

Tag, You're it

Metatags—Crafty Marketing Strategy or Violation of Trademark Law?

by Florina A. Moldovan

The Internet is the fastest growing medium for commerce. Fierce competition for customers has resulted in the use of technologically sophisticated methods to attract websurfers to products and services on the Internet. Some of these methods may, however, constitute unfair competition that infringes on others' rights. One such method involves the use of metatags, computer codes invisible to the typical Internet user, intended to describe the content of websites.

Problems arise when trademarks are used in metatags to cause search engines to list websites in response to user queries based on those marks. Trademark owners claim their marks are used by competitors to trick Internet users into visiting the competitors' websites, believing either they are visiting the mark owner's website or that the competitors' website is associated with or sponsored by the mark's owner. If true, such conduct may be actionable trademark infringement.

The question is whether the use of metatags is illegal bait and switch, or an innocent but clever marketing strategy. To resolve this dispute, courts have been forced to enter cyberspace to determine whether trademark law prohibits the use of another's trademark in a website's metatags. Starting in the mid-1990s, courts began addressing the usage of metatags in the context of trademark infringement claims, and have been challenged with having to apply traditional legal principles to new technologies.

Claims of federal trademark infringement are brought under the Lanham Act¹ and require a claimant to show that another is using a mark confusingly similar to the valid protectable trademark of the claimant. One of the initial questions confronting the courts in the context of metatags usage has been whether such usage constitutes use under the Lan-

ham Act, which requires that the use of the mark be in commerce and on, or, in connection with, any goods or services. While other courts have found the use of the marks in "invisible" metatags does not constitute "use in commerce," the district courts in the Third Circuit have answered this question in the affirmative, finding that metatags include the trademarks specifically to trigger advertisement in commerce and in connection with goods or services.

The answer to the second question—whether the use of the mark creates confusion under the Lanham Act—is highly fact-dependent. Because the use of the marks in metatags merely directs a websurfer to a website, trademark owners have had a difficult time proving "confusion." Finally, as acknowledged by the Third Circuit, an alleged infringer's conduct may be excused by the "fair use" defense, equally applicable in cyberspace.

Under the Lanham Act's fair use defense, a party is not a trademark infringer if the use of another's trademark, in this case in metatags, is solely to describe the alleged infringer, its goods or services. Even with the existence of this defense, however, businesses should be careful if using metatags containing others' trademarks. Furthermore, businesses should be vigilant in the protection of their own trademarks, and should closely monitor their use, including on the Internet, even in apparently invisible ways.

The Secret Codes of Cyberspace Known as Metatags

Although the Internet has become part of everyday life, the technological aspects have remained a mystery to all but the technically savvy. To resolve legal issues that have arisen in cyberspace, it is important to briefly review the basics of the Internet and the world wide web.

"The Internet is an international network of interconnected computers that enables tens of millions of people, if not more, to communicate with one another and to access vast amounts of information from around the world."² It is "a collection of information resources contained in documents located on individual computers around the world."³ The information of organizations and individuals is stored in webpages and websites.

"Prevalent on the Web are multimedia 'web pages—computer data files written in Hypertext Markup Language (HTML)⁴—which contain information such as text, pictures, sounds, audio and video recordings, and links to other web pages."⁵

Websites can be located by entering a website's domain name (similar to a street address) or by using word searches. Depending on the words and search engines used, a list of matching results appears from which the websurfer can choose. The rating of the matching sites depends on the frequency with which a particular search term appears in the website's domain name, actual text of the website and in the website's metatags.

A metatag is "[a]n HTML tag that contains descriptive information about a webpage and does not appear when the webpage is displayed in a browser. A word that is in a metatag of a webpage will cause that webpage to turn up as a result of a search engine's search on that word, even if that word is not found in the webpage as viewed in a browser."⁶

Generally, metatags are embedded into websites so that when Internet users search a term using a search engine such

as Yahoo!, the search engine will return a results page that contains a list of websites whose metatags most directly match the Internet user's request.⁷

A legal issue related to metatags arises when a business uses another business' trademark in its metatags in order for its website to appear on the results page. Some companies engage in this process with the intent of rerouting customer traffic to their own sites. Others engage in the process out of necessity to describe their own products or services, or those of the trademark's holder.

A number of decisions stemming from the use of the Playboy and Playmate trademarks in 'invisible' codes illustrate how the outcomes could be quite different. In *Playboy Enters., Inc. v. Calvin Designer Label*,⁸ a district court in California concluded that Playboy had established a likelihood of success on the merits of its claim that the defendants' repeated use of Playboy within "machine readable code in Defendants' Internet Web pages, so that the PLAYBOY trademark [was] accessible to individuals or Internet search engines which attempt[ed] to access Plaintiff under Plaintiff's PLAYBOY registered trademark" constituted trademark infringement. The court, therefore, enjoined the defendants from using Playboy's marks buried in metatags.⁹

Similarly, in *Playboy Enters., Inc. v. AsiaFocus Int'l, Inc.*,¹⁰ Playboy sued AsiaFocus for trademark infringement resulting from AsiaFocus' use of the trademarks Playboy and Playmate in its HTML code. The District Court for the Eastern District of Virginia granted judgment in Playboy's favor, finding that AsiaFocus intentionally misled viewers into believing that its website was associated with, or sponsored by, Playboy.

In a case involving advertising keywords used by search engines, *Playboy Enters., Inc. v. Netscape Commc'n Corp.*,¹¹ the Ninth Circuit also held in favor of Playboy. The court held that the use of trademarks as advertising keywords by

the defendants' search engines potentially created a likelihood of confusion, and that there was no dispute that the defendants used the marks in commerce.

However, in *Playboy Enters., Inc. v. Welles*,¹² uses of the terms "Playboy," "Playmate," and "Playmate of the Year 1981," on the website pages and metatags of the website of a former Playmate of the Year were considered fair uses because they served to identify the defendant and the content of the website, and therefore did not constitute trademark infringement.

The Third Circuit's Take on Infringement by Metatags

Several decisions in the district courts of the Third Circuit have addressed the use of metatags in the context of trademark infringement claims, beginning in 2004 and as recently as April 2008. These cases have addressed the general concern that in cyberspace potential customers of one website will be diverted to a competing website by the unauthorized use of trademarks hidden in invisible metatags. A trademark violation will occur if these customers will be confused about the source of products or services, or about some form of association with the trademark owner.

Infringement claims are usually brought under Sections 32(1) (applicable to registered marks) and 43(a) (applicable to both registered and unregistered marks) of the Lanham Act. In order to establish violations of either section, a plaintiff must prove that "(1) the mark is valid and legally protectable; (2) the mark is owned by the plaintiff; and (3) the defendant's use of the mark to identify goods or services is likely to create confusion concerning the origin of the goods or services."¹³ To prove likelihood of confusion, "plaintiffs must show that customers viewing the mark would probably assume the product or service it represents is associated with the source of a different product or service identified by a similar mark."¹⁴

New Jersey plaintiffs have an additional avenue for their claims relating to infringement by Internet search engine or metatags, under the New Jersey Fair Trade Act. Under the act, “[n]o merchant, firm or corporation shall appropriate for his or their own use a name, brand, trade-mark, reputation or goodwill of any maker in whose product such merchant, firm or corporation deals.”¹⁵ The elements of a claim under the New Jersey Fair Trade Act are the same as those under the Lanham Act.¹⁶

A plaintiff in the Third Circuit needs to clear many hurdles to prevail on a claim of infringement by metatags. In fact, the decisions to date in this circuit have found, for various reasons, that plaintiffs have not been able to carry their burden. Once a plaintiff establishes its rights in the trademark, it must demonstrate that the mark is actually used in commerce. The Third Circuit has subscribed to the view that metatags should be considered “uses in commerce” for purposes of the Lanham Act because the use of the marks to trigger advertisement strikes at the core language of the Lanham Act, which makes it a violation to use in commerce protected marks “in connection with the sale, offering for sale, distribution, or advertising of any goods or services, or in connection with any goods or services.”¹⁷

Once trademark use is established, the courts need to determine the likelihood of confusion under the Lanham Act. Such determination begins with an analysis of the non-exhaustive list of factors known as the Lapp factors.¹⁸ The Lapp factors are:

the degree of similarity between the owner’s mark and the alleged infringing mark; (2) the strength of the owner’s mark; (3) the price of the goods and other factors indicative of the care and attention expected of consumers when making a purchase; (4) the length of time the defendant has used the mark without evidence of actual confusion arising; (5) the intent of the defen-

dant in adopting the mark; (6) the evidence of actual confusion; (7) whether the goods, competing or not competing, are marketed through the same channels of trade and advertised through the same media; (8) the extent to which the targets of the parties’ sales efforts are the same; (9) the relationship of the goods in the minds of consumers, whether because of near-identity of the products, the similarity of function, or other factors; (10) other factors suggesting that consuming public might expect the prior owner to manufacture both products, or expect the prior owner to manufacture a product in the defendant’s market, or expect that the prior owner is likely to expand the defendant’s market.¹⁹

The courts have discretion regarding the applicability and weight accorded each factor.

One of the more recent metatag cases, the District Court of New Jersey’s decision in *Syncsort Inc. v. Innovative Routines Intern., Inc.*,²⁰ is instructive. In *Syncsort*, the district court analyzed a claim of trademark infringement by plaintiff Syncsort against defendant IRI in the context of Syncsort’s motion for summary judgment. Both parties develop and sell software that sorts data. Syncsort’s sorting product is called SyncSort UNIX, and IRI’s sorting product is called CoSort.²¹ IRI developed a product—SSU2SCL—which translates scripts written in the SyncSort UNIX command language into the CoSort language. “The purpose of this tool was to allow users who had previously used the SyncSort UNIX application to use the CoSort application for their sorting needs.”²² IRI used the word “syncsort” as a metatag on its website because IRI “offered converters for SyncSort main-frame and UNIX parameters.”²³

Syncsort argued that IRI infringed its trademark with the inclusion of syncsort as a metatag. The parties did not dispute that syncsort was a distinctive

mark associated with Syncsort. They did dispute, however, the likelihood of confusion.²⁴

To prove likelihood of confusion, Syncsort had to “show that customers viewing the mark would probably assume the product or service it represents is associated with the source of a different product or service identified by a similar mark.”²⁵ The court proceeded with the analysis of the Lapp factors.²⁶ The court noted that purchasers of sorting programs have sophisticated technical knowledge, and there was no evidence that the purchasers were actually confused; however, there was evidence of confusion because the “programs [were] marketed through the same channels and media, they target[ed] the same customers, and they [were] nearly identical.”²⁷ But, neither side identified how long IRI had used the metatag, or established IRI’s intent in using the syncsort metatag.

Syncsort argued that IRI’s reason for using the syncsort metatag was to confuse customers “and attract those looking for the SyncSort UNIX software to the CoSort software.”²⁸ On the contrary, IRI argued that it wanted to “alert customers about IRI’s translation ability.”²⁹ Based on these facts, the court found that Syncsort had not met its burden on the summary judgment motion of showing confusion because questions of material facts remained.

Nonetheless, the court continued its analysis, and addressed the Third Circuit’s acceptance of the “initial interest confusion” doctrine.

Motivated by the concern that a defendant can take a ‘free ride on the goodwill’ of an established mark to garner interest for its product, courts permit recovery for ‘initial interest confusion’ even though the consumer quickly became aware of the product’s actual source and no purchase was made as result of the confusion. Product relatedness and level of care exercised by

consumers are relevant factors in determining initial interest confusion.³⁰

However, based on an earlier decision of the District Court of New Jersey, *J.G. Wentworth v. Settlement Funding*, the court found that no initial interest protection applied in this case. The court agreed with the reasoning in *J.G. Wentworth*:

At no point are potential consumers 'taken by a search engine' to defendant's website due to defendant's use of plaintiff's marks in meta tags. Rather...a link to the defendant's website appears on the search results pages as one of the many choices for the potential consumer to investigate...links to defendant's website always appear as independent and distinct links on the search result page....Due to the separate and distinct nature of the links created on any of the search results pages in question, potential consumers have no opportunity to confuse defendant's services, goods, advertisements, links or websites for those of the plaintiff.³¹

Therefore, the court found that initial interest protection did not apply.

The court in *Syncsort* further commented on the potential applicability of the fair use defense, in this case the nominative fair use defense. Once the trademark holder demonstrates the likelihood of confusion, the user must satisfy a three-prong test to prove nominative fair use:

1. that the use of the plaintiff's mark is necessary to describe both the plaintiff's product or service and the defendant's product or service;
2. that the defendant uses only so much of the plaintiff's mark as is necessary to describe the plaintiff's product; and
3. that the defendant's conduct or language reflect the true and accurate relationship between the plaintiff and

the defendant's products or services.³²

Here, the court found that the use of *syncsort* was necessary to describe the defendant's product.³³ "There is no meaningful way to describe the functioning of SSU2SCL converter without using the term 'syncsort' since the converter translates scripts from the Syncsort language to the CoSort language."³⁴ Second, the court found that IRI only used the word "syncsort" once on its website. Finally, the court found that the website reflected the true relationship between Syncsort and IRI.³⁵

The *Syncsort* decision reflects the approach employed by the courts thus far in the Third Circuit to claims of infringement by use of trademarks in hidden computer code.³⁶ These courts have demonstrated a willingness to be flexible in the face of emerging technologies. Several trends in these decisions are significant. First, the use of metatags constitutes "use in commerce" under the Lanham Act, thus rejecting the argument that metatags, initially invisible—either in websites or search engines—are the equivalent to one's "private thoughts." Second, the courts will scrutinize the use against the Lapp factors to determine if it creates a likelihood of confusion. Third, the courts are open to considering the existence of initial interest confusion, which may satisfy the likelihood of confusion under the Lanham Act. And fourth, the courts will consider the nominative fair use defense to exculpate an alleged infringer.

Conclusion

This brief foray into the law of trademark disputes in cyberspace comes with a warning: Trademark holders must monitor the Internet for potential infringement and dilution of their marks. The easiest way to discover the use of invisible codes is to run a search with the business' trademark and note the webpage hits that do not contain a visible men-

tion of the trademark. The next step is to check the HTML information on those pages to discover where the trademark is hiding.³⁷ Once that discovery is made, the trademark owner planning to challenge the use of its trademark must arm itself with the evidence necessary to jump over the hurdles delineated above. However, it is likely that businesses will be allowed to use others' trademarks in website codes when these uses represent fair uses under the law.

Without a doubt, companies will continue to look for new ways to attract visitors to their sites, products and services on the Internet. While metatags may be replaced by other innovations, it is clear that the courts will need to continue molding traditional legal principles to untraditional modes of doing business. ☪

Endnotes

1. The Lanham Act is the common name for the Trademark Act of 1946, 15 U.S.C. §1051 *et seq.* (2008).
2. *Bihari v. Gross*, 119 F. Supp. 2d 309 (S.D.N.Y. 2000).
3. *Brookfield Commc'ns, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036 (9th Cir. 1999).
4. HTML (HyperText Markup Language) is the "markup language used to structure text and multimedia documents and to set up hypertext links between documents, used extensively on the World Wide Web." *American Heritage Science Dictionary*.
5. *Brookfield*, 174 F.3d 1036.
6. "There are three types of meta tags: (1) descriptive meta tags, which describe the content of the document; (2) keyword meta tags, which are used by internet search engines to help determine whether a particular web page is relevant to a search term entered by a user; and (3) robot metatags, which indicate to search engines that certain web pages are not to be indexed by the search engine." *J.G. Wentworth, S.S.C. v. Settlement*

- Funding, LLC*, No. 06-0597, 2007 WL 30115 at *2 (E.D. Pa., Jan. 4, 2007).
7. *Id.*
 8. 985 F. Supp. 1220, 1221 (N.D. Cal. 1997).
 9. *Id.* at 1221-22.
 10. No. Civ. A. 97-734-A, 1998 WL 724000, at *3, *6-*7 (E.D. Va., April 10, 1998).
 11. 354 F.3d 1020, 1024 (9th Cir. 2004).
 12. 279 F.3d 796 (9th Cir. 2002).
 13. 15 U.S.C. §1114(1)(a) (infringement is the unauthorized use of a “copy...or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive”); 15 U.S.C. §1125(a)(1) (creating cause of action for use “in connection with any goods...[of] any word, term [or] name...likely to cause confusion, or to cause mistake, or to deceive as to ... the origin, sponsorship, or approval of [those] goods...by another person”); see *J.G. Wentworth*, 2007 WL 30115 at *6.
 14. *Checkpoint Sys., Inc. v. Check Point Software Techs., Inc.*, 269 F.3d 270, 301 (3d Cir. 2001).
 15. N.J.S.A. § 56:4-1.
 16. “The law governing trademark infringement under section 43(a) of the Lanham Act, which protects unregistered trademarks, generally follows the law governing infringement of registered trademarks, which are protected under section 32. Moreover ‘in the Third Circuit the test for common law infringement and unfair competition is identical to the test for federal infringement and unfair competition.’...‘Similarly, New Jersey’s statutory unfair competition law, N.J.S.A. 56:4-1, is equivalent to Section 43(a) of the Lanham Act.’” *Bijur Lubricating Corp. v. Devco Corp.*, 332 F. Supp. 2d 722, 727 (D.N.J. 2004)(citations omitted).
 17. See 15 U.S.C. §§1114(1) and 1125(a) (1); see also *J.G. Wentworth*, 2007 WL 30115 at *6.
 18. *Syncsort Inc. v. Innovative Routines Int’l Inc.*, No. 04-3623, 2008 WL 1925304 at *12 (D.N.J., April 30, 2008).
 19. *Id.* at *12.
 20. 2008 WL 1925304.
 21. *Id.* at *1.
 22. *Ibid.*
 23. *Ibid.*
 24. *Id.* at *12.
 25. *Id.* at *15 (quoting *Checkpoint Sys., Inc.*, 269 F.3d at 270).
 26. *Id.* at *12.
 27. *Id.* at *13.
 28. *Ibid.*
 29. *Ibid.*
 30. *Id.* at *12 (citing *Checkpoint Sys., Inc.*, 269 F.3d at 293-95).
 31. *Id.* at *14 (quoting *J.G. Wentworth*, 2007 WL 30115 at *7-8).
 32. *Id.* at *13 (citing *Century 21 Real Estate Corp. v. Lendingtree Inc.*, 425 F.3d 211, 222 (3d Cir. 2005)).
 33. *Id.* at *14.
 34. *Ibid.*
 35. *Ibid.*
 36. See *J.G. Wentworth*, 2007 WL 30115; *Buying for the Home v. Humble Abode*, 459 F. Supp. 2d 310 (D.N.J. 2006); *800-JR Cigar, Inc. v. GoTo.com, Inc.*, 437 F. Supp. 2d 273 (D.N.J. 2006); *Bijur*, 332 F. Supp. 2d 722.
 37. For example, in Microsoft Internet Explorer this can be accomplished by right clicking on a webpage and selecting “view source.” The next screen will reveal HTML codes, including metatags.

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