

Use of Trademarks on the Internet^{*} — in light of judicial precedents in Japan —

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1 Introduction

The Internet has become an indispensable infrastructure for our daily life. Most necessary information is available through Internet searches. It is quite common to exchange information instantaneously through electronic mail or SNS and it is also quite common to do online shopping. In recent years, a new society is being designed based on sophisticated Internet technology, such as using artificial intelligence to analyze and make use of big data obtained through IoT technology.

With the widespread use of the Internet, trademarks on the Internet have become used more often. Many companies use trademarks for presenting products and/or services on their own homepages, and many companies use trademarks for selling products or offering services online.

The Japan Trademark Act as revised in 2002 explicitly defines “use” of marks as: the act of providing, through an electric telecommunication line, goods or the like to which a mark is affixed (Article 2, Paragraph 3(ii)); in the course of providing services through an image viewer by using an electromagnetic method, the act of providing the services by displaying a mark on the image viewer (Article 2, Paragraph 3(vii)); and the act of providing, by an electromagnetic method, information on contents such as advertisement

materials, price lists or transaction documents relating to goods or services to which a mark is affixed (Article 2, Paragraph 3(viii)), and thus specifies use of trademarks on the Internet.

Use of trademarks on the Internet, however, may involve problems specific to the Internet that have not arisen in the past.

As Internet search services have been developed for users to be able to obtain appropriate information adequately, companies have done marketing actively by making use of search engines (search engine marketing) so that a company's website is displayed at a higher rank on a search results page, or a company's advertisement relevant to search keywords is displayed. Any advertiser may potentially use search engine marketing to include a competitor's trademark in advertiser's search keywords or the like so as to generate search results advantageous to the advertiser. Since the revision of the Japan Trademark Act in 2002, there have been court decisions on infringement of trademarks used in such a manner as mentioned above specific to the Internet.

This article discusses use of trademarks on the Internet in light of such judicial precedents.

2 Use of trademark in title tag and meta tag

A title tag and a meta tag are header information written in an HTML source code for a webpage. Words specified as a title tag are usually displayed as a headline on a search engine results page, or displayed

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as a headline in a browser tab. A meta tag mainly includes a meta description and meta keywords. Words specified as a meta description are usually displayed as a description under a headline on a search engine results page. In contrast, words specified as meta keywords are generally used by search engines, rather than displayed directly on a search results page.

(1) "DIAL 110 FOR CARS" case (Case No. 2004 (wa) 12032)

As a meta description in an HTML file for the top page of a defendant's website relating to car maintenance and other services, the defendant wrote the characters "kuruma no 110-ban (which means dial 110 for cars)" similar to a plaintiff's registered trademark. These characters were included in a webpage's description displayed on a search engine results page.

The court decided that a webpage's description displayed on a search engine results page is identified as an advertisement for an advertiser's service, and the act of writing a meta description in an HTML file in such a manner that the description is displayed on a search engine results page is regarded as the act defined in Article 2, Paragraph 3(viii) of the Japan Trademark Act. While the characters "kuruma no 110-ban" were included in the webpage's description on a search engine results page, these characters were not displayed on the defendant's website itself. The contents of the webpage's description, however, were relevant to the contents of the linked defendant's website. As such, the defendant's use of the characters was identified as the act of using them as a trademark, and accordingly regarded as infringing the plaintiff's trademark.

(2) "IKEA" case (Case No. 2012 (wa) 21067)

As a title tag and a meta description in an HTML file for a defendant's retail website, the defendant wrote characters such as "IKEA STORE" and "IKEA TUUHAN (which means IKEA online shopping)" similar to a plaintiff's registered trademark. These characters were included in a webpage's description displayed on a search engine results page.

The court decided that the act of writing a title tag

and a meta description in an HTML file in such a manner that the title tag and the meta description are included in a webpage's description displayed on a search engine results page is regarded as the act defined in Article 2, Paragraph 3(viii) of the Japan Trademark Act, and such an act induces customers to access the defendant's website by indicating the source of the defendant's service. The defendant's act is thus identified as use of a trademark, and accordingly regarded as infringing the plaintiff's trademark.

(3) "BIKE LIFTER" case (Case No. 2015 (wa) 547)

In an HTML file for a defendant's website relating to carrying dollies, the defendant wrote, as meta keywords, the characters "bike lifter" substantially identical to a plaintiff's registered trademark, and wrote, as a title tag and a meta description, the characters "bike shifter" similar to the plaintiff's trademark.

As to the title tag and the meta description, the court decided, as in the two precedents mentioned above, that the defendant's act is identified as the act defined in Article 2, Paragraph 3(viii) of the Japan Trademark Act, thus identified as use of the characters as a trademark, and accordingly regarded as infringing the plaintiff's trademark. In contrast, the meta keywords merely function to cause a website's hit as a search result. As long as the source of the webpage is not displayed, the keywords are not displayed as well. The meta keywords are therefore not regarded as being used in a manner to be recognized visually. For this reason, the defendant's act of using the meta keywords was not identified as the act defined in Article 2, Paragraph 3(viii) of the Japan Trademark Act, and accordingly regarded as not infringing the plaintiff's trademark. The plaintiff asserted that a user who enters a trademark as search keywords on a search site should visually recognize meta keywords for the defendant's website, and therefore, the defendant's use of the keywords should be regarded as use of the keywords as a trademark. In response, the court rebutted the plaintiff's assertion on the ground that it is well known that there are various degrees of relationship between search keywords and search results on a search site.

3 Use of Trademarks for Listing Advertising

Listing advertising is a way of advertising for placing advertisements on webpages in response to search keywords entered on a search engine. An advertiser can select and register keywords so that their advertisements can be targeted to users having high interest in the keywords. It should be noted that the keywords themselves are not indicated on advertisements, and the advertiser specifies a headline, copies, and a display URL, for example, that are to appear on an advertisement.

- **“SOAP VARIETIES” case (Case No. 2016 (ne) 1737)**

The plaintiff in the first instance had registered trademarks including “sekken hyakka (which means soap varieties)” to be applied to soaps as goods. The defendant in the first instance ran a major EC mall and did listing advertising. A defendant's listing advertisement was displayed in response to search keywords such as “sekken hyakka” entered on a search engine. The advertisement included a headline in which characters such as “sekken hyakka” were indicated, and a URL link to the EC mall website of the defendant. On the linked website, results of searches conducted in the EC mall with keywords such as “sekken hyakka” were displayed. In this EC mall, tenants prepared their shops' webpages by themselves for selling their products in the mall.

The decision in the first instance (Case No. 2014 (wa) 8187) stated that the advertisement itself shows no goods arranged for sale, and the sole advertisement is not identified as an advertisement for specific goods. The decision also stated that although the advertisement and the linked webpage taken in combination as an integrated advertisement may be regarded as an advertisement identifying the source of soaps, the contents of the linked webpage are determined depending on keywords used in each tenant's shop page, rather than determined as designed by the defendant and used by the defendant. The decision accordingly concluded that the advertisement and the linked webpage cannot be taken in combination as an integrated advertisement.

In the appeal, the court stated that if the webpage to which the advertisement is linked shows soaps

arranged for sale, users recognize the webpage combined with the advertisement as an advertisement for directing the users entering search keywords “sekken hyakka” or the like on a search engine, to a webpage of a tenant shop displaying soaps arranged for sale in the EC mall of the defendant. The court decided, however, that the act of the defendant is not regarded as the act defined under Article 2, Paragraph 3(viii) of the Japan Patent Act, and accordingly did not infringe the plaintiff's trademark, for the following reason. The fact that “sekken hyakka” or the like is indicated on the advertisement and soap goods are arranged for sale on a webpage to which the advertisement is linked, through a system for searching tenant shops' webpages prepared by the shop owners on their own authority, should not be regarded immediately as intended by the appellee (defendant in the first instance). While details are not known due to restricted access to the court's decision, it is inferred that keywords for listing advertising of the major EC mall were registered automatically/mechanically in any manner, rather than registered as intended by the defendant in the first instance. The court stated that if, however, the defendant in the first instance has become aware of the fact that such a form of the advertisement may infringe the trademark serving to identify the source of goods/services, the defendant is responsible for stopping the advertising in this form within a reasonable period of time.

4 Discussion

Some issues in the use of trademarks on the Internet have been revealed through the above-referenced judicial precedents.

(1) Visibility of trademarks

Title tags and meta tags are legally in a gray area, because characters in header information of an HTML source code may be regarded as usually invisible to users.

The judicial precedents establish that a title tag and a meta description are shown on a search engine results page, and therefore regarded as being used as a trademark. In contrast, meta keywords are not

visible to users unless the source of the webpage is displayed, and are therefore not regarded as being used as a trademark.

Like search keywords specified for listing advertising, characters and the like used for webpages are not necessarily visible to users on the Internet. In view of the fact that trademarks are inherently perceivable as a mark identifying the source of goods/services, it is reasonable to make a decision on trademark infringement based on visibility of the trademark.

If, however, an advertiser intentionally specifies a trademark of another party as keywords so that users are directed to a third party's webpage different from a trademark owner's webpage to cause confusion, the advertiser's use of the trademark infringes the function of the trademark serving to identify the source of goods/services. In such a case, the trademark owner should be protected in any manner even when the trademark is substantially invisible.

(2) Relevance of display of trademarks to goods/services

In the Soap Varieties case, a decision was made on whether a listing advertisement is regarded as an advertisement for specific goods, and whether an advertisement displaying a trademark and a webpage linked from the advertisement and showing goods are regarded in combination as an integrated advertisement.

Multiple webpages are linked to each other on the Internet, and users move from one webpage to another webpage frequently. A webpage displaying a trademark may be separate from a webpage showing goods/services. Whether these webpages can be regarded in combination as an integrated advertisement and, if so, whether it can be recognized clearly that the trademark identifies certain goods/services on the webpage are likely to be at issue.

(3) Agent of action in use of trademarks

In the Soap Varieties case, the defendant in the first instance running the EC mall is not regarded as an agent of the action of using the trademark for

goods arranged for sale on a webpage which is linked from an advertisement and created based on tenant shops' webpages. If the defendant, however, has become aware of the fact that this infringes the trademark serving to identify the source of goods, the defendant should bear a certain responsibility.

For the Internet, in addition to those doing activities such as providing information and selling goods directly by themselves on the Internet, those managing bulletin boards, SNS, and the like, those running EC malls, and those providing search services and advertising services are indispensable for providing an infrastructure for the online activities. By way of example, listing advertising is not implemented by an advertiser only. Rather, a search engine agent establishes an advertising system, and the advertiser specifies keywords or the like based on the advertising system for providing advertisements.

As seen from the above, Internet activities are supported by agents providing an infrastructure for providing information and selling goods, for example, and such agents are in the position capable of managing services. For use of trademarks on the Internet, therefore, which party is substantially an agent of a certain activity, and which party bears a legal responsibility to what degree, are likely to be at issue.

5 Conclusion

This paper has discussed some points that are particularly likely to be at issue, with reference to the determination in judicial precedents of whether a trademark in question is infringed by a certain use of the trademark specific to the Internet.

Trademarks on the Internet still serve to identify the source of goods/services, and whether the function of a trademark of identifying the source of goods/services is infringed or not is still a most important point at issue. In view of characteristics peculiar to the Internet, it is important to study the use of trademarks in light of such characteristics.

In addition to the above-discussed characteristics, the Internet has features such as "easy for anyone to

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offer information” and “crossing national boundaries”, for example. Anyone can offer information through SNS. Under the circumstances, companies can expect word-of-mouth advertising effects. Inappropriate displays of a trademark on SNS, however, are likely to increase the risk of trademark dilution. Moreover, trademarks are legally treated differently in different

countries due to issues of sovereignty and territoriality, which may involve a challenge of how the cross-border use of trademarks on the Internet should be treated. It is therefore necessary for experts specializing in trademarks to keep a close watch of various manners of trademark use and interaction on the Internet, considering the Internet's special characteristics.