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USING A COMPETITOR'S TRADEMARK IN YOUR SEO

Can you infringe a competitor's trademark using Search engine optimisation (SEO) methods? Under the *Trade Marks Act 1995* (Cth), the answer depends on whether your use of another person's trademark in SEO is use "as a trademark" within the meaning of the *Trade Marks Act*.

In a recent Federal Court case, *Lift Shop Pty Ltd v Easy Living Home Elevators*, the material facts were that a business in the home lifts market, Easy Living, employed the words "lift shop" in the headline of its Google search results as part of an SEO strategy. Lift Shop is the owner of Australian trademark registration for "lift shop", covering lifts, and thus Lift Shop and Easy Living were direct competitors in the home lift market.

Easy Living's SEO advisor asked Easy Living to nominate the website addresses of its top five competitors, select keywords to "target" and draft a title for its website including the top five keywords selected. One of the keywords it selected was "lift shop". As a result, a Google search using the term "lift shop" disclosed Lift Shop (the trademark owner) and Easy Living in search results, with their entries in fairly close proximity.

Lift Shop argued that using its trademark as a keyword amounted to trademark infringement. The judge at first instance dismissed the application, finding that the term "lift shop" was used descriptively and not "as a trademark". While Easy Living's stated objective was to appear in the same search results as Lift Shop, the primary judge held that it did not do this to obtain the benefit of the appellant's trademark reputation. Rather, it did so in competition with the applicant.

Use of words as a trademark under the

Trade Marks Act generally means using them as a badge or indicator of the origin of goods and services, i.e. to indicate from where the goods come, as opposed to what the goods are.

So whether Easy Living had used the words "lift shop" as a trade mark, i.e. as a badge of origin to distinguish Easy Living's goods and services from those of other traders, was critical to the case.

Lift Shop submitted that the primary judge focused on Easy Living's subjective intentions and therefore failed to apply an objective test in considering whether the respondent's use of "lift shop" was use "as a trademark" under section 120(2)(b) of the *Trade Marks Act*.

The court rejected this argument, finding that consumers would have understood the words "lift shop" to mean that the respondent's business was of a similar character to other businesses operating as "lift shops". Such use was said to be the "antithesis of trade mark use". While the court found in favour of Easy Living in this case, you should be mindful of IP infringement when using keywords for SEO if they are distinctive of other traders in the marketplace.

In the *Lift Shop* case, the keywords chosen were descriptive, meaning that Lift Shop was really a "weak" trademark, with little distinctive value in distinguishing the goods of Lift Shop from its competitors. Thus Lift Shop was easy prey for competitors. The position may be different if keywords are taken from a trademark with a highly distinctive character.

While this issue has not been resolved by the Australian courts, the recent EU decision in *Marks & Spencer v Interflora* suggests that in the EU, at least, the use of third-party trade marks as keywords poses a material trademark infringement risk.

"You should be mindful of IP infringement when using keywords for SEO if they are distinctive of other traders in the marketplace."