45 of the Act¹⁰ when it is included in "an internal computer directory"¹¹ for the purposes of redisplay for competitive advertising purposes. Additionally, the joint justices reiterated that even if the defendant had used the trade mark – the *Lanham Act* requires that the unauthorised use be such that it is ultimately "likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, ... or as to the origin, sponsorship or approval of goods [or] services" which was not forthcoming in this instance.

² *Playboy v. Netscape Commc'ns Corp.*, 354 F.3d 1020 (9th Cir. 2004).

³ *Gov't Employees Ins. Co (GEICO) v Google Inc.*, 330 F. Supp 2d 700 (E.D. Va. 2004).

⁴ *Ibid* 3 at 701-03 (E.D. Va. 2004) (citing *Playboy*, 354 F.3d at 1024).

⁵ *Rescuecom Corp. v. Google Inc.*, 562 F.3d 123 (2d Cir. April 3, 2009) at <http://caselaw.findlaw.com/data2/circs/2nd/064881p.pdf>, Viewed 18th September 2009

⁶ *1-800 Contacts v WhenU Distinguished, et all.* (S.D.N.Y Dec 22, 2003).

⁷ *LanHam Trademark Act* (15 U.S.C).

⁸ *Ibid* 5 p. 11, pp. 14, Viewed 18th September 2009

⁹ *Ibid* 7 at §§1114 & 1125.)

¹⁰ *Ibid* 7 at § 1127.)

¹¹ *Ibid* 5 at p. 12, pp. 4, Viewed 18th September 2009

Importantly, this case may jeopardize previous rulings which relied on *I-800 Contacts v WhenU Distinguished*¹² as an authority that meta tags are not a “use in commerce”. The joint justices in *Rescuecom* specifically redefine the context of their implication in *I-800 Contacts v WhenU Distinguished*¹³ such that they

‘[d]id not imply in *I-800* that an alleged infringer’s use of a trademark in an internal software program insulates the alleged infringer from a charge of infringement, no matter how likely the use is to cause confusion in the marketplace. If we were to adopt such a notion, the operators of search engines would be free to use trademarks in way designed to derive and cause consumer confusion.’¹⁴

It is unclear how such a statement is rationalised with keyword meta tags which cannot cause consumer confusion in any direct manner as they appear within the meta layer of a web page. In *I-800 Contacts* the defendant relied on the significance of a layer of meta tag abstraction – that is, the defendant did not “use in commerce” the meta tags in any particular sense¹⁵ which the Court viewed favourably in its decision making and which now seems the implicit minimum requirement in light of the joint justices refinement above. Interestingly, Google have publically announced¹⁶ that their use of key word meta tags is irrelevant in the determination of their search results effectively upholding this abstraction layer defence afforded to *WhenU* in *I-800 Contacts* in any future litigation against them. Additionally, the joint justices also frame their narrowing of the *I-800 Contacts* decision in light of sponsored search result links and assert that a broad interpretation of *I-800 Contacts* is incorrect as it would allow ‘[s]earch engines to permit advertisers to pay to appear at the top of the “relevance” list based on a user entering a competitors trademark – a functionality that would be highly likely to cause confusion.’¹⁷ Their Honours refer reference to “relevant list” inferring that if the broad interpretation were acceptable then search engine operators could blend organic and sponsored links without identification or segregation.

Disappointingly, the joint justices restrict their decision narrowly to the confinements of the complainants action which was in relation to s12(b)(6) of the *Lanham Act* regarding “use in commerce”. Their Honours offer no significant *obiter* on the likelihood of confusion in respect to whether a competitive sponsored advertisement appearing at the top of a search result list would equate to an adequate source of confusion when compared to the organic list. Instead, their Honours only provide, in conclusion, that sponsored and organic search results are not adequately distinguished to abrogate infringement immediately¹⁸ – leaving future actions in this area probable. It is hoped that the pending multi-class action case of *FPX, LLC*

¹² *I-800 Contacts v WhenU Distinguished, et al.* (2d Cir. June 27, 2005).

¹³ *Ibid.*

¹⁴ *Rescuecom Corp. v. Google Inc.*, 562 F.3d 123 (2d Cir. April 3, 2009) at <http://caselaw.findlaw.com/data2/circs/2nd/064881p.pdf> p. 12, pp. 19, Viewed 18th September 2009.

¹⁵ *I-800 Contacts v WhenU Distinguished, et al.* (2d Cir. June 27, 2005) at <http://caselaw.lp.findlaw.com/data2/circs/2nd/040026p.pdf> p. 26, pp. 20, Viewed 18th September 2009.

¹⁶ Matt Cuts, *Google does not use the keywords meta tag in web ranking*, <http://googlewebmastercentral.blogspot.com/2009/09/google-does-not-use-keywords-meta-tag.html>, Viewed 21st September 2009. It is noted that Google do use meta description tags for website description snippets in their search results which could feature trademarked terms. Additionally, while Google do have the vast majority of the search engine market, other search engines may still include meta keyword tags as variable in ranking of search engines results and therefore litigation may still exist in the use of keyword meta infringement.

¹⁷ *Ibid* 14 at p. 13, footnote 4.

¹⁸ *Ibid* 14 at p. 14, pp 18.

*v. Google, Inc ('FPX')*¹⁹ will provide a substantive ruling on the legitimacy of selling trademark keywords as part of an automated advertising system.

It is in the author's opinion that such a ruling will be unlikely in *FPX* because the United States judiciary will be extremely hesitant to certify and adjudicate against an individualized class of trademark. The inherent difficulty raised by such a class action is that each trademark is different – inferring that each has varying competitive markets, the online advertisements featuring the marks are unique and the informational requirements of the marks customers – who are the primary audience viewing these advertisements – are different. This plethora of dissimilarity's between individual trademark owners raises a large range of technical and procedural judicial difficulties in adjudicating a multi-class trademark infringement case. It is probable that if such a case does proceed against the defendant – they will attempt to contest the action and achieve a successful outcome which will eliminate future trademark litigation against the litigating classes. Alternatively, and more likely, it is probably that Google may settle a multi-class trademark action and bind all respective trademark owners which are governed by particular classes and eliminate their future right to sue for infringement.²⁰

ii. *The United Kingdom*

While the United States continues to grapple with the notion of “likelihood of confusion” in online advertising systems, the United Kingdom has directly addressed the issue of conflict between trademark owners and search engines through its trademark statute – *Trademarks Act 1994 (UK)* via s10(1) and s10(2). In the English Court of Appeal decision of *Reed Executive Plc v Reed Business Information Ltd*,²¹ it was alleged that publisher Reed Elsevier – who owned and operated a website called www.totaljobs.co.uk – had infringed s10 of the *Trade Marks Act 1994 (UK)* through the rendering of a sponsored banner advertisement when the keyword ‘Reed’ was entered into the Yahoo! search engine. At first instance, it was held that a search for the keyword ‘Reed’ constituted trademark infringement since it was a “use” of the plaintiffs trademark. However, this was reversed on appeal where Jacobs LJ noted that

‘The idea that a search under the name Reed would make anyone think there was a trade connection between a totaljobs banner making no reference to the word “Reed” and Reed Employment is fanciful. No likelihood of confusion was established. That is not to say, of course, that if anyone actually clicked through (and few did) and found an infringing use, there could not be infringement. Whether there was or not would depend solely on the site content, not the banner.’²²

¹⁹ *FPX, LLC v. Google, Inc.*, 2:2009 cv00142 (E.D. Tex. complaint filed May 11, 2009).

²⁰ It is noted that more than five other trademark lawsuits are pending against Google Inc including *John Beck Amazing Profits, LLC v. Google Inc.* 2:2009cv00151 (E.D. Tex. May 14, 2009), *Stratton Faxon v. Google, Inc.* (New Haven Superior Ct. May 27, 2009), *Soaring Helmet Corp. v. Bill Me Inc.*, 2:2009cv00789 (W.D. Wash. June 9, 2009), *Ascentive, LLC v. Google, Inc.*, 2:09-cv-02871-JS (E.D. Pa. June 25, 2009).

²¹ *Reed Executive Plc v Reed Business Information* [2004] EWCA Civ 159.

²² *Ibid* at 140 – 141.

The Court also rejected that contention that use of meta tags was a ‘use’ of a trademark and also held that there was not a sufficient basis to declare an action in passing off. Most notably, Jacobs LJ stated that 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 uses read only by computers may not count – they never convey a message to anyone’²³

More recently, the UK High Court revisited the meaning of ‘use’ in *Wilson v Yahoo! UK Ltd & Anor*.²⁴ In this case, the plaintiff alleged that when his trade mark ‘Mr Spicy’ was entered into the Yahoo! search a list of sponsored advertisements appeared including advertisements for Sainsbury’s and Pricegrabber – competitors to the plaintiffs business. The plaintiff’s trademark was a Community trade mark (CTM)²⁵ and as a CTM proprietor, the plaintiff relied on Article 9(1) of the *CTM Regulation*²⁶ and *CTM Regulation 40/94/EC* which prohibits use of a registered mark to identical or similar goods and services. In rejecting the plaintiffs case, Morgan J stated that

‘[T]he trade mark in this case is not used by anyone other than the browser who enters the phrase “Mr. Spicy” as a search query in the defendants’ search engine. In particular, the trade mark is not used by the defendants ... Mr. Wilson is also not able to prohibit the use of the words “Mr. Spicy” even when they are being applied to goods identical to those for which the mark is registered if that use cannot affect his own interest as proprietor of the mark having regard to its functions.’²⁷

Evidently, this ruling seemingly quashes the notion that the rendering of third party advertisements in response to particular keywords entered directly into a search interface for ‘related goods or service’ is not ‘use’ of a trademark and therefore cannot constitute trademark infringement. Importantly, however, it is the authors opinion that this case may not be the definitive ruling on the subject of ‘use’ and ‘likelihood of confusion’ in the United Kingdom primarily because

- (a) The plaintiff represented himself and did not definitively explore extrajudicial commentary from other EU members on matters relating to sponsored search advertisements.²⁸
- (b) The decision passed by Morgan J was a summary judgment at first instance which is not binding to other members of the High Court judiciary.

²³ *Reed Executive Plc v Reed Business Information* [2004] EWCA Civ 159 at 149.

²⁴ *Wilson v Yahoo! UK Ltd & Anor* [2008] EWHC 361 (Ch).

²⁵ A Community Trade Mark (CTM) is a trademark which is pending registration - or is registered - in the European Union as a whole as opposed to any particular jurisdiction within the European Union.

²⁶ *Community Trademark Regulations*, <http://oami.europa.eu/EN/mark/aspects/pdf/4094enCV.pdf>, Viewed 21st September 2009.

²⁷ *Ibid* 24 at 64 - 65

²⁸ For example, an adverse ruling was passed down against Google in *Google v Viaticum* [2008] C-237/07 – although this case is now pending an appeal to the French Supreme Court.

- (c) The primary word keyword used was ‘spicy’ – as opposed to ‘Mr. Spicy’ – which was a generic term as opposed to the exact registered mark. Furthermore, the actual registered mark ‘Mr. Spicy’ is somewhat descriptive if considered in its singularly and in its entirety. While this is seemingly addressed by Morgan J above, it may present difficulties for future marks which are contain no partially descriptive elements.
- (d) Critically, the registered mark ‘Mr Spicy’ had no reputational significance in the marketplace which would render even a remote connection to the likelihood of deception or confusion. If a famous mark with significant reputation in the market was substituted in this case, an action may exist under Article 9(1)(c) of *the CTM Regulations* relating to ‘unfair advantage’.

While it is quite possible that future cases may present some of the issues considered above, it does seem adeptly obvious that United Kingdom has a preference towards protecting search engines from trademark litigants. Arguably, as suggested in *Reed Executive Plc v Reed Business Information Ltd*,²⁹ UK judges seem adopt a large degree of practicality in their analysis such as a recognition that consumers are now sufficiently able to distinguish between sponsored links and organic search results and they are able to understand the differences between the two.³⁰ Regardless of this practical consideration, the current authorities seem to suggest that the UK Courts reject the notion of ‘use’ and ‘likelihood of confusion’ in connection with online advertising systems.

III. Australian Considerations

The Australia judicial system has not been subjected to any case law on meta tags and only recently has a pending case been filed in the Federal Court regarding sponsored links involving *Australian Competition & Consumer Commission (ACCC) v Trading Post Australia Pty Ltd & Anor*.³¹ It is firstly prudent to examine infringement under the *Trade Marks Act 1995 (Cth)* (**‘Trademarks Act’**) before considering the *Trade Practices Act 1974 (Cth)* (**‘TPA 1974’**).

i. *Trade Marks Act 1995 (Cth)* (**‘Trademarks Act’**)

Under s120(1) of the *Trademarks Act* – a trademark is infringed when a mark is substantially identical or deceptively similar to the complainants registered trademark and is being used as a trade mark in relation to the specific goods or services for which the trade mark is registered. s120(2) provides that if a mark is being used as a trade mark in relation to goods and service which are similar, or closely related, to those registered good and services then it will infringe the registered mark.³² Finally s120(3) provides that a trademark is infringed if the trade mark is well known in Australia and is being used as a trade mark that is substantially identical or deceptively similar to the registered mark in unrelated goods and services.

²⁹ *Reed Executive Plc v Reed Business Information* [2004] EWCA Civ 159 at 127,140.

³⁰ It is noted, that even in sophisticated internet users, confusion can and still does exist. An example includes - Techcrunch, *A Really Nasty Ad Slips past Google*, <http://www.techcrunch.com/2009/09/22/a-really-nasty-ad-slips-past-google/>, Viewed 22nd September 2009.

³¹ *Australian Competition & Consumer Commission v Trading Post Australia Pty Limited* [2009] FCA 828 (12 June 2009).

³² Providing that the unauthorised user cannot establish that the use of the mark is unlikely to deceive or cause confusion.

Evidently, as seen in the United States and the United Kingdom, the primary issue relates to whether keywords are ‘used’ as trademarks in meta tags or sponsored search advertisements. The ‘use’ of a trademark in Australia requires that the trade mark be utilised as a specific and notable symbol of origin which sufficiently indicates the source of the goods or services relating to the mark.³³ It is arguable, as seen in the United States, that a machine read use in an internal computing directory – even if it is for the purposes of redisplay – is not a use which falls into the statutory confinements of the *Trademark Act*.³⁴ The use of the trade mark is not such that the mark is acting as a ‘symbol of origin’ or as an identifiable sign which sufficiently indicates the source of the goods or services. Evidently, an important distinction is whether the registered trade mark is actually appearing in the advertisement itself. It is definitively arguable that the machine rendering of an unique advertisement stemming from a trademarked keyword search does not constitute use – conversely, the display of a trademark inside a sponsored search result may infringe s120 if the sponsored search advertisement features a registered mark in a class relating to the goods or services being advertised and there is a likelihood of deception or confusion. Of course, this later element must be balanced with concepts of comparative advertising and the permissible ‘fringe’ actions such as ‘was-now’ pricing permissibility’s and the timeliness of pricing data featured in the goods and services being advertised.

Importantly, there are many scenarios which still exist that have not been explored or tested in Australia. For example, how can the advertisement of counterfeit or illegal parallel imports of trademark goods affect the liability of automated advertising system operators which would not be able to interpret the ‘real-time’ difference between this infringing use as opposed to another advertiser who has a valid and permissible use? Furthermore, are automated advertising systems operators liable for generic terms which are incorporated inside competing businesses sponsored search results such as ‘Discount Air Travel’³⁵ when a consumer is searching for such goods and services? Finally, what is the liability of advertising system operators where similar registered trademarks are filed across different class registrations – that is,– ‘Discount Air Travel’ as a Class 39 service registration as opposed to a differing Class 9 ‘Electronic Goods’ – such as newsletters – registration ? It is apparent that many of these issues remain at the forefront of trademark infringement considerations in Australia and may be considered by the judiciary in the future.

i. *Trade Practices Act 1974 (Cth) (‘TPA 1974’)*.

Section 52 of the *TPA 1974* prohibits misleading or deceptive conduct by corporations in trade or commerce. With respect to the trademarks and online advertising, S52 primarily requires that a claim must demonstrate that consumers were mislead or deceived, or likely to be mislead or deceived, by some representation which inferred that there was an association between the owner of a trademark and subsequent advertiser using the mark. The obvious advantage provided to a plaintiff in any cause of action involving s52 is that only a ‘likelihood’ of deception or confusion is necessary to establish a claim – a plaintiff is not required to establish that actual loss occurred.³⁶ Importantly, conduct which is ‘merely

³³ *Shell Co of Australia Ltd v Esso Standard Oil (Aust) Ltd* (1963) 109 CLR 407; *Johnson & Johnson Aust Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 30 FCR 326 at [339]

³⁴ *Trade Mark Act 1995 (Cth)*, s17

³⁵ Registered Trademark 1274551,

http://pericles.ipaustralia.gov.au/atmoss/falcon_details.show_tm_details?p_tm_number=1274551&p_search_no=3&p_ExtDisp=D&p_detail=DETAILED&p_rec_no=7&p_rec_all=8, Viewed 22nd September 2009

³⁶ *Taco Co of Australia Inc v Taco Bell Pty Ltd* (1982) 42 ALR 177, 199 (Deane and Fitzgerald JJ)

confusing' or causes 'mere wonderment' as to whether two products originated from the same source is not a sufficient casual connection to substantiate a breach of s52.³⁷ Consequently, a breach of s52 relating to online advertising is more probable between competing businesses than those which are in different industry class simply because a greater presumption of a 'likelihood' of confusion exists in the later instance. Additionally, generic words used in sponsored advertisements rendered from competitor's trademarks searches would be unlikely to infringe s52 than if such advertisements directly incorporated their name or their competitor's name. For example, if a basketball retailer render a sponsored advertisement on a competitors trademark keyword search stating 'Buy Shoes & T-shirts' – this is far less misleading than if the advertisement incorporated a competitors registered mark. The use of non-specific terms – even if it is shown on a competitors search listing – falls within the permissible domain of comparative advertising. In *Gillette Australia Pty Ltd v Energizer Australia Pty Ltd* ('*Gillete Case*'),³⁸ Merkel J noted that 'an advertiser is only responsible for its representations, not for any incorrect assumptions that a consumer might make not on the basis of the advertiser's representations'.³⁹ In this case, the advertisement clearly established that the products were not identical which made it overtly difficult for the plaintiff to sustain a claim that the defendant had engaged in misleading and deceptive conduct.⁴⁰ Applying this outcome to keyword advertising – in light of s52 – seems to support the notion that the display of advertisements on competitors trademarks is permissible if the representation made in the advertisement is sufficiently generic and does not amount to an assertion which causes disparagement or ridicule.

Relevantly, no case law has actually been adjudicated in Australia with respect to s52 for either meta keywords or sponsored search advertising. *Australian Competition & Consumer Commission (ACCC) v Trading Post Australia Pty Ltd & Anor*⁴¹ is a two-year spanning case in the Federal Court which has yet to be heard. The latest hearing for this trial stemmed from an original action filed by the ACCC in 2007,⁴² followed by subsequent amendments to their Statement of Claim in 2008 which signified a settlement with Trading Post Australia Pty Ltd who admitted liability.⁴³ The remaining action alleged by the ACCC is against Google Pty Ltd whom it contends 'has contravened ss 52 and 53(d) of the TPA by the way in which it presents and uses sponsored links and lays out its website.'⁴⁴ It is the authors opinion that the claim under s53(d) will have a greater chance of success than a pure s52 cause of action. This is primarily because s53(c) and s53(d) relates to unauthorised positive attribution – that is, the misleading or deceptive representation that a corporate entity has a 'sponsorship, approval or affiliation it does not have'.⁴⁵

³⁷ *Taco Co of Australia Inc v Taco Bell Pty Ltd* (1982) 42 ALR 177, 199 (Deane and Fitzgerald JJ)

³⁸ *Gillette Australia Pty Ltd v Energizer Australia Pty Ltd* [2005] FCA 1647

³⁹ *Ibid* at [15]

⁴⁰ Anne Rees, *Man v beast: round two in a comparative advertising battle*, Australian & New Zealand Trade Practices Law Bulletin, Volume 21 No 8, January 2006

⁴¹ *Australian Competition & Consumer Commission v Trading Post Australia Pty Limited* [2009] FCA 828 (12 June 2009)

⁴² *Australian Competition and Consumer Commission v Trading Post Australia Pty Limited* [2007] FCA 1419 (10 September 2007)

⁴³ *Australian Competition and Consumer Commission v Trading Post Australia Pty Limited* [2008] FCA 1298 (21 August 2008) at 11

⁴⁴ *Ibid* at 5

⁴⁵ *Trade Practices Act 1974 (Cth)*, s53

This broad reaching provision may affect both the content within advertising displayed on Google and the placement of the sponsored links rendered on their search user interface. For example, if an advertiser places a sponsored link on Google for the keyword 'Nike' – suggesting it is 'Made in the Nike Factory' when in fact such a product is not – it has clearly made a representation which asserts some positive affiliation with Nike that it does not have in the supply or use of goods or services. While Google have attempted to overcome this provision by segregating organic search results from sponsored search results, and by incorporating coloured shading for sponsored advertisements to ensure a layer of abstraction exists – it is unclear whether this is adequate to remove liability entirely. Google's response to these claims stems from s85(3) which provides a valid defence for those '[w]hose business it is to publish or arrange for the publication of advertisements received for publication in the ordinary course of business which they did not know would amount to a contravention'.⁴⁶ The outcome of this pending case will determine the extent to which this defence can be relied on for online advertising, and hopefully detail the degree to which Google can rely on it in the future.

IV. Conclusion

It is clear that while many jurisdictional based differences exist in trade mark and trade practices law – a commonality exists in the issues explored. The primary differentiator seemingly stems from the interpretation of the 'use' of a trademark and whether machine use constitutes valid use. Additionally, it is apparent that the degree to which search and meta tags are likely to cause a 'likelihood of confusion' is a overarching issue which must be rationalised in line with misleading and deceptive conduct laws around the world. The outcome of the *Australian Competition & Consumer Commission (ACCC) v Trading Post Australia Pty Ltd & Anor*⁴⁷ will act as a significant precursor for future trademark litigants and also determine the degree of protection afforded to search engine operators in Australia. Evidently, a careful balance must be struck between ensuring that information dissemination and commercial innovation continues in the search and online advertising industry while equivalently ensuring that the rights of consumers, business' and trademarks owners are protected as the demand for search utility increases in the modern age. The outcome of the *ACCC case* will clearly act as a precursor to direction that Australian law will take in determining and considering these issues.

⁴⁶ *Trade Practices Act 1974 (Cth)*, s85(d)

⁴⁷ *Australian Competition & Consumer Commission v Trading Post Australia Pty Limited* [2009] FCA 828 (12 June 2009)