

Madras High Court

Consim Info Pvt. Ltd vs Google India Pvt. Ltd on 30 September, 2010

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 30-09-2010

CORAM:

THE HONOURABLE MR. JUSTICE V. RAMASUBRAMANIAN

Original Application Nos.977 and 978 of 2009, Application Nos.6001, 6380, 6381 and 6382 of 2009 and Application No.247 of 2010 in C.S.No.832 of 2009

Consim Info Pvt. Ltd.,  
No.94, Bellicia Towers,  
Tower II, 10th Floor,  
MRC Nagar, Mandaveli,  
Chennai-600 028 represented by  
its Director and Chief Executive  
Officer Mr.Janakiraman Murugavel

.. Applicant in OA Nos.977 & 988 of  
2009, A.Nos.6001 of 2009 & 247 of  
2010 and R-1 in A.Nos.6380, 6381  
and 6382 of 2009

vs.

Google India Pvt. Ltd.,  
No.3, RMZ Infinity-Tower E,  
3rd, 4th and 5th Floors,  
Old Madras Road,  
Bangalore-560 016.

.. R-1 in OA Nos.977 & 978 of 2009  
and A.No.247 of 2010, R-2 in  
A.Nos.6380, 6381, 6382 of 2009  
and Respondent in A.No.6001 of  
2009

People Interactive Pvt. Ltd.,  
4-41, General Patters Road,  
KG Plaza, II Floor,  
57-59, Mount Road,  
Chennai-600 002.

.. R-2 in OA Nos.977 & 978 of 2009 and  
in A.No.247 of 2010, R-3 in A.No.6380  
of 2009, Applicant in A.Nos.6381 and  
6382 of 2009

Jeevansathi Internet Services  
P. Ltd., 1-H, Gee Gee Emerald,  
151, Village Road,  
Nungambakkam,  
Chennai-600 034.

.. R-3 in OA Nos.977 & 978 of 2009 and  
in A.Nos.6381 & 6382 of 2009 and 247  
of 2010, R-4 in A.No.6380 of 2009

Times Business Solutions Ltd.,  
2nd Floor, Suprageet Complex,  
New No.174, Old No.304,  
TTK Road, Alwarpet,  
Chennai-600 018.

.. R-4 in OA Nos.977 & 978 of 2009 and  
in A.Nos.6381 & 6382 of 2009 and 247  
of 2010, Applicant in A.No.6380 of 2

Google Inc.,  
1600 Amphitheatre Parkway,  
Mountain View,  
CA 94043.

.. Proposed Respondent in A.No.247 of  
2010

For Applicant : Mr.T.V.Ramanujun,  
Senior Counsel for Mr.A.A.Mohan

For Respondent-1 : Mr.P.S.Raman, Senior Counsel for  
Mr.Sajjan Poovaiah

For Respondent-2 : Mr.Vineet Subramani

For Respondent-3 : Mr.Satish Parasaran

For Respondent-4 : Mr.Arvind P. Datar, Senior Counsel for  
Mr.S.Mothilal

## C O M M O N O R D E R

"What's in a name ? That which we call a rose,  
By any other name would smell as sweet"  
would have been acceptable to Shakespeare, but certainly not to WIPO. Today everything is in a  
BACKGROUND

## OF THE LITIGATION ON HAND

2. The case of the plaintiff, as reflected in the plaint, is that it is a company rendering online matrimonial services, using internet as a vehicle/platform. The plaintiff has several matrimonial web portals including 15 regional portals, catering to the needs of millions of Indians living in India and outside. Mr.Janakiraman Murugavel, promotor/ founder Director of the plaintiff adopted a host of trademarks and obtained registration thereof. The plaintiff-company also adopted a few

trademarks and obtained registration thereof in its own name. By virtue of a Deed of Assignment dated 16.6.2006, the trademarks registered in the name of Mr.J.Murugavel were assigned in favour of the company by name Bharat Matrimony.Com Pvt. Ltd. In the year 2008, the name of the company was changed to Consim Info Pvt. Ltd., which is the plaintiff herein.

3. Therefore, by virtue of the Deed of Assignment and by virtue of the registrations made in its own name, the plaintiff-company has become the Proprietor of the registered trademarks, listed in column No.3 of the following table, with the registration numbers given against them each in column No.2 thereof, in respect of the goods and services falling under the Classes indicated in column No.4 thereof:-

S.No.

Registration No. Mark Class 1306407 ASSAMESEMATRIMONY 1535126 ASSAMESEMATRIMONY 1335999 BHARATMATRIMONY 1346517 BHARATMATRIMONY CENTRE 1306408 BENGALIMATRIMONY 1306409 GUJARATIMATRIMONY 1306410 HINDIMATRIMONY 1306411 KANNADAMATRIMONY 1306413 KERALAMATRIMONY 1345784 MATRIMONY STAMP 1306412 MARATHIMATRIMONY 1306414 MARWADIMATRIMONY 1535128 MUSLIMMATRIMONIAL 1306415 ORIYAMATRIMONY 1306417 PARSIMATRIMONY 1306416 PUNJABIMATRIMONY 1306418 SINDIMATRIMONY 1124035 MEGA SWAYAMVARAM TAMILMATRIMONY.COM 1306419 TAMILMATRIMONY 1306420 TELUGUMATRIMONY 1535127 URDUMATRIMONY 1548863 BHARATMATRIMONY 35, 42

4. The grievance of the plaintiff, in a nutshell, is that the defendants 2 to 4, who also have matrimonial web portals, rendering online matrimonial services in the internet, advertise their services in the search engine "Google", by adopting adwords and texts, which are exactly identical or deceptively similar to the registered trademarks of the plaintiff. With this grievance, the plaintiff has come up with the above suit, praying for the following reliefs:-

(a) A permanent injunction restraining the defendants, by themselves, their directors, partners, men, servants, agents, broadcasters, representatives, advertisers, franchisees, licensees and/or all other persons acting on their behalf from in any manner infringing and/or enabling others to infringe the plaintiff's registered trademarks BHARATMATRIMONY, TAMIL MATRIMONY, TELUGUMATRIMONY, etc., a list whereof is annexed hereto and marked as Annexure-A and/or its variants by including them jointly or severally as "Adwords", "Keyword Suggestion Tool" or as a keyword for internet search or as meta tag in any other manner whatsoever;

(b) A permanent injunction restraining the defendants, by themselves, their directors, partners, men, servants, agents, broadcasters, representatives, advertisers, franchisees, licensees and/or all other persons acting on their behalf from in any manner diverting the plaintiff's business to its competitor's by using first defendant's search engine in which the plaintiff's trademarks and domain names BHARATMATRIMONY.COM, TAMILMATRIMONY .COM, etc., a list whereof is annexed hereto and marked as Annexure-A and/or its variants, by using as Adwords, Keyword Suggestion Tool, as a keyword for the internet search and/or as meta tags and thereby passing off and enabling

others to pass off the business and services of the plaintiff's competitors including defendants 2 to 4 as that of the plaintiff or in any other manner whatsoever;

(c) A direction to the defendants to surrender to the plaintiff for destruction, of all compact discs, master copy, advertising materials, pamphlets, brochures, etc., which bears the plaintiff's registered trademarks and/or any other variants which are phonetically and/or deceptively identical and/or similar to the plaintiff's registered trademarks or in any other form whatsoever;

(d) Award damages of Rs.10,05,000/- for infringing and/or for passing off and/or for enabling others to infringe and/or pass off the plaintiff's trademarks and domain names;

(e) An order for rendition of accounts of profits in favour of the plaintiff and against the first defendant to ascertain the profits made by the first defendant on account of allowing such infringements.

5. Along with the suit, the plaintiff also filed 2 applications in O.A.Nos. 977 and 978 of 2009, seeking

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(i) an interim injunction restraining the respondents, by themselves, their directors, partners, men, franchisees, licensees and/or all other persons acting on their behalf from in any manner infringing and/or enabling others to infringe applicant's registered trademarks BHARATMATRIMONY, TAMIL MATRIMONY, TELUGUMATRIMONY etc., a list whereof is annexed hereto and marked as Annexure-A and/or its variants by including them jointly or severally as "Adwords", "Keyword Suggestion Tool" or as a keyword for internet search or as meta tag in any other manner whatsoever, pending disposal of the suit; and

(ii) an interim order of injunction restraining the respondents, by themselves, their directors, partners, men, servants, agents, broadcasters, representatives, advertisers, franchisees, licensees and/or all other persons acting on their behalf from in any manner diverting the applicant's business to its competitors by using the first respondent's search engine in which the applicant's trademarks and domain names BHARATMATRIMONY.COM, TAMILMATRIMONY.COM, etc., a list whereof is annexed hereto and marked as Annexure-A and/or its variants, by using as Adwords, Keyword Suggestion Tool, as a keyword for the internet search and/or as meta tags and thereby passing off and enabling others to pass off the business and services of the applicant's competitors including respondents 2 to 4 as that of the applicant or in any other manner whatsoever, pending disposal of the suit.

6. On 17.9.2009, a learned Judge granted ex parte ad interim orders of injunction in both the applications. But on 7.10.2009, the blanket interim orders of injunction were vacated by the learned Judge and a direction was issued to the search engine (viz., the first defendant) to adhere to their business policy of protecting the registered trademarks, by ensuring that others do not use such registered trademarks in their "Adwords".

7. Complaining of violation of the said interim orders, the plaintiff moved an application in A.No.6001 of 2009 under Order XXXIX, Rule 2-A CPC, for punishing the first defendant by attaching its properties.

8. While opposing the applications for injunction, the defendants 2 to 4 raised preliminary objections that the plaint contained incorrect and misleading statements. The plaint as it was originally filed, proceeded on the basis that the plaintiff is the registered Proprietor of all the trademarks mentioned in the above table. But actually, it was Mr.Janakiraman Murugavel who was the registered Proprietor of a majority of those trademarks. The plaintiff was the registered Proprietor of only a few marks. Therefore, the second defendant People Interactive (I) Pvt. Ltd., came up with two applications in A.Nos.6382 and 6383 of 2009, seeking a stay of further proceedings in the suit and also seeking a rejection of the plaint under Order VII, Rule 11, CPC. Similarly, the fourth defendant Times Business Solutions Ltd., also came up with an application in A.No.6380 of 2009, seeking rejection of the plaint under Order VII, Rule 11, CPC.

9. In the meantime, realising the mistake committed in the pleadings, the plaintiff, of their own accord, came up with an application in A.No.6379 of 2009, seeking an amendment of the plaint and the original applications. The scope of the amendment sought for, was (i) to insert paragraph 8-A in the plaint so as to make it clear that Mr.Janakiraman Murugavel was the registered Proprietor of most of the trademarks and that he had assigned them in favour of the plaintiff, of which he is the promotor/director (ii) to delete the words "www." and ".com" and (iii) to substitute the correct address of the second defendant in the long and short cause title.

10. By an order dated 21.1.2010, the application for amendment A.No. 6379 of 2009 was allowed by me and the amendments were also carried out. Even while allowing the amendment, I reserved liberty to the defendants to raise all their objections in the applications for injunction and in the suit. The reasons that persuaded me to allow the amendment were -

(a) that Mr.Janakiraman Murugavel is undoubtedly the registered Proprietor of most of the trademarks listed in the above table;

(b) that the plaintiff company is also the registered Proprietor of a few of them ;

(c) that there is no dispute that Mr.Janakiraman Murugavel is the promotor/ director of the plaintiff; and

(d) that even in the first instance it was Mr.Janakiraman Murugavel who had signed and verified the pleadings, including the plaint and the affidavit in support of the applications for injunction.

11. Therefore it was obvious that there was a mix up, between Mr.J. Murugavel's identity as an individual and his identity as the promotor/director of the plaintiff-company. This had led to improper and shabby pleadings on the part of the plaintiff in the plaint filed in the first instance. After being pointed out, the plaintiff sought amendment and hence the amendment was allowed, as it did not alter the character and nature of the dispute raised in the suit. Moreover, the dispute on

hand raises larger issues of global concern and hence I did not wish to short circuit the same, by rejecting the prayer for amendment and by throwing out the plaint on hyper technical grounds, though it could have suited me very much and saved much of the botheration that I had to undergo later.

12. The plaintiff has also come up with another application in A.No. 247 of 2010, seeking to implead Google Inc, as the 5th defendant in the suit, on the ground that the first defendant claimed in their counter affidavit to be just a wholly owned subsidiary of Google Inc., USA and that therefore, it is a necessary and proper party, for the purpose of a binding adjudication.

13. Thus, there are actually 7 applications on hand viz.,

(i) O.A.Nos.977 and 978 of 2009 filed by the plaintiff for interim orders of injunction,

(ii) A.No.6001 of 2009 filed by the plaintiff for punishing the first defendant for violating the interim orders.

(iii) A.No.6380 of 2009 filed by the fourth defendant seeking rejection of the plaint.

(iv) A.Nos.6382 and 6383 of 2009 filed by the second defendant seeking rejection of the plaint and stay of further proceedings and

(v) A.No.247 of 2010 filed by the plaintiff for impleading Google Inc., USA as the 5th defendant in the suit.

14. All the above applications were taken up together and I have heard Mr.T.V.Ramanujun, learned Senior Counsel appearing on behalf of Mr.A.A.Mohan, counsel for the plaintiff, Mr.P.S.Raman, learned Senior Counsel appearing for the first defendant, Mr.Vineet Subramani, learned counsel appearing for the second defendant, Mr.Satish Parasaran, learned counsel for the third defendant and Mr.Arvind P.Datar, learned Senior Counsel for the fourth defendant.

#### GRIEVANCE OF THE PLAINTIFF:

15. The plaintiff as well as its promoter Mr.Janakiraman Murugavel are the registered proprietors of about 22 trademarks such as Bharatmatrimony, Tamilmatrimony, Telugumatrimony etc. Out of them, 4 marks are registered under Class 42, covering "marriage bureau, horoscope matching and other matrimonial services, services to facilitate online marriages, profile references, match making services" etc. The others are registered under Class 16, covering printed matter.

16. While the first defendant is a search engine, the second defendant is the proprietor of a web portal, offering matrimonial services with the domain name www.shaadi.com (the word "shaadi" in Hindi means marriage). Similarly, the third defendant is a business division of a company by name Info Edge India Ltd., also having a web portal offering matrimonial services with the domain name www.jeevansathi.com. (Jeevansathi in Hindi means friend for life). The fourth defendant is also a

company having a web portal offering matrimonial services, under the trademark "simplymarry" and a domain name [www.simplymarry.com](http://www.simplymarry.com).

17. The grievance of the plaintiff is that whenever a websurfer browses the search engine 'google' using as keywords, any of their 22 trademarks or the constituent parts thereof (such as Bharat, Assam, Tamil, Matrimony etc.,) the links to the websites of the defendants 2 to 4 also appear on the right hand side of the page, as "sponsored links". Each sponsored link has (i) an ad title (ii) an ad text and (iii) the URL (Uniform Resource Locator) of the advertiser's website. When the trademark of the plaintiff or a mark which is deceptively similar to it, is used in the ad title or ad text, by a competitor, whose advertisement appears on the sponsored links, an infringement happens, according to the plaintiff. Since the choice of the keyword is made by the advertiser through the keyword suggestion tool provided by the search engine, the contention of the plaintiff is that the search engine is guilty of aiding and abetting such infringement. In other words, the plaintiffs charge the defendants 2 to 4 with direct infringement and passing off. They charge the first defendant with indirect or contributory infringement.

18. There is no dispute about the fact that whenever any of the registered trademarks of the plaintiff such as BHARATMATRIMONY, TAMIL MATRIMONY etc., or the words constituting these trademarks such as BHARAT, TAMIL, MATRIMONY etc., are typed by a surfer searching for results, the search engine google displays information about the plaintiff's websites, on the left hand side, as natural/organic results. But simultaneously the search engine also displays the advertisements of the respondents 2 to 4 on the right hand side, as "sponsored links". The objection of the plaintiff is not per se to the very display of advertisements of its competitors as sponsored links. Their objection is that the words used by the respondents 2 to 4 in the ad title and ad text of the advertisements in the sponsored links, happen to be either the registered trademarks of the plaintiff or deceptively similar versions thereof.

19. For instance, when a websurfer types the word BHARAT MATRIMONY in the box appearing on the home page of the search engine, the links to the sites of the defendants 2 to 4 also appear on the right hand side under the column "Sponsored Links". When the ad titles and/or ad texts appearing in those links, of the respondents 2 to 4, contain either the combined word "BHARATMATRIMONY" or the individual words "BHARAT" and "MATRIMONY", it results in confusion, deception and diversion of business traffic. This is what the plaintiff is objecting to.

20. Admittedly, the adwords used by advertisers in the sponsored links, as ad title or ad text, are selected by the advertisers themselves. But they also receive assistance from the keyword suggestion tool provided by the search engine itself. The keyword tool is search based and it generates ideas matched to the websites of the advertisers. A person who wishes to choose appropriate keywords will have to enter into the keyword suggestion tool of the search engine and type one or more descriptive words or phrases and solicit keyword ideas. Immediately, the engine displays all keywords related to the word entered by the advertiser, along with the volume of monthly searches made on the same keyword and the additional keywords that could possibly be considered for use by the advertiser. Suppose an advertiser uses the keyword tool to find the appropriate adwords, which would easily lead to his website, the search engine suggests innumerable keywords that could be

adopted by the advertiser so that the link to his website would appear at as many locations as possible.

21. According to the plaintiff, the first defendant has provided in the keyword suggestion tool, the registered trademarks of the plaintiff or deceptively similar variations thereof, thereby inducing the trade rivals to choose them as their adwords, either by way of ad title or ad text or both. According to the plaintiff, the words BHARATMATRIMONY, ASSAMESEMATRIMONY, Bharat, Tamil, etc., are made available by the first defendant in their keyword suggestion tool enabling the other defendants to choose them as their adwords. Consequently, when a websurfer searches the engine, for the various websites of the plaintiff, by typing the words BHARATMATRIMONY or BHARAT or MATRIMONY, the search engine not only displays the details of the websites of the plaintiff as organic results, but also displays in the column reserved for sponsored links, the details of the websites of the defendants 2 to 4 with the title and/or text of the advertisement, carrying the registered trademarks of the plaintiff or deceptively similar variations thereof. This, according to the plaintiff, amounted to infringement and hence the suit.

#### STAND TAKEN BY FIRST DEFENDANT

22. The response of the first defendant to the grievance of the plaintiff is that it has an "adwords program" which allows advertisers to create and run advertisements through a simple process. The advertisements comprise of short commercial messages with an indication of the link to the advertiser's site. These links are presented under the heading "sponsored links" either at the top of the page against a yellow background or on the right hand side separated by a line from the organic results. Apart from these links, banner advertisements or pop-up advertisements also appear. However, the adwords program of the first defendant fixes responsibility upon the advertiser, under clause 4 of an Agreement normally entered into with the search engine, not to advertise anything illegal nor violate or encourage violation of any applicable laws or third party rights including intellectual property rights.

23. According to the first defendant, the advertisements on their website are governed by a defined set of policies. The advertisement policy of the first defendant, a copy of which is filed as a document, shows the policy line adopted by them with respect to trademarks vis-a-vis adwords. The relevant portion of the policy reads as follows:-

"Google recognises the importance of trademarks. Our AdWords Terms and Conditions with advertisers prohibit intellectual property infringement by advertisers. Advertisers are responsible for the keywords that they choose to generate advertisements and the text that they choose to use in those advertisements. Google takes allegations of trademark infringement very seriously and, as a courtesy, we investigate matters raised by trademark owners. Trademarks are territorial and apply only to certain goods or services. Therefore, different parties can own the same mark in different countries or different industries. Accordingly, in processing complaints, Google will ask the trademark owner for information regarding where the mark is valid and for what goods or services."



24. It is the contention of the first defendant that in view of the aforesaid policy, the first defendant is not actually allowing the registered trademarks of the plaintiff to be used in advertising the products and services of its competitors. In other words, the stand taken by the first defendant is that they do not allow the defendants 2 to 4 or anyone else, to use per se, the registered trademarks of the plaintiff such as BHARATMATRIMONY, ASSAMESEMATRIMONY etc.

25. However, it is contended by the first defendant that since all the registered trademarks of the plaintiff comprise of a combination of two generic or descriptive terms used in common parlance, the plaintiff cannot claim exclusivity and complete control over such words as "matrimony", "bharat", "tamil", "urdu", "punjabi" etc. A person looking for a web portal offering matrimonial services relating to his community, would necessarily type the name of his community, his linguistic identity and the description of the services that he is looking for. Therefore, it is but natural for an advertiser to choose as his adwords, the name of the community, caste or creed and the description of the services. This cannot, according to the first defendant, amount to an infringement.

#### DEFENCE OF THE SECOND DEFENDANT

26. The second defendant, whose website is shaadi.com, has contended in its counter affidavit that even when a search is made for the websites of the defendants 2, 3 or 4, the link to the plaintiff's website appears as a sponsored link, showing thereby that what the plaintiff seeks to injunct, is something which the plaintiff himself is guilty of. Therefore, the plaintiff cannot be allowed to injunct others from doing what they themselves are doing in the same search engine. The second defendant has also given details of the prior litigations between them and the plaintiff, to highlight the trade rivalry and to show that similar issues form the subject matter of an earlier suit, about which no whisper is made in the plaint. It is the further contention of the second defendant that since 18 out of the 22 trademarks claimed to have been registered are in relation to goods in Class 16 and also since Class 16 relates to paper, cardboard, printed matter etc., with which the second defendant is not concerned, there was no question of infringement or passing off. Moreover, the plaintiff has not obtained registration of the words "tamil", "telugu", "matrimony" etc., individually and hence the use of these generic or descriptive words would not amount to infringement. The fact that these separate words form the constituent parts of the registered trademarks of the plaintiff, would not per se make the use of these words, an infringement. The second defendant also contends that all disputes relating to registration and use of domain names are to be referred to and resolved by an international system known as Internet Centre for Assigned Names and Numbers (ICANN), in accordance with the Uniform Domain Names Dispute Resolution Policy (UDRP) and hence the jurisdiction of this Court is excluded in such matters. The second defendant has also given the names of several websites such as [www.matrimony.org](http://www.matrimony.org), [www.matrimony.com](http://www.matrimony.com), [www.matrimony.net.in](http://www.matrimony.net.in), [www.matrimonys.com](http://www.matrimonys.com), [www.matrimony.co.za](http://www.matrimony.co.za), in support of its contention that the plaintiff cannot claim monopoly over the word "matrimony". The second defendant also claims to be the prior user, with its website in existence from 1996.

#### RESPONSE OF THE THIRD DEFENDANT

27. In their counter affidavit, the third defendant has contended that even as per the admitted averments, the defendants were not using the registered trademarks of the plaintiff, as "marks", while marketing or offering their products and services. Therefore, it is not a case of infringement or passing off, since the words "matrimony", "tamil", "telugu" etc., are not used in the trademark sense, but only in descriptive sense. Moreover, the separate words such as telugu, tamil etc., which together with the word "matrimony" constitute the trademarks of the plaintiff, are words that are indispensable and unavoidable in the context of the websearch for matrimonial services. Therefore, no exclusivity can be claimed nor can any infringement be alleged. It is more so, since no part of the registered trademarks of the plaintiff contain an invented word. It is the further contention of the third defendant that when a search is made on the search engine, using the word "jeevansathi", the website of the plaintiff appears under the sponsored links, indicating thereby that the plaintiff has knowingly and willingly submitted to the business model of the first defendant. Therefore, the plaintiff is, according to the third defendant, estopped from questioning the said model. Moreover, there cannot be an injunction, according to the third defendant, restraining the fundamental right of expression in the form of advertising, which is nothing but a right of free commercial speech.

#### CONTENTIONS OF THE FOURTH DEFENDANT

28. In their counter affidavit, the fourth defendant has resisted the plea for injunction, on similar grounds as the other defendants have done. In addition, they have also contended that a search engine is like a directory which displays the links to different websites that contain words which are typed in by the websurfer and hence the use of the words contained in such directory cannot be prohibited. The very registration of the trademarks in question in favour of the plaintiff by the Trademark Registry is contrary to law under Section 9(1)(b) of the Trade Marks Act, 1999. There is also no concept, according to the fourth defendant, of "secondary meaning" in the case of domain name protection. Moreover, the level of consumer sophistication is different in so far as internet is concerned and hence the likelihood of confusion cannot be treated as the same. According to the fourth defendant, the expression "use of a mark" is defined in Section 2(2)(b) and 2(2)(c) of the Trade Marks Act, 1999 and coupled with the provisions of Section 29(6), the Act does not confer protection against the use of a trademark as an adword. The protection applies only to another mark used in the course of trade. Since the fourth defendant uses the mark "simplymarry", which has no resemblance to any of the marks of the plaintiff, there is no cause of action for the suit. Moreover, the litigation seeks to gain monopoly over keywords, which is anti competitive and hence would become a restrictive trade practice, disallowed by the Competition Act, 2002.

29. From the rival contentions briefly presented above, it is seen that fortunately, there are not many serious factual disputes in the case on hand, except two factual disputes that were originally raised.

(i) The first was on account of the defective pleadings in the plaint as it originally stood, where the plaintiffs failed to plead registration in the name of Mr. Janakiram Murugavel and the assignment made by him in favour of the plaintiff. But after the amendment was allowed, this first objection on erroneous pleadings receded to the background. Though Mr. Arvind P. Datar, learned Senior Counsel appearing for the fourth defendant insisted that the objections to the original pleadings still

hold good and that the original pleadings disentitled the plaintiffs to any injunctive relief, I do not think that the real controversy, which is of larger public interest, should get over-shadowed on such technicalities. I am conscious of the fact that even while permitting the amendment, I have reserved liberty to the defendants to raise all these technical objections. But considering the time and efforts taken by the counsel appearing for all the parties, I have chosen to take the bull by its horns.

(ii) The second factual dispute is with regard to the actual contents of the adwords, adtext or adtitle. According to the plaintiffs, the trade marks registered in their favour appear as such, on the adtitle and the adtext of the advertisements of the respondents 2 to 4. But according to the first defendant (the search engine), the registered trade marks BHARATMATRIMONY etc., do not appear as such, though the words BHARAT, MATRIMONY etc. appear independently. Disputing the claims of the defendants, the plaintiffs have produced print outs of the web pages showing that at times, the trade marks have been used. But in my considered view, a detailed enquiry into the same may not be necessary in view of the stand taken by the first defendant that they follow a policy for protection of trade marks. The defendants 2 to 4 have also made it clear that they do not and would not use in their advertisements, the registered trade marks of the plaintiffs such as BHARATMATRIMONY etc., though the defendants claim a right to use the independent words BHARAT, MATRIMONY etc., separately.

Therefore, two things are very clear viz., (i) that the defendants do not claim a right to use the registered trade marks of the plaintiffs as such in their advertisements and (ii) that in so far as the usage of the independent words (which constitute the registered trade marks of the plaintiffs) are concerned, the defendants assert that the plaintiffs have no right to injunct them.

30. In view of the above, there is fortunately less dispute on facts and more dispute on questions of law, pure and simple and is perhaps raised in an Indian Court for the first time in the history of the internet age. Hence, it may be useful to have a prelude about the manner in which the internet operates and the search engines function. The prelude has become necessary more for the purpose of distinguishing routine trade mark disputes operating in the real physical world, from the disputes of this nature, operating in the virtual world. So let us now undertake a brief journey into the evolution of the virtual world. While persons who are not so familiar with the virtual world, are welcome to join me, the others are free to stay back, relax and come on board at the stage where the discussion from paragraph 42 onwards begin.

#### PRELUDE:

31. It appears that the age of internet, began in 1969 as a network of just 4 computers located at the University of California at Los Angeles, the University of California at Santa Barbara, the University of Utah and the Stanford Research Institute. At around the same time, the U.S. Department of Defence established the Advanced Research Projects Agency (ARPA) and established ARPAnet, the world's first decentralised computer network. Though Doug Engelbart invented the mouse for prototyping an online system for hypertext browsing and editing and the hypertext editing system was developed by Andy Van Dam in the 1960s, the next decade saw the development of electronic mail, telnet and FTP. The early 1980s brought the Transmission Control Protocol (TCP) and

Internet Protocol (IP) which led to the development of web technology using Hyper Text Markup Language (HTML) and Hyper Text Transfer Protocol (http). The web technology, known as "World Wide Web" (www), that was developed by Tim Berners Lee while working for CERN in 1991, became available freely from 1993. It led to the development of three basic types of search tools known as (i) search engines (ii) search agents and (iii) hand-built directories.

32. A search engine is an information retrieval system designed to help find information stored on a system. It is a data base of 'web page extracts' that can be queried to find reference to something on the net. Search engines provide a way to search the contents of millions of web pages simultaneously. To make a search of what one wants, one has to go to the web page of the search engine and submit key words or search terms, in a simple form. It runs these terms past its database and almost instantly, returns a list of results or hits. The results displayed are so voluminous that if one surfs through them in entirety, one may retire from service or perhaps even from this world.

33. There are several search engines such as HotBot, Alta Vista, Northern Light, Yahoo etc. Google, the first defendant herein, is one such search engine which has a large database and which uses a system of ranking hits by relevancy (popularity). The search engines find out the popularity of a site through the "cookies" planted in the computers. These cookies actually indicate the sites visited by a person and they map the areas of interest of a person browsing the net. As a matter of fact, whether one leaves footprints on the sands of time or not, a websurfer, without even realising what is happening behind him, leaves a trail behind, whenever he visits a site. This enables the operators even to profile the surfing habits of browsers. So far, this profiling has been used predominantly for the purpose of advertising. It is also possible to block the installation of cookies or clean up the surfing history, in order to protect privacy. Each search engine has its own quirks, which, if not properly learnt, would lead to a lot of time being wasted, by weeding through poor results. The search through these search engines prove to be fruitful, only when one learns how to create a phrase, how to search on multiple phrases and how to exclude certain words.

#### HOW SEARCH ENGINES OPERATE:

34. Normally, when one enters into the net and goes to a search engine, the first page that opens up on the screen of the computer is the "Home page". The home page contains a bar/box in which, the person making the search is to type the key words or the search terms. Just below the box, two options will be indicated. One is an open search option, which is actually a wild search. Another is a limited search option, indicated by the phraseology "I'm feeling lucky".

35. The moment one clicks the keyword in the open search option, two types of results are thrown open. The results that appear on the left hand side are known as "organic results" and those that appear on the right hand side are known as "sponsored links" (may be inorganic). Suppose one clicks the phrase "Bharatmatrimony" in the open search option, the page that opens with a set of about 10, out of millions of results, would contain natural results on the left hand side and sponsored links on the right side. The information provided on the left hand side as natural or organic results, is excavated by the search engine, from out of a mine field of data stored in its web pages. The information supplied to the search engine and stored in its store house and the

information displayed by the search engine to the internet user, are available free of cost. The results displayed by the search engine are like catalogues, which provide "information gate-ways" to several sites, Therefore, they are available free of cost to the user. But if the user intends to get into the sites, whose links are provided as organic results, he may have to pay a fee to such sites (if so prescribed), though not to the search engine. Some of the sites are also available free of cost.

36. In contrast, the information displayed on the right hand side as "sponsored links", is so displayed, upon payment of charges by the person (advertiser) sponsoring the link, to the company owning the search engine. In other words, the space on the right hand side is virtually like a hoarding site, where one is free to advertise his products or services, by paying necessary charges to the person who owns the search engine. The advertisements could be said to be "hung" in these designated ads-zones and the main source of revenue for the search engines, is only through advertisements hosted on the sponsored links. The plaintiff as well as the respondents 2 to 4 advertise their services on the sponsored links by paying necessary charges to google.

#### METHOD OF ADVERTISING IN THE SPONSORED LINKS:

37. The Internet Search Engine "Google" was estimated to index about 8 billion web pages and process over 200 million searches per day (statistics as of 2007). Due to the enormity of the number of visitors to their site, what was originally developed as a huge store house of information, slowly turned into a huge warehouse/supermarket of products and services that could be bought and sold or hired. The moment it was found that the Search Engine provided a huge meeting place, like a supermarket or mall or a Trade Fair Centre, of unimaginable size and proportion, in a virtual world, connecting the world of trade and commerce with the world of consumers, its potential as an online advertising agency was realised. This led to all Search Engines, selling space for those who wished to market their products and services, so that they could host advertisements in the space so sold or let on hire by the Search Engine. Recent newspaper reports suggested that the revenue from advertising crossed several billions of US Dollars for Google. This is why, "The Economist" remarked in its edition dated 6.7.2006 that "Google is the world's most valuable online advertising agency disguised as a web search engine".

38. Information is retrieved on the internet by typing a query containing what is known as a keyword, into the search engine. Soon as the keyword is typed, the programme searches its data base and returns a list of results. The results are in the form of hyper links related to relevant web pages. Since the search engines do not possess natural intelligence to identify what a person is actually looking for, they use what are known as meta tags to produce the results. Meta tags can be compared to sign posts or indices, which lead one to what he is looking for, along with what he is also not looking for. It is a combination of two ordinary words meta and tag, meaning respectively "denoting position" and "label". Meta tags are embedded in the HTML code and remain invisible to the internet user. When a webpage creator creates the site, he lists meta key words in the computer code that makes up the web page. When someone searching for the information on the internet, types in one or more key words that relate to the information sought in the search field of the search engine, those websites having metatags that match the keywords, come up as hits. The importance of meta tags has slowly been reduced by modern search algorithms.

39. One of the meta tags successfully employed for locating an information, product or service on a search engine, is "keywords". Since all topics, things, products and services are associated with and identified by specific words or a combination of words, the conduct of a search, with the use of such words (keywords), has become the most popular and common mode of search. The moment a keyword is typed, the search engine locates all web pages and hyper links where the same word appears, either separately or as part of another word and displays the links to all pages. Therefore, keywords constitute the lifeline of a search engine and consequently, the advertising policies of search engines, revolve around meta tags.

40. Any online advertising, involves two complimentary programmes designated as "adwords" and "adsense". Since an internet user targets the site on which he wishes to land, only through the use of specific words or expressions, called "keywords", the advertisers use a host of keywords, as their adwords, so that the link to their own site would appear as a sponsored link, whenever a search is made by the user, using the very same word or a variation thereof.

41. In order to enable the advertisers to select appropriate adwords, so that the links to their sites are advertised in appropriate locations, search engines themselves guide the advertisers, in the selection of adwords. While doing so, search engines provide an unlimited choice to the advertisers, to choose from millions and millions of words. If the keyword selected by the advertiser is not selected by anybody else, the search engine makes it available to the advertiser at a fixed rate. However, if the keyword selected by the advertiser is already in use by others, the advertisers who vie with one another are asked to bid upon a basic price fixed by the search engine. Though all the advertisers are allowed to use the same keyword as their adword, the highest bidder is given the top slot in the list of sponsored links. Therefore, in essence, an advertiser is entitled to choose any number of keywords for advertising his website on the sponsored links, but the slot allotted to him in the list of sponsored links, depends upon the price offered by him for the keyword, in comparison to the price offered by others for the very same keyword. Since a search engine is insensitive to what the user actually wants, it would display on the sponsored links, the links to the web pages of a host of products and services, which may even be unrelated to each other or to what the user was actually looking for. For an advertiser, his product and/or service gets advertised in many locations, including those where his competitor's products and services are also displayed by way of advertisement or otherwise. But when the products and services of two or more competitors are displayed in the same location, directly as a result of the choice of keywords which are deceptively similar to the registered trademark of one of them, disputes relating to infringement arise. However, the question to be addressed in such cases, is spelt out by McCarthy on Trademark and Unfair Competition, in the following words:

" In the keyword cases, where keyword placement of advertising links is being sold, the search engines are taking commercial advantage of the drawing power and goodwill of these famous marks. The policy question is whether this activity is fair competition presenting web users with useful alternatives or whether it is a form of unfair free riding on the fame of well known marks"

Therefore the issue obviously has many dimensions.

## ORIGIN OF SUCH DISPUTES WORLDWIDE:

42. To have a better understanding of (i) how trade mark disputes arose in the internet context and (ii) how the war on words or war for words (rather than war of words) in the virtual world is different from that in the real world, it is necessary to see how the internet servers operate. Without doubt, the internet, by far, has been the largest information resource, to have ever existed. The information resources on the internet, are available via networks. These networks have IP addresses (Internet Protocol), expressed as four binary numbers, each of eight bits, normally written as decimal numbers. Necessarily, each server has to be located in a different IP address, as no two servers can either have a living-in relationship or live together under one roof at the same IP address. But since IP addresses are expressed in terms of decimal numbers, impossible of memorising, a system of labelling the IP addresses with names known as domain names was developed. This is how the Domain Name System (DNS) got developed. In simple terms, the Domain Name System serves to translate an address expressed in numerals into an address expressed in words. The Interim Report of WIPO Internet Domain Name Process on "The Management of Internet Names and Addresses: Intellectual Property Issues" issued in 1998, points out that DNS serves the central function of facilitating users' ability to navigate the internet. A domain name is the human-friendly address of a computer that is usually in a form which is easy to remember or identify. When an internet user types a domain name into a software application such as a browser program, the software sends the name to one of a number of Domain Name Server Computers. It searches its data base for the IP address that matches the domain name and then returns the IP address to the requesting software application. Upon receipt of the IP address, a communication is established with the server.

43. Therefore, domain names are selected by the servers in such a manner as to serve several purposes such as (i) making it easily memorable for the user (ii) ensuring a semantic association with the operator or the activities carried on by the operator and (iii) making them relatable to the trademarks or trade names of the servers. It is while doing so, that disputes relating to domain name infringement and passing off, arise.

44. The legal rights in names arise out of either (i) their registration as trademarks, or (ii) their actual use for trading, or (iii) their actual use as personal names by natural or legal persons. In so far as trademarks are concerned, they are generally classified in the order of their increasing distinctiveness: generic, descriptive, suggestive, arbitrary and fanciful. The more distinctive the mark, the greater the protection afforded by law. When a trademark is not inherently distinctive, it may nevertheless be protected if it has acquired distinctiveness, also known as "secondary meaning". But it depends upon the length and manner of use, nature and extent of advertising and promotion, efforts made to promote conscious connection in the public's mind between the trademark and the business and extent to which the public actually identifies the mark and the product or service as measured by Consumer Surveys.

45. In the physical world, the problems posed by identical names being used by different persons, can be resolved more easily than the same can be resolved in the virtual world of internet. This is primarily because of the fact that the virtual world has no geographical limitations or borders, but

the laws relating to protection of trademarks are normally country specific or region specific and confined to specific boundaries. The system of allocating rights in names, works reasonably well in the physical world, since the physical world is partitioned both by geographical boundaries and by the categorisation of goods and services. But internet knows no partitioning. Consequently, the holders of similar trademarks in different jurisdictions were rarely exposed to conflict, at least till the advent of globalisation and glasnost. But the domain name system allows every server connected to the internet, to be accessed from anywhere else, resulting in the trademarks registered in the domain owner's jurisdiction being displayed in other jurisdictions, where different persons may hold the mark. Due to this unique problem, persons with the same name in several jurisdictions may stake competing claims over the same name chosen as a trademark or as a domain name by a server. The resolution of such conflicts has thrown serious challenges to the legal systems all over the globe, in view of the fact that even if there is no actual infringement, there is always the danger of trademark dilution. However, serious attempts have been made in the form of legislations such as US Federal Trademark Dilution Act, 1995 and Anti-Cybersquatting Consumer Protection Act, 1999, to protect famous marks from getting diluted.

46. Interestingly, the cases which appeared in the early stages of the internet age, related to the ordinary household names, getting registered as domain names and the individuals bearing such names and registering them, staking claims of infringement against leading multinationals. One of the earliest cases that came up before the German Supreme Court of Justice was in Deutsche Shell GmbH vs. Andreas Shell. Though the individual by name Andreas Shell had obtained registration of his name, the Court decided in favour of the company on the ground that Deutsche Shell was far better known and hence had a better claim to the domain name shell.de .

47. While one type of disputes relating to infringement of trademarks, arise out of the use of the registered trademarks of a person by another as part of their domain name, another type of disputes, relates to the infringement of trademarks by advertisements posted in the search engines. These advertisements could either be banner advertisements/pop-up advertisements or advertisements which appear as sponsored links. The dispute on hand belongs to the later category.

48. The question as to whether keyword banner advertising should be interpreted as an unauthorised exploitation of a competitor's goodwill, has been the subject matter of business ethics assessment, with reference to Article 10 of the International Chamber of Commerce International Code of Advertising Practice, which states as follows:-

"Advertisements should not make unjustifiable use of the name, initials, logo and/or trademarks of another firm, company or institution nor should advertisement in any way take undue advantage of another firm, person or institutions goodwill in its name, trade name or other interested property nor should advertisements take advantage of the goodwill earned by other advertising campaigns."

But we are not concerned here with business ethics as the expression "business ethics", has become an oxymoron. Therefore let me now see how the issue has thrown a conundrum in different jurisdictions and how the World Intellectual Property Organization (WIPO) has taken serious note of the disputes arising in several jurisdictions.



49. At its 23rd session held in Geneva from June 30 to July 02, 2010, the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) of the WIPO requested the Secretariat to prepare a background document summarising the past and current developments in the area of trade marks and the internet. In accordance with the request by the SCT, the Secretariat prepared a document and presented the same on 31.8.2010. In the said paper, the SCT took note of the WIPO Joint Recommendation Concerning Provisions on the Protection of Marks and other Industrial Property Rights in Science on the Internet, which was adopted during the series of meetings of the Assemblies of the Member States of WIPO (October 2001). In Chapter IV of the said paper, the SCT took note of the fact that practices such as unauthorised use of trade marks as key words by search engine operators constituted clear challenges to the traditional application of trade mark law. Annexure I to the document contains a summary of challenges regarding the use of trade marks on the internet as shown in a selective sample of cases across different jurisdictions, such as USA, UK, Argentina, China, India, Israel etc., Interestingly, the report refers to the contradictory views prevailing in China with regard to the legality of key word advertisement in the following words:

"In China, two key word advertising law suits, one initiated against Google China and the other against Baidu, had yielded different outcomes. In Google vs. Guang Dong Ganyi Electrical Appliances Co. Limited, the plaintiff's registered trade mark NEPFON was sold by Google as a key word to a competitor. The Court rules that the competitor in question had committed trade mark infringement. However, Google itself was not held jointly liable for trade mark infringement. The Court determined that although the use of a key word to trigger sponsored links was a form of advertising, Google neither had the ability to check or control the informations submitted by the competitor nor did it have an obligation to examine the legality of that information. The Google case can be contrasted to the case of Baidu vs. Shanghai Dazhong House Moving Logistics Company Limited. Baidu's bid ranking services allowed Dazhong's competitor to link their web sites to the key words "Dazhong Banchang". Here the Court ordered Baidu to pay compensation to Dazhong."

50. The question whether key word banner advertising results in trademark dilution or creates a likelihood of confusion that leads to infringement, has come up in several jurisdictions. Two of the earliest cases were settled without adjudication. In *Estee Lauder Inc. vs. Fragrance Counter, Inc.* {189 FRD 269-SDNY 1999}, Estee Lauder sued Excite and The Fragrance Counter in a case involving both metatags and keyword banner advertising. Estee Lauder objected the highlighting of advertisements for Fragrance Counter, whenever internet users searched for its trademarks. However, the defendant agreed to refrain from using Estee Lauder trademarks and the case was settled out of Court.

51. In *Reed Elsevier, Inc. vs. Innovator Corp.*, Reed Elsevier, which owns the LEXIS, NEXIS, and LEXIS-NEXIS trademarks, brought a trademark infringement suit against (i) Innovator, a competing information retrieval system (ii) Altavista, a search engine and portal site and (iii) DoubleClick, a service that assists firms with the placement of advertising on websites and search engines. Reed Elsevier sought damages and injunctive relief due to Altavista's sale of LEXIS, NEXIS, and LEXIS-NEXIS as keywords to its competitors. Reed Elsevier ended the case by entering into settlement agreements with Altavista and DoubleClick.

52. In *Metaspinner Media GmbH vs. Google Deutschland*, LG Hamburg, No.312 O 887/02 (Nov. 14, 2003), the German District Court in Hamburg found that the search engine engaged in trademark use when it sold advertising space based on keywords identical to the plaintiff's trademark and issued a preliminary injunction against Google. Google refused to accept the injunction as a final ruling; therefore, Metaspinner refiled its case in May 2004 to "prevent further infringements of rights and to sustain the preliminary injunction". But it appears that on September 21, 2004, the Court dismissed the suit.

53. However, other European courts have reached different conclusions. In *Nemetschek AG vs. Google*, LG Munich, No.33 O 21461/03 (Feb. 12, 2003), the Court held that an Internet search engine was not liable for direct or indirect trademark infringement when an advertiser placed ads based on trademarked keywords. And in *Intershop comms. vs. Tietz*, LG Hamburg, No.315 O 646/03 (Feb. 25, 2004), the same Court that decided Metaspinner found that the advertiser had not engaged in trademark use by selecting a trademarked keyword.

54. In *DaimlerChrysler AG vs. Bloon* {315 F.3d 932-2003}, the 8th Circuit held that a Tele Communications Company did not use the term "Mercedes" in a trademark sense merely by licensing a vanity phone number that spelled "1-800-Mercedes" to Mercedes dealers. The Court reasoned that the dealers themselves might engage in trademark use by advertising the phone number or otherwise presenting it as a brand to the public, but the company selling the phone number did not.

55. In *Interactive Prods.Corp. vs. A2Z Mobile Office Solutions Inc.* {326 F.3d 687-2003}, the 6th Circuit also took the same view, holding that if the defendants were using the plaintiff's trademark in a non-trademark way-that is in a way that does not identify the source of a product -then trademark infringement and false designation of origin laws do not apply.

56. In *Planned Parenthood Federation of America, Inc. vs. Bucci and Jews For Jesus vs. Brodsky*, for example, consumers reaching the defendants' sites were falsely led to believe that the site they reached was authorised by the trademark owner and only gradually came to realise their mistake as they kept reading. There was thus a diversion of customers through a combination of initial confusion and switching costs.

57. Thus in the early stages, courts perceived the unauthorised use in metatags, by a person, of someone else's trademark, as creating a confusion in the minds of the consumers. This doctrine, identified as a doctrine of initial interest confusion posits that trademark infringement results when a consumer has been confused prior to purchase. But in normal circumstances, the likelihood of confusion would occur at the time of purchase. All over the world, the Courts have struggled hard, as pointed out above, to grapple with this problem of "initial interest confusion" in the internet context, where internet users seeking a trademark owner's website are diverted (i) either by identical or confusingly similar domain names to websites in competition with the trademark owner or (i) by a competitor's unauthorised use of another's mark as the keyword to generate banner or pop-up advertisements for its products and services.

58. In US, the use of another's trademark in meta-tags to capture initial consumer attention was also regarded as a potential infringement of a trademark. In *Brookfield Communications, Inc. vs. West Coast Entertainment Corp.* {174 F.3d 1036-9th Cir. 1999}, the defendant West Coast Entertainment used the plaintiff's "moviebuff" mark in the metatags of its website. The Court analogised it to the use of a Bill Board bearing the plaintiff's mark to attract consumers interested in the plaintiff's products or services. Although the consumers would ultimately realise that the defendant was not the provider they initially sought, they might decide instead to patronise the defendant's website. The Court held that using another's trademark in one's metatags is much like posting a sign with another's trademark in front of one's store. Elaborating this illustration, the 9th Circuit Court said, "Using another's trademark in one's meta-tags is much like posting a sign with another's trademark in front of one's store. Suppose West Coast's competitor (say 'Blockbuster') puts up a billboard on a highway reading 'West Coast Video: 2 miles ahead at Exit 7' where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast's store will pull off at Exit 7 and drive around looking for it. Unable to locate West Coast, but seeing the Blockbuster store right by the highway entrance, they may simply rent there. Even consumers who prefer West Coast may find it not worth the trouble to continue searching for West Coast since there is a Blockbuster right there. Customers are not confused in the narrow sense: they are fully aware that they are purchasing from Blockbuster and they have no reason to believe that Blockbuster is related to, or in any way sponsored by West Coast. Nevertheless, the fact that there is only initial consumer confusion does not alter the fact that Blockbuster would be misappropriating West Coast's acquired goodwill".

59. The Bill Board analogy used in *Brookfield* was again considered in *Playboy Enterprises, Inc. vs. Netscape Communications Corporation* {354 F.3d 1020}. In that case, the plaintiff sued the defendants, alleging infringement as well as dilution, of their trademarks "Playboy" and "Playmate". Their claim was that companies which market adult oriented material, advertised in the internet search engine, by using as keywords, the registered trademarks of the plaintiff. Consequently, whenever a websurfer typed the words "playboy" or "playmate", the advertisements of those companies appeared as banner advertisements on top of the search results page. The District Court rejected the plaintiff's request for a preliminary injunction and the Court of Appeals, Ninth Circuit confirmed the same. Subsequently, the District Court granted summary judgment (akin to rejection of plaint) in favour of the defendants.

60. While reversing the order granting summary judgment in favour of the defendants and remanding the matter for further proceedings, the Court of Appeals, Ninth Circuit applied an eight-factor test, originally set forth in *AMF Inc. vs. Sleekcraft Boats viz.*, (1) strength of the mark (2) proximity of the goods (3) similarity of the marks (4) evidence of actual confusion (5) marketing channels used (6) type of goods and the degree of care likely to be exercised by the purchaser (7) defendant's intent in selecting the mark and (8) likelihood of expansion of the product lines.

61. Thereafter, the Court accepted the argument of "initial interest confusion" advanced by the plaintiff, on the ground that the choice of keywords, presented to the advertisers by the search engine and the use of click-through rates as a way to gauge the success of advertisements, showed an intent to confuse. Since an intent to confuse constituted probative evidence of likelihood of

confusion, the Court held that the summary judgment issued in favour of the defendants by the District Court was wrong. {Note: But the decision Playboy came in for criticism from academics on two grounds viz., (i) that they were not prohibiting initial interest confusion, but prohibiting initial interest itself; and (ii) that trademark infringement requires likelihood of confusion and not a mere likelihood of diversion.}

62. Extending the road sign metaphor used in Brookfield, the Court held in Playboy that in that case, the scenario was more akin to a driver pulling off the freeway in response to a sign that reads "fast food burgers" to find a well known fast food burger restaurant, next to which stands a bill board reading "better burgers: 1 block further". The Court also expressed concern that a finding of infringement might result in the loss of otherwise generic words from the English language at the expense of competitor need. The Court further pointed out that by seeking a prohibition on all advertisements that appear in response to the search words "playboy" and "playmate", the plaintiff would effectively monopolise the use of these words on the internet and that the same violated the First Amendment Rights of (a) Excite and Netscape (b) other trademark holders of Playboy and Playmate, and also (c) the members of the public who conduct internet searches. The Court pointed out that "internet is a unique and wholly new medium of worldwide human communication and Courts should be mindful of the difficulty of applying well established doctrines to electronic commerce".

63. Three defences were asserted in Playboy Enterprises Inc., case. One of them was that the defendants merely made a nominative use of the marks of the plaintiff and hence it did not constitute infringement. But the Court rejected this defence by pointing out that to be considered a nominative use, the use of a mark must meet three tests viz., (i) the product or service in question must be one not readily identifiable without the use of the trademark (ii) only so much of the mark or marks may be used as is reasonably necessary to identify the product or service and (iii) the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the proprietor of the trademark. The Court held that the defendants could actually use other words, to achieve the same result, viz., to trigger adult oriented banner advertisements and that since they were actually using about 400 words, besides the trademarks of the plaintiff, there was nothing indispensable about the plaintiff's marks.

64. The second defence viz., that the defendant was only making functional use was also rejected by the Court on the ground that the marks in question were not parts of a design that have a functional use and that the fact that these marks made the defendant's computer program more functional was irrelevant. Thus the Court of Appeals found that there were triable issues and that the case deserved a trial, though the plaintiff was held not entitled to interim prohibitory reliefs.

65. After the 'Bill Board' analogy in Brookfield and 'highway sign post' analogy in Playboy, the Courts extended the "initial interest confusion doctrine" to correspond to a broader reading of Brookfield, under which real confusion is not required, but a probability of confusion was enough. In Promatek Industries, Ltd vs. Equitrac Cor., for example, the Seventh Circuit upheld an injunction against a service company's use in metatags of the name of a product for which it offered maintenance and repair services. The Court found a probability of initial interest confusion.

Similarly, in *People for the Ethical Treatment of Animals vs. Doughney*, the Court found initial interest confusion based on the use of the domain name *peta.org* to link to a site entitled "People Eating Tasty Animals", a parody of the "People for the Ethical Treatment of Animals" website that visitors were presumably trying to reach. Once visitors reached the page, there is no way they could have been confused given the very different title and the obviously parodic message of the page. Nonetheless, the Court found the instant of confusion created before visitors saw the content of the website to be actionable.

66. But, in *Bihari vs. Gross* {119 F.Supp.2d 309}, the Court said that the use of the highway bill board metaphor is not the best analogy to a metatag on the internet and that the harm caused by a misleading bill board on the highway is difficult to correct, while on the information super highway, resuming one's search for the correct website is relatively simple involving only one click of the mouse and a few seconds delay. In *Bihari*, the Court noted that the operator of internet website using the plaintiff's mark is merely providing a means of cataloging the plaintiff's site.

67. In *Reed Executive plc and Another vs. Reed Business Information Ltd and Others* {(2004) EWCA (Civ) 159}, a dispute arose between a large publishing house and an employment agency. The employment agency had its mark "Reed" registered as a trademark in 1986 and it also started advertising job vacancies on its website, *www.reed.co.uk* in 1995. The publishing house also began online versions of its magazines which included job advertisements. In 1999, the publishing house created a special dedicated job related website, *totaljobs.com*. There were several versions of this *totaljobs* website which contained the word "Reed". The logos containing the word "Reed" also appeared at the bottom of the pages, as banner advertisements. Therefore, they were accused of constituting passing off and infringement of the registered trademark. The Court of first instance found both infringement and passing off to have been established. When the matter was taken on appeal on limited issues, the Court of Appeals (Civil Division), London, pointed out that search engines have elaborate indexing systems, which can take note of visible matter in a website as well as invisible matter, called as metatags. Therefore, whenever a search is conducted using a word in a metatag, the search results would include that site along with all other sites which use that matter, irrespective of whether the results have anything to do with what one was actually searching for. After pointing this out, the Court of Appeal held that the appearance of the name "Reed" or "Reed jobs" in a banner advertisement by itself may not amount to infringement within the meaning of Article 5.1(b) of Trademarks Directive (89/104). For holding so, the Court gave the following reasons:-

"The web-using member of the public knows that all sorts of banners appear when he or she does a search and they are or may be triggered by something in the search. He or she also knows that searches produce fuzzy results results with much rubbish thrown in. 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 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.

If this had been an Art.5.1(a) case then the position might have been different. For then there would have been no requirement to prove a likelihood of confusion. The question would appear to turn on whether the use of the word "Reed" by Yahoo at the instance of RBI properly amounted to a "use in the course of trade" as to which, as I say, I reserve my opinion. It may be that an invisible use of this sort is not use at all for the purposes of this trade mark legislation – the computers who "read" sets of letters merely "look for" patterns of os and 1s – there is no meaning being conveyed to anyone – no "sign".

I can conveniently deal with passing off here too. The Judge held that there was passing off by substitution. I cannot agree. Passing off by substitution is where a trader having accepted an order for brand X supplies brand Y in such circumstances that the customer is unlikely to notice the substitution and is thus misled, see e.g., *Lever Bros vs. Mabro* (1912) 29 RPC 225. That is a hundred miles from a consumer conducting a search under the name Reed and finding a banner which on its face has no connection with his search term. Again, if he clicks through and finds misleading material on the site, there could be passing off – but that would be as result of what is on the site, not the Yahoo use."

68. In *SOCIETE DES HOTELS MERIDIEN vs. SARL GOOGLE FRANCE* {No.R.G.:04/03772 Minute 2004/3190}, the plaintiff sought a direction to Google France to delete from its generator of keywords accessible on its internet site, any word or expression reproducing in servile or quasi servile manner, the brand names "Meridien" and "Le Meridien". The plaintiff also sought to prohibit Google France from displaying the advertisements of companies offering products and services protected under Class 42 by the brand names "Meridien" and "Le Meridien". On the application for interim relief, the Crown Court of Nanterre (France) found that when search queries were made with the combination of the words "Meridien" and "Le Meridien", on the site of the search engine, advertising links for the competing hotel services were also displayed along with the search results. The Court also found that the list of keywords suggested by the adwords system of the search engine, comprised of the words that were the well known brands of the plaintiff within the meaning of Article L.715-3 of the Intellectual Property Code. Despite a denial by the search engine, the Court found that the search engine had an active role in the choices made by the advertiser, since there was a suggestion of additional keywords, in the "suggestion tools" provided by the search engine. The suggestion tool encouraged advertisers to consider replacing the generic keywords by more specific keywords presented by them, so as to increase their rate of clicks. In view of the inducement so made by the search engine, the Court rejected the protection claimed by the search engine under the guarantee limitation clause, fixing total responsibility upon the advertiser for the choice of the keywords, as against third party claims.

69. In *GOOGLE INC. vs. AMERICAN BLIND & WALLPAPER FACTORY, INC.* {5:03-cv-05340-JF}, Google filed an action for a declaratory relief seeking a judicial determination that its adwords advertising program did not infringe American Blind's Trademarks. Initially, American Blind brought a motion to dismiss the complaint of Google, unsuccessfully. Later, American Blind not only answered Google's complaint but also made counter claims against Google as well as third party

claims against several other search engines such as Ask Jeeves, Earthlink, AOL, Netscape and Compuserve, for trademark infringement and dilution, false representation, injury to business reputation, unfair competition and tortious interference with prospective business advantage. The defendants to the counter claim (Google and others) brought motions to dismiss American Blind's counter claims and third party claims. By an order dated 30.3.2005, the United States District Court for the Northern District of California, San Jose Division, allowed the motion only in so far as American Blind's claim of tortious interference with prospective business advantage, but disallowed the motion as to the other claims made by American Blind. It was found by the Court in that case that through adwords, Google had sold to American Blind's competitors, certain keywords, comprised in whole or in part, of the American Blind's marks. Moreover, through its adwords keyword suggestion feature, Google was found to have actively and deliberately encouraged American Blind's competitors to purchase as keywords, American Blind's marks as well as every conceivable iteration of those marks. Two things were brought to the notice of the Court in that case viz., (i) that Google has the technological capacity to block the purchase of keywords and (ii) that as a matter of fact, Google operated a policy until 27.1.2004 which enabled it to exercise its discretion to block the purchase of certain keywords, once it was advised that the keyword purchased by a company was actually the trademark of another company. The District Court followed the decision of the Ninth Circuit in *Playboy Enterprises Inc.* However, the Court cautioned that its order should be understood only as allowing American Blind's counter claims and third party claims to proceed beyond the motion-to-dismiss stage. The Court also held that the purchase of trademarks as keywords for a website and the insertion of the trademarks as metatags in the code of a website are sufficiently analogous, as they are employed as means of having links to that website appearing on a search-results page. Therefore, the Court held that American Blind's allegation of contributory infringement, whereby a person intentionally induces a third party to infringe the plaintiff's mark, cannot be rejected without trial.

70. In *METRO-GOLDWYN-MAYER STUDIOS INC. vs. GROKSTER, LTD* {545 US 2005-1}, MGM Studios sued the companies which distributed free software that allowed computer users to share electronic files through peer-to-peer (P2P) networks, on the ground that it enabled the recipients of such software to share copyrighted music and video files unauthorisedly, which amounted to infringement. Though the said case involved issues relating to copyrights, I am tempted to make a reference to it in view of certain principles of law evolved by the U.S. Supreme court.

71. In that case, though the District Court acknowledged that there was infringement of MGM's copyright, the Court allowed the motion of the respondents for summary judgment and the Ninth Circuit affirmed it. The decisions of the trial Court and the lower Appellate Court were based upon the earlier decision of the Supreme Court of the United States in *Sony Corporation of America vs. Universal City Studios Inc.*{464 US 517}.

72. Reversing the summary judgment in favour of the respondents and remanding the matter for trial, the Supreme Court of the United States held that "one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, going beyond mere distribution with knowledge of third-party action, and is liable for the resulting acts of infringement by third parties using the device, regardless of the

device's lawful uses".

73. The Court distinguished the decision in Sony, on the basis of patent law's traditional staple article of commerce doctrine, which absolved the equivocal conduct of selling an item with lawful and unlawful uses and limited liability to instances of more acute fault. The Court held that when a widely shared service or product is used to commit infringement, it may be impossible to enforce rights in the protected work effectively against all direct infringers, the only practical alternative being to go against the distributor of the copying device for secondary liability on a theory of contributory or vicarious infringement. The Court also pointed out that contributory infringement arises when a direct infringement is induced or encouraged intentionally. A vicarious infringement arises by profiting from direct infringement while declining to exercise a right to stop or limit it.

74. Pointing out that the rule on inducement of infringement in early cases is no different today, the Court held that evidence of active steps taken to encourage direct infringement such as advertising an infringing use or instructing how to engage in an infringing use, show an affirmative intent that the product be used to infringe and a showing that infringement was encouraged, overcomes the law's reluctance to find liability when a defendant merely sells a commercial product suitable for some commercial use.

75. In 1-800 CONTACTS, INC. vs. WHENU.COM, INC. {414 F.3d 400 (2005)}, the dispute related to pop-up ads of competitors that were made by the defendant to appear on the desk top of the computer users, whenever the computer user accessed the plaintiff's website. The plaintiff in that case was 1-800 Contacts Inc., which was engaged in the business of distributing and selling contact lenses and related products by mail, telephone and internet. They had obtained registration of a trademark in the service mark "WE DELIVER.YOU SAVE". They had also applied for registration of the service mark "1-800 CONTACTS". The defendant WhenU.com, Inc., was an internet marketing company that uses a software called "SaveNow" to monitor a computer user's internet activity in order to provide the computer user with advertising in the form of pop-up ads that is relevant to that activity. The grievance of the plaintiff was that the defendant WhenU was infringing their trademarks in violation of the Lanham Act by causing pop-up ads of the plaintiff's competitors, to appear on the screen of the computer user, whenever the website of the plaintiff was accessed. The District Court granted a preliminary injunction in favour of the plaintiff and the defendant filed an appeal to the Second Circuit. Reversing the decision of the District Court, the Court of Appeals, Second Circuit held that the defendant WhenU cannot be said to "use" the plaintiff's trademarks within the meaning of the Lanham Act, under two situations viz., (i) when it includes 1-800's website address, which is almost identical to 1-800's trademark, in an unpublished directory of terms that trigger delivery of WhenU's contextually relevant advertisements to computer users; or (ii) when it causes separate, branded pop-up ads to appear on a computer screen either above, below or along the bottom edge of the 1-800 website window.

76. For holding so, the Second Circuit reasoned that "a company's internal utilization of a trademark, in a way that does not communicate it to the public, is analogous to a individual's private thoughts about a trademark. Such conduct simply does not violate the Lanham Act, which is concerned with the use of trademarks in connection with the sale of goods or services in a manner



likely to lead to consumer confusion as to the source of such goods or services. A fortiori, a defendant who does not sell, but merely uses internally within his own company, the trademarked product of another, is not a trademark infringer or unfair competitor by virtue of such use.

77. In *EDINA REALTY, INC. vs. THE MLSONLINE.COM* {0:04-cv-04371-JRT-FLN}, the plaintiff was the largest real estate brokerage firm. The defendant was also a full service real estate brokerage firm, directly competing with the plaintiff. The plaintiff had obtained registration of the trademark "EDINA REALTY" and also established their presence in the internet with the website address as "www.edinarealty.com". The grievance of the plaintiff was that the defendant purchased the keywords Edina Realty, Edina Reality, EdinaReality.com, EdinaRealty, etc., from the search engines google and yahoo. By purchasing these search terms, the defendant made their advertisements appear on the search engine results page, under the heading "sponsored links". Thus the defendant started riding the coat-tails of the plaintiff's advertising efforts by using such marks, thereby committing infringement.

78. When the defendant sought a summary judgment, the United States District Court, Minnesota refused it, holding among others that the purchase of search items is a use in commerce and that though it may not be a conventional type of use in commerce, it was nevertheless a use of the mark commercially.

79. In *MERCK & CO., INC. vs. MEDIPLAN HEALTH CONSULTING, INC.* {425 F. Supp. 2D 402}, the defendants were operating online pharmacies. Through interactive websites, they offered for sale to U.S. consumers generic versions of plaintiffs' popular cholesterol medication, Zocor. In listing their products, certain defendants used plaintiffs' trademark ZOCOR, identifying their products as "generic ZOCOR" or some variation thereof. Certain defendants also used plaintiffs' stylized ZOCOR logo, and several defendants also purchased sponsored links from the internet search companies Google and Yahoo, so that consumers who search the word "ZOCOR" will be offered links to these defendants' websites. Therefore, Merck & Co., brought lawsuits alleging infringement, dilution and unfair competition. The defendants moved for dismissal of the suits on the ground that their use of the plaintiff's marks was "fair use".

80. While dismissing some of the trademark claims against three defendants, on their use of the mark in connection with search engines, the United States District Court, SD New York held that a trademark is "used in commerce" in connection with the goods, "when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale and the goods are sold or transported in commerce".

81. Following the decision of the Court of Appeals Second Circuit in *1-800 Contacts*, the District Court further held as follows:-

"Here, in the search engine context, defendants do not "place" the ZOCOR marks on any goods or containers or displays or associated documents, nor do they use them in any way to indicate source or sponsorship. Rather, the ZOCOR mark is "used" only in the sense that a computer user's search of

the keyword "Zocor" will trigger the display of sponsored links to defendants' websites. This internal use of the mark "Zocor" as a keyword to trigger the display of sponsored links is not use of the mark in a trademark sense."

82. In *Rescuecom Corp. vs. Google Inc.* {Docket No.06-4881-cv}, *Rescuecom*, sued Google for trademark infringement, false designation of origin and dilution under the Lanham Act. The District Court for the Northern District of New York dismissed the action invoking Rule 12(b)(6) of the Federal Rules of Civil Procedure (equivalent to the provision for rejection of plaint under Order VII, Rule 11, CPC 1908) on the ground that Google did not use *Rescuecom*'s trademark in commerce within the meaning of the Lanham Act. On appeal, the Second Circuit vacated the order of the District Judge and remanded the matter for further proceedings.

83. In that case, the plaintiff was a national computer service franchising company that offered on-site computer services and sales. The name "*Rescuecom*" was a registered federal trademark ever since 1998 and the plaintiff conducted a substantial amount of business over the internet. The grievance of *Rescuecom* was that through its keyword suggestion tool, Google recommended the plaintiff's trademark, as a search term, to the plaintiff's competitors, so that whenever the *Rescuecom*'s website was visited, the competitor's advertisement and link would also appear on the searcher's screen. But this contention was repelled by the District Court on the ground that Google's activity did not involve *Rescuecom*'s mark being "used in commerce", following the decision in *1-800 Contacts*.

84. While reversing the decision of the District Court, the Second Circuit held that "regardless of whether Google's use of *Rescuecom*'s mark in its internal search algorithm could constitute an actionable trademark use, Google's recommendation and sale of *Rescuecom*'s mark to its advertising customers, are not internal uses". Explaining its decision in *1-800 Contacts*, the Second Circuit pointed out as follows:-

"We did not imply in *1-800* 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 Google and its amici's argument, the operators of search engines would be free to use trademarks in ways designed to deceive and cause consumer confusion. This is surely neither within the intention nor the letter of the Lanham Act."

85. In *FILIPINO YELLOW PAGES, INC. vs. ASIAN JOURNAL PUBLICATIONS, INC.* {198 F.3d 1143}, the publisher of Telephone Directory for Filipino-American Community of Southern California brought an action for trademark infringement arising out of the defendant's use of the term "*Filipino Yellow Pages*". The District Court for the Central District of California granted summary judgment in favour of the defendants. While affirming the said decision, the Ninth Circuit pointed out that the law recognises four different categories of terms with respect to trademark protection. They are (i) generic (ii) descriptive (iii) suggestive and (iv) arbitrary or fanciful. A generic term is one that refers or has come to be understood as referring, to the genus, of which the particular product or service is its species. The test to determine whether a term is generic or not, was spelt out by the Court in the following lines:-

"In determining whether a term is generic, we have often relied upon the "who-are-you/what-are-you" test: "A mark answers the buyer's questions 'Who are you?' 'Where do you come from?' 'Who vouches for you?' But the generic name of the product answers the question 'What are you?' ". Under this test, "if the primary significance of the trademark is to describe the type of product rather than the producer, the trademark is a generic term and cannot be a valid trademark."

86. Holding that though at times generic terms are also referred to as "common descriptive" names, the Court held that if it is so feeble as to be perilously close to the generic line, it cannot be a valid trademark, unless it had acquired strong secondary meaning.

87. In *Victor Andrew Wilson vs. Yahoo U.K. and Another* {(2008) EWHC 361 (Ch.)}, a person who carried on business as a mobile caterer in the name and style of "Mr.Spicy", selling Afro-Caribbean and Halal South Asian Snacks from a van and a trailer, sued the search engine "Yahoo U.K." and another company which provided sponsored search engine technology, for damages resulting from infringement. His claim was that whenever a browser typed in the keyword "Mr.Spicy" on Yahoo U.K., it would direct them to the website of Sainsbury's Supermarket Ltd. It would also direct them to the website of Pricegrabber.com Ltd. Both these references would appear under the heading "Sponsored Results". Therefore, the plaintiff sued the search engine for damages for infringement.

88. Allowing the application of the defendants for summary judgment and dismissing the claim of the plaintiff in entirety, the Chancery Division (Intellectual Property Division) of the High Court of Justice, London, following the decision of the European Court of Justice in *Arsenal Football Club plc. vs. Reed* {2003 ETMR 19}, held that the function of a trademark is to guarantee the identity of origin of the marked goods or services to the end user, by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin.

89. Pointing out that the typing of the word "Mr.Spicy" by the browser was actually the use of the trademark by the browser, but not the use of the trademark by the search engine, the Court held as follows:-

"If, by some process of reasoning, one were to hold that the search engine's response to the words used by the browser was, itself, use by the defendants, in my judgment, it is not use of the mark "Mr.Spicy". What, instead, is being used is the English word "spicy" as it appears in that phrase."

90. Explaining as to how things operate on the search engine, Justice Morgan held as follows:-

"I remind myself of what actually appears on the search results, or what did at the relevant time appear, if one typed in the words "Mr.Spicy". There is a reference to Sainsbury's. It does not say that all the food sold at Sainsbury's has Mr.Wilson's trade or business as an origin. It is not pretending that Sainsbury's food all comes from Mr.Wilson's trade or business, MR. SPICY. It does not even say that Sainsbury's, amongst the many brands they stock, stock Mr. Wilson's foods under the brand name "Mr.Spicy" or under the trade mark MR. SPICY. I do not begin to see how what is described in the search response with reference to Sainsbury's has any impact of an adverse character on Mr.

Wilson's rights as proprietor of the Community Trade Mark. The same comments apply to the reference to Pricegrabber."

91. After pointing out that the search engine yahoo can make available any word, probably in any language, the Court considered the issue of use of the mark in relation to the goods or services rendered by Yahoo and held as follows:-

"It seems to me that this is a million miles away from Yahoo using Mr. Wilson's mark in relation to goods or services which are identical to those protected by the mark or which are similar to those protected by the mark. What Yahoo are saying is they are offering services of their own which are of a radically different character and they are saying to the public generally, who see the screen on conducting a search, that the public generally can place any advertisement for anything the public likes on the Yahoo page and that advertisement will come up and it will come up in particular when the words "Mr.Spicy" are put in. But that does not appear to me to be even arguably an infringement of anything in Article 9."

92. In *L' Oreal S.A and others vs. e-Bay International AG and others* {2009 EWHC 1094 (Ch.)}, a dispute arose between L' Oreal, a group of companies engaged in the manufacture and supply of professional products, consumer products, luxury products, active cosmetics and body shop on the one hand and e-Bay, which is an online market place and few others who were engaged in the sale of cosmetic preparations, on the other hand. L' Oreal and its group of companies were the registered proprietors of several trademarks which were either word marks or stylised word marks. Two of them were Community Trade Marks, one of which was also a device mark.

93. The complaint of L' Oreal against their competitors was that they were advertising, offering for sale and selling cosmetic preparations using the name "Lancome", thereby committing infringement of their registered trademark. The substantial complaint of L' Oreal against the online market place e-Bay was (i) that they were jointly liable for the infringement committed by others (ii) that they were liable for the use of Link Marks in sponsored links on third party search engines and on the site and (iii) that in the event of L' Oreal's success against its competitors, they would also be entitled to injunction against e-Bay, restraining future infringements.

94. It was common ground in that case that e-Bay Europe purchased keywords consisting of the link marks which trigger sponsored links on third party search engines including Google, MSN and Yahoo. The effect of this was that a search on any one of the search engines, using one of the Link Marks would cause a sponsored link to the site to be displayed. If the user clicked on the sponsored link, he would be taken to a display of search results on the site for products by reference to the Link Marks. e-Bay Europe admittedly chose the keywords based on the activity on the site and paid a certain amount for each click-through of each keyword.

95. After referring to Articles 5, 6 and 7 of the Trade Marks Directive (First Council Directive 89/104), the Chancery Division of the High Court of Justice, London, in its decision rendered on 22.5.2009, pointed out that the proprietor of a registered trademark can succeed in a claim under Article 5(1)(a) of the aforesaid Directive, only if six conditions are satisfied viz., "(i) there must be

use of a sign by a third party;

(ii) the use must be in the course of trade;

(iii) it must be without the consent of the proprietor of the trademark;

(iv) it must be of a sign which is identical to the trademark;

(v) it must be in relation to goods or services which are identical to those for which the trademark is registered; and

(vi) it must affect or be liable to affect the functions of the trademark, in particular its essential function of guaranteeing to consumers the origin of the goods or services."

96. On the question as to whether the online service provider e-Bay was jointly liable for the infringement committed by the others, Justice Arnold held (in para 344 of the judgment) that since Articles 5 to 7 of the Trade Marks Directive embody only the rules relating to infringement of the rights conferred by registration of a mark within the Community, the question of accessory liability was only a matter of national law. However, he pointed out that in England and Wales, accessory liability even for statutory torts such as trademark infringement is governed by the common law and in particular, the law relating to joint tortfeasorship.

97. e-Bay Europe were alleged to have become joint tortfeasors, in two ways viz., (i) by procurement and/or (ii) by participation in a common design. Participation in a common design was alleged on the ground that e-Bay actively promoted the listing of items upon the site in a variety of ways and also on the ground that they exercised some degree of control over the content of listings by using software filters. Accepting this argument, the learned Judge held in para 370 of his opinion that "e-Bay and its competitors had created a new form of trade which carries with it a higher risk of infringement than more traditional methods of trade" and that "having created that increased risk and profited from it, the consequences of that increased risk should fall upon e-Bay rather than upon the owners of the intellectual property rights that are infringed" .

98. Having said that, the learned Judge came to a conclusion in paragraph 375 of his decision that "as a matter of domestic common law, e-Bay Europe are under no legal duty or obligation to prevent infringement of third parties' registered trademarks". However, the said conclusion was qualified by a further statement that "e-Bay Europe may come under such a duty or obligation with regard to future infringements as a result of operation of Article 11 of Enforcement Directive, but that does not affect their liability for past infringements on the ground of joint tortfeasorship".

99. Interestingly, the learned Judge held in paragraphs 381 and 382 of his judgment that despite the fact that e-Bay Europe did facilitate the infringement of third parties' trademarks by sellers and despite the knowledge of e-Bay Europe about such infringements and e-Bay Europe profiting from such infringements, they were not factors enough to make e-Bay Europe liable as joint tortfeasors. By taking such a view, the learned Judge held that e-Bay Europe were not liable as joint tortfeasors

on account of two factors viz., (i) that they were under no legal duty to prevent infringement and (ii) that e-Bay's facilitation with knowledge and an intention to profit, were not enough.

100. After holding e-Bay to be not under any legal obligation to prevent infringement by third parties, the Court then took up the question as to whether e-Bay could at least be enjoined from being made use of as a platform for others to commit infringement. In other words, the question was whether the proprietor of the trademark was entitled to a remedy under Article 11 of the Enforcement Directive.

101. While considering this question, the attention of the learned Judge was invited to three decisions of the Bundesgerichtshof (Federal Court of Justice of Germany known by its acronym "BGH"). Those decisions are popularly known as Internet Auction I, Internet Auction II and Internet Auction III cases. The first case related to a complaint by Rolex SA (manufacturers of Rolex watches) against another company which provided an online auction sale service, in which imitation Rolex watches were offered for sale in website. Though the claim for damages was dismissed, Bundesgerichtshof sustained the claim for injunction on the basis of the German legal principle of Storerhaftung, which means "disturber" or "interferer" liability. This act of balancing (granting an injunction but dismissing the claim for damages) was hailed by Prof. Dr. Joachim Bornkamm, President of the First Civil Chamber, as "one which strikes a fair balance between intellectual property rights and the interests of host providers". He pointed out that such an approach, on the one hand, does not impose an unreasonable burden on the provider, but on the other hand makes sure that the provider takes all reasonable steps to prevent further infringements.

102. Though it was argued before Justice Arnold (in L' Oreal vs. e-Bay) that the Doctrine of Storerhaftung was peculiar to German Law, the learned Judge opined that the English Court nevertheless had power to grant an injunction against an intermediary if that was what Article 11 required. However, the learned Judge ultimately concluded in para 465 of his opinion that the scope of the obligation placed on Member States by Article 11 and the scope of the injunction available against intermediaries, was unclear and that the guidance of ECJ was required in that regard.

103. Ultimately, the learned Judge held (i) that the defendants other than e-Bay had committed infringement and (ii) that e-Bay Europe are not jointly liable for the infringements committed by others. However, the learned Judge held that two crucial questions required the guidance of the ECJ. These two crucial questions are (i) whether e-Bay infringed the link marks by use in sponsored links and on the site in relation to infringing goods and (ii) what was the scope of the relief under Article 11, in the light of the fact that as a matter of domestic law, the Court has power to grant an injunction against e-Bay Europe by virtue of the infringements committed by others .

104. In Jurin vs. Google Inc. 2010 US Dist. Lexis 18208, the Court held that even if one accepts as true, the allegation that a sponsored link might confuse a consumer, it is hardly likely that several different sponsored links appearing on a page that a consumer might believe each one is the true producer or the origin of the product. The Court also held that Google's key word suggestion tool is covered by 230CDA, which merely helped third parties to refine their content. The Court further opined that Google merely provided neutral tools and its ad words program simply allowed

competitors to host their digital fliers where they might be most readily received in the cyber market place.

105. In Video Professor Inc. vs. Amazon.com (1:09-CV-00636-REB-KLM), Amazon used the words "VIDEO PROFESSOR" as the key word to trigger its advertisements. On some occasions, a click on the advertisement led users to land up on pages on which the competitor's products were advertised. But, the Court rejected the claim in view of the express stipulations in the vendor manual (an agreement between Video Professor and Amazon) whereby Video Professor granted a non exclusive, world wide, perpetual and royalty free license to Amazon to use all trade marks in the product information.

106. In the case of Organizacion Veraz vs. Open Discovery, (Which arose in Argentina and about which there is a reference in the paper submitted by SCT of WIPO) the plaintiff, a financial services company, sued the defendant for purchasing its mark VERAZ as a keyword. The Court held that the defendant had engaged in an unauthorized use in commerce of the plaintiff's mark with the aim of attracting consumers that were interested in the plaintiff's services. According to the Court, this use could cause confusion or mistake as to the origin of the services or could suggest an association between the two companies. The Court held that in these circumstances, the trademark holder could prevent the unauthorized use of its mark by a competitor.

107. The Australian Competition and Consumer Commission (ACCC) brought an action against Google and a 'classifieds' website named "Trading Post" because the latter purchased keywords constituting the marks of car dealerships. Though ACCC did not found its claim on trademark infringement, it alleged a violation of the Trade Practices Act, 1974, claiming that there was misleading or deceptive conduct and a false representation of an approval or affiliation. Trading Post settled the case out of Court by giving an undertaking not to continue the advertising practices complained of. As per the paper submitted by the SCT of WIPO on 31-8-2010, the case against Google appears to be still pending. Though not founded upon trademark infringement, the case deals with the issue of consumer confusion, which is determinative of trademark infringement.

108. In Austria, the online wine store by name "Wein & Co" sued a competitor by name "Weinwelt" for purchasing its mark as a keyword. When a user entered the term "Wein & Co" the first link which appeared at the top of the results page was the defendant's website. The Austrian Supreme Court ruled that this use of the mark as a keyword, infringed the rights of the plaintiff, on the ground that the appearance of the link above the search results, using the plaintiff's mark as a header, created a danger of consumer confusion and gave the impression that the defendant was a company closely related to the plaintiff. It is important to note that as in the case on hand, the Austrian case involved the use of the plaintiff's trademark in the header of the ad itself.

109. A case identical to the one on hand arose even before the District Court of Tel Aviv-Jaffa (Israel) in Matim Li Fashion Chain for Large Sizes Ltd., Vs. Crazy Lines Ltd. Google Israel Ltd., was cited as the third defendant in the case. The plaintiff as well as the first defendant in that case were running women fashion retail chains. The grievance of the plaintiff was that Google offered to the first defendant, the registered trade marks of the plaintiff as keywords, resulting in the advertisements of

the first defendant appearing alongside the search results of the plaintiff's sites and that the same constituted infringement. But the court analogized the situation to that of a shoe shop owner 'K', hanging the advertisement posters of his shop, on the walls of an escalator or in the exit from the parking lot of a Mall where the shop of his competitor 'M' is located. After adopting such an analogy, the court posed a few questions, which read as follows:-

"What is the ground for preventing such advertising in a market that values free competition and praises the freedom to choose and practice occupation? Would hanging advertisement of K's business nearby M's shop or even opening a shoe business in close proximity, violate trade mark rights of 'M' ? Would it be reasonable to argue that such advertising, which lacks any mentioning of M's trade mark, is likely to confuse consumers or that it dilutes the reputation of M? Is there any false description involved? Is it an unreasonable prevention of access or burdening that could amount to finding a tort of unfair competition or deception ?"

The court answered all the above questions in the negative and held that the same which applied to the physical world, should be true of even the virtual shopping mall in google. Nevertheless, the court held that the use of the trade marks as between computers cannot be said to fall outside the scope of "use" within the meaning of trademark law. However, the court went on to hold as follows:-

"even if sponsored links may be considered as conferring some advantage on Respondent 1, in the balance of interests between the need in intellectual property protection on the one hand and the need in fostering competition and availability of information to the public on the other hand, the latter weighs more heavily in favour of finding no illicit advantage that would amount to trademark infringement."

Therefore, ultimately, the Court of Tel Aviv-Jaffa, dismissed the claims of unfair burdening, distraction/diversion and initial interest confusion raised by the plaintiff. However, it must be remembered that in the case before the Israel court, there was no complaint that the first defendant had adopted the trademark of the plaintiff in the adwords or adtext or addtitle of their advertisements. Their use was restricted only to the use of the trademark of the plaintiff in the keywords alone.

(Note: The extracts from the judgment of the District Court of Tel Aviv, Israel, given above, are as per the translated version given in an Article published by Zohar Efroni of Max Planck Institute for Intellectual Property, Competition and Tax Law, Munich)

110. The French Cour de Cassation (Court of Cassation) sought the opinion of the European Court of Justice on three references. The details of these references are as follows:-

(a) The first reference arose in proceedings between Google and Louis Vuitton Malletier SA. The complainant was the proprietor of the community trade mark (CTM) known as Vuitton and the French National Trademarks Louis Vuitton and LV. Their grievance was that Google offered advertisers, the possibility of selecting keywords which corresponded to Louis Vuitton's trademarks and hence when these trademarks are keyed in, Google's search engine triggered the display of



advertisements for sites offering counterfeit versions of LV's products. The Regional Court, Paris (known as Tribunal de grande instance de Paris) found the search engine guilty of infringement and the same was upheld on appeal by Cour d'appel de Paris (Court of Appeal, Paris). The further appeal filed by Google on points of law to the Cour de Cassation was referred to the European Court of Justice for a preliminary ruling on three questions.

(b) The second reference arose in the context of proceedings between Google on the one hand and Viaticum SA and Luteciel SARL on the other hand. The complainants were the proprietors of the French trademarks "bourse des vols", "bourse des voyages" and "BDV". Their grievance was that entering these trademarks into the search engine triggered the display of ads for sites offering identical or similar products and that Google offered advertisers, the possibility of selecting keywords which corresponded to these trademarks. Google was found guilty of trademark infringement by the Regional Court, Nanterre (Tribunal de grande instance de Nanterre). The Appellate Court (Cour d'appel de Versailles) found Google guilty of being an accessory to trademark infringement. The further appeal filed by Google was referred by Cour de Cassation, for a preliminary ruling on two questions.

(c) The third reference arose out of proceedings between Google, Mr.Raboin and Tiger SARL on the one hand and Mr.Thonet and Centre national de recherche en relations humaines SARL, on the other hand. The complainant was the holder of a license for the French trademark "Eurochallenges". Their grievance was that if the browser keyed in the trademark of the complainant, the search engine displayed advertisements for sites offering identical or similar products and that Google incited the advertisers to select keywords which were the same as or similar to the trademark of the complainant. As in the case of other two references, Google and the other two were found guilty of infringement by Regional Court, Nanterre (Tribunal de grande instance de Nanterre) and that decision was upheld on appeal by Cour d'appel de Versailles. Therefore, separate appeals were filed before the Cour de Cassation, which referred three questions to the European Court for a preliminary ruling.

111. Although the language in which the references in the three cases were couched, was different, the fundamental issue raised for a preliminary ruling was just the same. It was:

"Does the use by Google, in its adwords advertising system, of keywords corresponding to trademarks, constitute an infringement of those trademarks ?"

112. The Grand Chamber of the European Court of Justice, while considering the questions referred to it by the Cour de Cassation, divided its discussion into three portions viz., (i) the first comprising of the first question in all the three references as well as the second question in the third reference (ii) the second question in the first reference and (iii) the third question in the first reference, the second question in the second reference and the third question in the third reference.

113. The first part of the discussion of the Grand Chamber was on the following:-

"By its first question in Case C-236/08, first question in Case C-237/08 and first and second questions in Case C-238/08, which it is appropriate to consider together, the Cour de Cassation asks, in essence, whether Article 5(1)(a) and (b) of Directive 89/104 and Article 9(1)(a) and (b) of Regulation No.40/94 are to be interpreted as meaning that the proprietor of a trade mark is entitled to prohibit a third party from displaying, or arranging for the display of, on the basis of a keyword identical with, or similar to, that trade mark which that third party has, without the consent of that proprietor, selected or stored in connection with an internet referencing service, an ad for goods or services identical with, or similar to, those for which that mark is registered."

The second part of the discussion of ECJ focussed on the following questions:-

"By its second question in Case C-236/08, the Cour de Cassation asks, in essence, whether an internet referencing service provider which stores, as a keyword, a sign corresponding to a reputable trade mark and organises the display of ads on the basis of that keyword uses that sign in a way which the proprietor of that mark is entitled to prohibit under Article 5(2) of Directive 89/104 or, in the case where that sign is identical with a reputable Community trade mark, under Article 9(1)(c) of Regulation No.40/94."

The third part of the discussion was on the following questions:-

"By its third question in Case C-236/08, its second question in Case C-237/08 and its third question in Case C-238/08, the Cour de Cassation asks, in essence, whether Article 14 of Directive 2000/31 is to be interpreted as meaning that an internet referencing service constitutes an information society service consisting in the storage of information supplied by the advertiser, with the result that that information is the subject of 'hosting' within the meaning of that article and that the referencing service provider therefore cannot be held liable prior to its being informed of the unlawful conduct of that advertiser."

114. Since the first part of the discussion of the Grand Chamber revolved around Article 5(1)(a) and (b) of Directive 89/104 and Article 9(1)(a) and (b) of Regulation No.40/94, it is necessary to extract these provisions, in order to have a contextual understanding of the opinion delivered by the European Court of Justice. Article 5(1)(a) and (b) of Directive 89/104 reads as follows:-

"5.1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark."

Article 9(1)(a), (b) and (c) of Council Regulation No.40/94 reads as follows:-

"9.1. A Community trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the Community trade mark in relation to goods or services which are identical with those for which the Community trade mark is registered;

(b) any sign where, because of its identity with or similarity to the Community trade mark and the identity or similarity of the goods or services covered by the Community trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;

(c) any sign which is identical with or similar to the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter has a reputation in the Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the Community trade mark."

115. After considering the scope of Article 5(1)(a) of Directive 89/104 and Article 9(1)(a) of Regulation No.40/94 in relation to Community trademarks, the Court held that the proprietor of a trademark is entitled to prohibit a third party from using, without the proprietor's consent, a sign identical with that trademark, when that use is in the course of trade, is in relation to goods or services which are identical with or similar to those for which that trade mark is registered and affects or is liable to affect the functions of the trademark. [A Community Trademark is one, registered with the European Community Trademark Office, located at Alicante, Spain. It was created on the approval of the European Council of Ministers, for the purpose of enabling single trademark registration that will provide protection to trademarks from infringement in all European Community nations]

116. On the question as to when the use of a trademark constitutes "use in the course of trade", the Court held that "the use of a sign identical with a trademark constitutes use in the course of trade, where it occurs in the context of commercial activity with a view to economic advantage and not as a private matter". To come to the said conclusion, the Court relied upon the decision in Arsenal Football Club.

117. Applying the above principle, the Court held that from the advertiser's point of view, the selection of a keyword identical with a trademark has the object and effect of displaying an advertising link to the site on which he offers his goods or services for sale and that since the sign selected as a keyword is the means used to trigger that ad display, the advertiser must be held to be using it in the context of commercial activity and not as a private matter. Even from the point of view of the referencing service provider (search engine), the Court held that the storage as keywords, of trademarks, for the benefit of the clients of the search engine constituted a commercial activity carried on with a view to economic advantage. Consequently, the Court held that the referencing

service provider was actually operating "in the course of trade" while permitting advertisers to select, as keywords, signs identical with trademarks, stores those signs and displays its clients' ads on the basis thereof. However, the Court clarified that it does not follow as a corollary that the service provider itself uses those signs within the terms of Article 5 of Directive 89/104 and Article 9 of Regulation No.40/94. The Court then pointed out that the fact of creating the technical conditions necessary for the use of a sign and being paid for that service does not mean that the party offering the service itself uses the sign.

118. After ruling as aforesaid that a referencing service provider is not involved in use in the course of trade within the meaning of the above mentioned provisions, the ECJ then took up for consideration, the question whether the conditions relating to "use in relation to goods or services" were satisfied. On this question, the Court held that in most cases an internet user, entering the name of a trademark as a search term, would be looking for information covered by that trademark. Therefore, when advertising links to sites offering goods or services of competitors of the proprietor of that mark are displayed beside or above the natural results of the search, the internet user may perceive those advertising links as offering an alternative to the goods or services of the trademark proprietor. In such a situation, the ECJ held that since a sign identical with a trademark is selected as a keyword by a competitor, with the aim of offering internet users, an alternative to the goods or services of the proprietor of the trademark, there was use of that sign, in relation to the goods or services of that competitor.

119. The ECJ then went to the extent of holding that even in cases in which the advertiser does not seek, by its use, as a keyword, of a sign identical with the trade mark, to present its goods or services to internet users as an alternative to the goods or services of the proprietor of the trade mark but, on the contrary, seeks to mislead internet users as to the origin of its goods or services by making them believe that they originate from the proprietor of the trade mark or from an undertaking economically connected to it, there is use 'in relation to goods or services'. Therefore, the Court concluded that the use by an advertiser of a sign identical with a trademark as a keyword in the context of an internet referencing service, falls within the concept of "use in relation to goods or services" within the meaning of Article 5(1)(a) of Directive 89/104.

120. However, in view of the fact that the essential function of a trademark is to guarantee the identity of origin to the consumer by enabling him to distinguish the goods or service from others which have another origin, the ECJ held in para-87 of its opinion as follows:-

"Having regard to the essential function of a trade mark, which, in the area of electronic commerce, consists in particular in enabling internet users browsing the ads displayed in response to a search relating to a specific trade mark to distinguish the goods or services of the proprietor of that mark from those which have a different origin, that proprietor must be entitled to prohibit the display of third-party ads which internet users may erroneously perceive as emanating from that proprietor."

Consequently, the ECJ opined in paragraphs 88 to 90 as follows:-

"88. It is for the national court to assess, on a case-by-case basis, whether the facts of the dispute before it indicate adverse effects, or a risk thereof, on the function of indicating origin as described in paragraph 84 of the present judgment.

89. In the case where a third party's ad suggests that there is an economic link between the third party and the proprietor of the trade mark, the conclusion must be that there is an adverse effect on the function of indicating origin.

90. In the case where the ad, while not suggesting the existence of an economic link, is vague to such an extent on the origin of the goods or services at issue that normally informed and reasonably attentive internet users are unable to determine, on the basis of the advertising link and the commercial message attached thereto, whether the advertiser is a third party vis-a-vis the proprietor of the trade mark or, on the contrary, economically linked to that proprietor, the conclusion must also be that there is an adverse effect on that function of the trade mark."

121. Taking up then, the question of adverse effect on the advertising function, the ECJ accepted that the use by internet advertisers of a sign identical with another man's trademark as a keyword for the purposes of displaying advertising messages, is liable to have certain repercussions both on the advertising use of that mark by its proprietor and on the latter's commercial strategy. However, having regard to the facts and the findings recorded by the Cour de Cassation, the ECJ held in para 98 of its opinion that the use of a sign identical with another person's trademark in a referencing service such as that at issue, in the cases in the main proceedings, was not liable to have an adverse effect on the advertising function of the trademark.

122. Taking up the second part of the discussion, relating to the second question in the first reference, the ECJ concluded that an internet referencing service provider, which stores as a keyword, a sign identical with a reputable trademark and arranges the display of ads on the basis of that keyword, does not use that sign within the meaning of Article 5(2) of Directive 89/104 or of Article 9(1)(c) of Regulation No.40/94.

123. Coming to the question of liability of the referencing service provider (third part of the order of the Grand Chamber), the ECJ held, with reference to Article 14 and recital 42 in the preamble to Directive 2000/31 that the exemption from liability would cover only cases in which the activity of the information society service provider is of a mere technical, automatic and passive nature. In other words, the service provider should have had neither knowledge of nor control over the information which is transmitted or stored. The role of the service provider should be neutral, in order to establish that its liability was limited under Article 14.

124. Though the ECJ held in para 117 of its opinion that concordance between the keyword selected and the search term entered by an internet user is not sufficient by itself to justify the view that Google had knowledge of or control over the data entered into its system by advertisers, the ECJ nevertheless held that it is for the National Court to find out on facts the role played by Google in the drafting of the commercial message that accompanies the advertising link or in the establishment or selection of keywords. If the service provider had not played such a role, the ECJ pointed out that

they cannot be held liable for the data which it has stored at the request of an advertiser, unless, having obtained knowledge of the unlawful nature of those data or of that advertiser's activities, it failed to act expeditiously.

125. After a detailed analysis as indicated above, The Grand Chamber answered all the references to the following effect:-

"(1) Article 5(1)(a) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks and Article 9(1)(a) of Council Regulation (EC) No.40/94 of 20 December 1993 on the Community trade mark must be interpreted as meaning that the proprietor of a trade mark is entitled to prohibit an advertiser from advertising, on the basis of a keyword identical with that trade mark which that advertiser has, without the consent of the proprietor, selected in connection with an internet referencing service, goods or services identical with those for which that mark is registered, in the case where that advertisement does not enable an average internet user, or enables that user only with difficulty, to ascertain whether the goods or services referred to therein originate from the proprietor of the trade mark or an undertaking economically connected to it or, on the contrary, originate from a third party.

(2) An internet referencing service provider which stores, as a keyword, a sign identical with a trade mark and organises the display of advertisements on the basis of that keyword does not use that sign within the meaning of Article 5(1) and (2) of Directive 89/104 or of Article 9(1) of Regulation No.40/94.

(3) Article 14 of Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce') must be interpreted as meaning that the rule laid down therein applies to an internet referencing service provider in the case where that service provider has not played an active role of such a kind as to give it knowledge of, or control over, the data stored. If it has not played such a role, that service provider cannot be held liable for the data which it has stored at the request of an advertiser, unless, having obtained knowledge of the unlawful nature of those data or of that advertiser's activities, it failed to act expeditiously to remove or to disable access to the data concerned."

126. After the ECJ rendered its opinion on 23.3.2010, the French Cour de Cassation took back the case of Louis Vuitton and by an order dated 13.7.2010, remitted the case back to the Court of appeal to examine the factual matters more closely, keeping in mind the ECJ's ruling.

[ Note: In an opinion titled "From Biblical Questions to Delphian Confusion: ECJ's decision on Google France C-236/08", posted in Austrotrabant's blog, the decision of the European Court of Justice was criticised as one where the Biblical statement "'Seek and you shall find' found it's end in a judgment which is as confusing as a statement of the Oracle in Delphi.]

127. Primakabin vs. Portakabin (Case C-558/08), was another case, which was referred to the ECJ for opinion by The Hoge Raad der Nederlanden (the Supreme Court of Netherlands). In that case,

both parties were temporary cabin makers (or mobile buildings). Primacabin chose the key words PORTAKABIN, PORTACABIN, PORTOKABIN and PORTOCABIN as its search terms for Google ad words. ECJ re-iterated its position that a trade mark proprietor can oppose to the use of a key word identical with its mark, if that use is liable to cause detriment to any of the functions of that mark. Those functions include not only the essential functions of the trade mark, which is to guarantee to the customers the origin of the goods or services, but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertisement.

## RELEVANCE OF THE ABOVE DISCUSSION

128. The decisions of various international courts, discussed in the preceding paragraphs, have obviously arisen out of (i) the laws relating to Trade Marks in their own jurisdictions or (ii) the European Union Directives or Council Regulations. As seen above, they have also evolved only over a period of time, with infringements arising out of commercial greed, always scoring a march over the laws, just as crimes always march ahead of law enforcement. Therefore, the road so far travelled appears to have been bumpy and as Austrotrabant's blog put it, the law on the issue has become as confusing as the statement of the Oracle of Delphi could be. In any case, the decisions of various courts cited above, have to be read only in the context of the laws with reference to which they were rendered and hence let us now see the relevant laws in the backdrop of which, those decisions were rendered.

129. In U.S., the Lanham Act is a federal trade mark Act of 1946, to which several amendments have been made in the past three decades. They are (1) The Trademark Counterfeiting Act of 1984; (2) The Trademark Law Revision Act of 1988, making major revisions and creating an "Intent to Use" system; (3) legislation in 1993 and 1994 implementing the provisions of the NAFTA treaty and the GATT agreement; (4) a 1996 enactment which added an anti-dilution prohibition to federal law; (5) the 1999 "Anti-cybersquatting Consumer Protection Act," directed at preventing the Cybersquatting on the Internet of domain names that are confusingly similar to trademarks and person names; (6) legislation in 2002 implementing the provisions of the MADRID PROTOCOL, facilitating the international registration of marks.

130. Similarly, in Europe, the European Union issued Council Directive No.89/104, on 21.12.1988, to approximate the laws of the member States relating to trade marks. It was designed to harmonise the disparities in the respective trade mark laws, which had the potential to impede the free movement of goods and provision of services and distort competition within the European Union. Articles 5 and 6 of the said Council Directive around which most of the decisions cited above revolved, read as follows:-

"5. Rights conferred by a trade mark.-

(1) .....

(a) .....

(b) .....

(5(1)(a) and (b) already extracted in para 114 of this order)

2. Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

3. The following, inter alia, may be prohibited under paragraphs 1 and 2:

(a) affixing the sign to the goods or to the packaging thereof;

(b) offering the goods, or putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder;

(c) importing or exporting the goods under the sign;

(d) using the sign on business papers and in advertising.

4. Where, under the law of the Member State, the use of a sign under the conditions referred to in 1(b) or 2 could not be prohibited before the date on which the provisions necessary to comply with this Directive entered into force in the Member State concerned, the rights conferred by the trade mark may not be relied on to prevent the continued use of the sign.

5. Paragraphs 1 to 4 shall not affect provisions in any Member State relating to the protection against the use of a sign other than for the purposes of distinguishing goods or services, where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark."

"6. Limitation of the effects of a trade mark

1. The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade,

(a) his own name or address;

(b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services;



(c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts;

provided he uses them in accordance with honest practices in industrial or commercial matters.

2. The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade, an earlier right which only applies in a particular locality if that right is recognized by the laws of the Member State in question and within the limits of the territory in which it is recognized."

131. Subsequently, the European Union recognised that the barrier of territoriality of the rights conferred on proprietors of trademarks, by the laws of the member States, cannot be removed by approximation of laws. Therefore, in order to open up unrestricted economic activity in the whole of the common market for the benefit of undertakings and to create trademarks which are governed by uniform Community Law, the Council issued regulations known as COUNCIL REGULATION (EC) No.40/94 of 20 December 1993 on the Community Trade Mark (CTM). Articles 9, 10 and 12 of the said Council Regulations, which were also considered in some of the decisions cited above, read as follows:-

"9. Rights conferred by a Community trade mark

1. ....

(a).....

(b).....

(c).....

{9(1)(a)(b)and (c) already extracted in para 114}

2. The following, inter alia, may be prohibited under paragraph 1:

(a) affixing the sign to the goods or to the packaging thereof;

(b) offering the goods, putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder;

(c) importing or exporting the goods under that sign;

(d) using the sign on business papers and in advertising.

3. The rights conferred by a Community trade mark shall prevail against third parties from the date of publication of registration of the trade mark. Reasonable compensation may, however, be claimed in respect of matters arising after the date of publication of a Community trade mark application,

which matters would, after publication of the registration of the trade mark, be prohibited by virtue of that publication. The Court seized of the case may not decide upon the merits of the case until the registration has been published.

"10. Reproduction of Community trade marks in dictionaries If the reproduction of a Community trade mark in a dictionary, encyclopaedia or similar reference work gives the impression that it constitutes the generic name of the goods or services for which the trade mark is registered, the publisher of the work shall, at the request of the proprietor of the Community trade mark, ensure that the reproduction of the trade mark at the latest in the next edition of the publication is accompanied by an indication that it is a registered trade mark.

12. Limitation of the effects of a Community trade mark A Community trade mark shall not entitle the proprietor to prohibit a third party from using in the course of trade:

(a) his own name or address;

(b) indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;

(c) the trade mark where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts, provided he uses them in accordance with honest practices in industrial or commercial matters."

132. However, Regulation No.40/94 was repealed by Council Regulation (EC) No. 207/2009 of 26 February 2009 on the Community Trade Mark (codified version) {(OJ 2009 L 78, p. 1)}, which entered into force on 13 April 2009. But Articles 9, 10 and 12 did not undergo any change.

133. On 8.6.2000, the European Parliament and the Council of European Union issued Directive 2000/31/EC on certain legal aspects of information society services, and in particular electronic commerce, in the Internal Market (Directive on electronic commerce). Article 14 of the said Directive, reads as follows:-

"14. Hosting.-1. Where an information society service is provided that consists of the storage of information provided by a recipient of the service, Member States shall ensure that the service provider is not liable for the information stored at the request of a recipient of the service, on condition that:

(a) the provider does not have actual knowledge of illegal activity or information and, as regards claims for damages, is not aware of facts or circumstances from which the illegal activity or information is apparent; or

(b) the provider, upon obtaining such knowledge or awareness, acts expeditiously to remove or to disable access to the information.

2. Paragraph 1 shall not apply when the recipient of the service is acting under the authority or the control of the provider.

3. This Article shall not affect the possibility for a Court or administrative authority, in accordance with Member States' legal systems, of requiring the service provider to terminate or prevent an infringement, nor does it affect the possibility for Member States of establishing procedures governing the removal or disabling of access to information."

134. Therefore, the decisions referred to by me from paragraphs 50 to 127 above have to be understood in the context of the respective laws. The principles enunciated in those decisions can be of persuasive value to the extent, the laws in India are similar. Therefore, let me now turn on to the Indian context.

## INDIAN CONTEXT

135. It is needless to say that the dispute on hand has to be decided in the context of the provisions of the Trade Marks Act, 1999. Section 28 of the Act gives an indication of the rights conferred by registration of Trade Marks. Under Sub-Section (1) of Section 28, the registration of a trade mark confers upon the registered proprietor of the mark --

(i) the exclusive right to the use of the trade mark,

(ii) in relation to the goods or services in respect of which the mark is registered and (iii) to obtain relief in respect of infringement in the manner provided under the Act. Thus there are 3 limbs to section 28(1) of the Act. However, the right recognised by sub-section (1) is made subject to the other provisions of the Act. Section 28 (1) indicates both (i) the right as well as (ii) the remedies.

136. In the case on hand, there is no dispute about the fact that the plaintiff as well as the defendants 2 to 4, are engaged in the business of rendering the same type of services. Though there was an initial dispute about the proprietorship of the trade marks, the same got cleared by virtue of the amendments to the pleadings. Therefore, the plaintiffs are the registered proprietors of the trade marks in question, viz., those listed in the table in paragraph -3 above. Consequently, by virtue of section 28 (1), the plaintiffs have (i) the exclusive right to the use of the trade marks in question (ii) in relation to the services in respect of which, registration is made. Thus, 2 limbs of section 28(1) stand satisfied in the case on hand, in so far as defendants 2 to 4 are concerned. Nevertheless, there is a dispute about what constitutes "the use of the trade mark", within the meaning of section 28 (1).

137. Similarly, the liability of the first defendant (search engine) is also in question since the search engine is not engaged in the same line of business as the plaintiff and the alleged infringement by the search engine is not "in relation to the same type of goods or services". However the allegation against them is that of "contributory infringement" or "ancillary infringement" and they are alleged to have facilitated the infringement by the other defendants, by providing the trade marks of the plaintiff as key words and by allowing them to use those marks in the adtitle and adtext of their advertisements.

138. On a perusal of the admitted averments and the averments supported by documents, it is clear (i) that the plaintiff has established that they are the proprietors of registered trade marks (ii) that the defendants 2 to 4 are also engaged in the business of rendering same type of services and (ii) that the defendants 2 to 4 were using at least the words Bharat, Tamil, Matrimony etc., in the adtitle and/or adtext of their advertisements. Therefore, we will now have to examine whether the act of the defendants would still not amount to infringement.

#### DEFENCE OF DEFENDANTS

139. A perusal of the pleadings would show that the defence put up by the defendants could be grouped under the following categories:-

(i) Though the plaintiffs are the proprietors of the trade marks BHARATMATRIMONY etc., they have not obtained registration of the words "TAMIL, ASSAMESE, MATRIMONY" etc., which form the constituent parts of such registered marks. The use of the constituent parts of the registered trademarks of the plaintiff, in the keywords suggestion tool, cannot be termed as infringement since those constituent parts are generic or descriptive terms used in common parlance.

(ii) The plaintiff has obtained registration of only a combination of 2 words such as "TAMIL" and "MATRIMONY" or "BHARAT" and "MATRIMONY" etc. They have not and could not also have, obtained registration of the individual words TAMIL, ASSAMESE, MATRIMONY etc., and hence they can claim exclusive rights only over the mark as a whole and not over the individual words constituting the registered mark.

(iii) The use of the words "MATRIMONY, TAMIL, TELUGU" etc., by the respondents 2 to 4 in the adtext and/or adtitle of their advertisements in the search engine, is not in the trade mark sense, but only in a descriptive sense. Therefore in view of Section 2(2)(b), 2(2)(c) and Section 29(6), there is no protection, when parts of a trade mark are used as adwords, adtitle or adtext. The use of the words constituting a trademark, as an adword or keyword, would not amount to "use of a mark" within the meaning of Section 2(2)(b) and Section 2(2)(c) of the Act, in view of the provisions of Section 29(6).

(iv) The plaintiffs themselves are making use of the same keywords suggestion tool and are advertising their services in the search engine, in the same manner in which the defendants 2 to 4 do. When the websurfers search for the sites of the respondents 2 to 4, advertisements of the plaintiff's sites also appear on the right hand side as sponsored links. Therefore, they are guilty of what they are seeking to injunct and hence they are estopped from questioning the policy of the search engine, after having submitted to the same

(v) The very registration of the trademarks of the plaintiff is contrary to Section 9(1)(b) of the Trade Marks Act, 1999.

(vi) The suit is not maintainable in view of the Uniform Domain Name Resolution Policy adopted by ICANN

(vii) Since a search engine is like a directory, the reference to certain words in the directory cannot be termed as infringement. The use of the words constituting the registered trademarks of the plaintiff in the keyword suggestion tool, is not a use in the course of trade.

140. One more dispute was sought to be raised by the counsel appearing for the second defendant. It was, that Class 16 in respect of which most of the trade marks of the plaintiff were registered, related to paper, card board etc., and that since the defendants are not in the business of selling paper, cardboard or printing material, the claim of infringement was ridiculous. But the said contention, in my view, seeks to belittle the claim of the plaintiff, only with a view to spite them. It does not merit any consideration, in view of the fact that the plaintiff has also obtained registration under Class 42, which takes within its fold, "services that cannot be classified in other classes". Therefore, let me now take up the defences categorised in the preceding paragraph, one after another.

#### DEFENCE-I (GENERIC OR DESCRIPTIVE TERMS)

141. As pointed out above, the first defence of the respondents is that the registered trademarks of the plaintiff contain a combination of generic and descriptive words and hence there is no protection. McCarthy's Desk Encyclopedia of Intellectual Property defines a 'descriptive mark' as 'a word, picture or other symbol that directly describes something about the goods or services in connection with which it is used as a mark. Such a term may be descriptive of a desirable characteristic of the goods; the intended purpose, function or use of the goods; the size or colour of the goods; the class of users of the goods; or the end effect upon the user. According to McCarthy, 'the issue of descriptiveness is usually tested from the view point of the hypothetical customer, who has the basic amount of knowledge about the product, which is conveyed by advertising and promotion currently available in the market place'.

142. McCarthy defines a 'generic name' as 'a word used by a majority of the relevant public to name a class or category of product or service'. A generic name is incapable of exclusive appropriation or registration as a protectable trade mark or service mark. Interestingly, McCarthy calls a generic mark as an oxymoron, akin to 'a square circle or a flat mountain'. Whether a term is a generic name is ultimately determined by majority public usage of the term. A generic term is one that refers to the genus of which the particular product is a species.

143. The test to determine whether certain words are descriptive or not, is laid down in *Corpus Juris Secundum*, Vol.87 in paras 34 and 35, at pages 271 as follows :

'The true test in determining whether a particular name or phrase is descriptive is whether, as it is commonly used, it is reasonably indicative and descriptive of the thing intended. In order to be descriptive within the condemnation of the rule, it is sufficient if information is afforded as to the general nature or character of the article and it is not necessary that the words or marks used shall comprise a clear, complete and accurate description. The meaning which should be given is the impression and significance which are conveyed to the public. Whether words or marks claimed as trade marks are descriptive or whether they are suggestive or arbitrary and fanciful must be decided with respect to the articles to which they are applied and the mark must be considered as a whole.'

144. Courts have held that when descriptive words are involved, even a small distinguishing element in the use would be regarded as adequate. In *Office Cleaning Services Limited Vs. Westminster Window and General Cleaners Limited* (1946 (63) RPC 39), the Court of Appeal held that where the name of the business consists of words descriptive of that business and have not acquired a secondary meaning, a slight difference between the two business names will, in the absence of fraud, be a sufficient distinction. While upholding the decision of the Court of Appeal, the House of Lords held as follows :

'Where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolise the words. The Court will accept comparatively small differences as sufficient to avert confusion.'

145. But courts also have held that if by long association with a person's products or services, a descriptive word has acquired a secondary meaning, then they are entitled to protection. In one of the earliest cases, namely *Reddaway Vs. Banhan* (1896 AC 199), it was held that the term 'camel hair belting' had acquired a secondary meaning. But in *Cellular Clothing Co.Ltd.Vs Maxton & Murray* (1899 AC 326), Lord Shand observed :

'But I confess I have always thought and I shall think that it would be made almost impossible for any one to obtain the exclusive right to the use of a word or term, which is in ordinary use in our language and which is descriptive only and indeed, were it not for the decision in *Reddaway's* case, I should say this should be made altogether impossible. But where the plaintiff's proof shows that the only representation by the defendants consists in the use of a term or terms, which aptly and correctly describe the goods offered for sale, as in the present case, it must be a condition of the plaintiff's success that they shall prove that these terms no longer mean what they say or no longer mean only what they say but have acquired the secondary and further meaning that the particular goods or good made by the plaintiff. ....Unless that be proved, there is no room for a charge of violation of any right or indeed a charge of fraud for the defendants are only exercising the right which they possess as much as the plaintiffs do and which everyone has to employ words in ordinary use, which are an apt and proper description of the goods for sale'.

146. In so far as the case on hand is concerned, the words 'Tamil', 'Muslim', etc., are descriptive terms, indicating a race, language, ethnic group or a community and no one is entitled to monopolise the use of these words. Similarly, the word 'matrimony' is descriptive of the state of marriage of a person. The words 'marriage', 'wedding', etc., may all signify the same meaning, though the origin of these words are from different sources. While the word 'wedding' is an english word denoting a marriage ceremony, the word 'matrimony' is derived from the Latin word 'matrimonium' meaning thereby a rite or state of marriage. On the other hand, the word 'marriage' is derived from the French term 'marier' meaning both a legal union of a man and a woman as well as the act or ceremony marking this. The World Book Dictionary states that while the term 'marriage' emphasises the legal union of a man and woman, the term 'matrimony' is a formal and religious word, applied to the religious bond established by the union and the term 'wedding' is the common word for the ceremony or celebration.

147. Therefore, it is needless to point out that the plaintiff cannot claim monopoly over the individual words 'Tamil', 'Malayalam', 'Telugu', 'Punjabi', 'Assamese', 'matrimony', 'Bharath' etc. But, the plaintiff has obtained registration of a combination of these words and claims that it is an arbitrary combination of two ordinary words, which have become distinctive. Therefore, the plaintiff claims that by virtue of the registration, they are entitled to prevent others from using these words in such a manner, as would mislead the customers about their origin. In other words, the plaintiff is not aggrieved per se, (and cannot be aggrieved) by the use of these words by the defendants independently and individually. The grievance of the plaintiff is that when the defendants use the very same combination of words with or without a space in-between, it causes confusion in the minds of the consumers. It is also the contention of the plaintiff that despite the combination of words, which constitute their registered trade marks, being descriptive in nature, they have acquired secondary meaning and hence, the plaintiff is entitled to prevent the infringement thereof.

148. The question as to whether the registered trade marks of the plaintiff have acquired secondary meaning or not, has to be tested only on the strength of the evidence let in. But, irrespective of whether they have acquired secondary meaning or not, the use by the defendants 2 to 4, of the very same combination of words, namely 'Tamil Matrimony', 'Bharath Matrimony', 'Assamese-Matrimony' etc., even if they leave a space in-between the two words, certainly provides a likelihood of confusion. Therefore, under normal circumstances, the plaintiff will be entitled to an injunction, for the simple reason that the others are not entitled to use the very same combination of words with just a space in-between and claim that both these words are just generic or descriptive. As a matter of fact, if the defendants 2 to 4 use one of the words constituting the registered trade marks of the plaintiff, in conjunction with a different word (which is not part of the registered trade mark), the plaintiff would have had no case at all. It must be borne in mind that the same mark test is different from a similar mark test. For instance, if the defendants 2 to 4 use the words 'Tamil Alliance' or 'Tamil wedding' etc., (and yet convey the same meaning), the plaintiff would have had no right to injunct the defendants from using the word 'Tamil' in their advertisements. Similarly if the defendants use the words 'Bharat' or 'Punjabi' or 'Muslim' etc., in conjunction with any word other than 'Matrimony', the plaintiff cannot maintain an action. But the objection of the plaintiff is to the use of the very same combination of words by the defendants, as contained in the registered trademarks of the plaintiff.

149. Though the objection of the plaintiff to the use by the defendants, of the very same combination of words, is well founded prima facie, the same cannot take them to the desired destination. It is on account of a subsidiary question that would then automatically arise for consideration. That question is as to whether the defendants 2 to 4 would be left with any other choice, to advertise their services, if the use of the combination of the above words is prohibited.

150. We have already seen that the defendants 2 to 4 are also in the same line of business as the plaintiff. Therefore, they have no alternative except to advertise their services, only in a manner descriptive of such services. For instance, in a website providing services to men and women looking for suitable life partners from Kerala, the defendants would have no alternative except to use either of the 2 words 'Kerala' or 'Malayalam'. While there are a few synonymous terms for the word 'Matrimony', there are no synonyms for the words like 'Tamil', 'Malayalam', 'Telugu', 'Punjabi',

'Assamese', etc. Therefore, there is no way the defendants 2 to 4 could be prohibited from using these words, which have no synonyms. Consequently, even if the plaintiff's case is accepted in total, an injunction could be issued only to the extent of preventing the defendants from using the words 'Tamil', 'Malayalam', 'Telugu', 'Punjabi', 'Assamese', etc, in combination with the word 'Matrimony'. This would leave the defendants 2 to 4 with a very limited choice, to choose the expression 'Tamil Wedding' or 'Tamil Marriage' or 'Tamil Alliance' etc, instead of the expression 'Tamil Matrimony'. But, the grant of an order which would lead to the consequence of reducing the choice of words available to the competitors, to a very few and resulting in the plaintiff monopolising the English word 'Matrimony', will be very disastrous.

151. More over, Section 35 of the Act saves the use by any person, of any bona fide description of the character or quality of his goods or services. Therefore, in the light of the fact that there are no synonyms for the words 'Tamil', 'Malayalam', 'Telugu', 'Punjabi', 'Assamese', etc., and also in the light of the fact that any curtailment of the use of the word 'Matrimony' would leave the defendants 2 to 4 with a very limited choice of two or three equivalent words only, the use by the defendants 2 to 4 of the combination of words could only be taken to be an inevitable and unavoidable, even if presumed to be not a bona fide description of the character or quality of their services, saved by Section 35.

152. In an article titled "Expressive Genericity: Trademarks as Language in the Pepsi Generation" {65-Notre Dame L.Rev.397}, the author Rochelle Cooper Dreyfuss warned of the danger of losing vocabulary and suppressing expressive communication because of overly broad trademark protection and proposing to solve it by rendering terms "expressively generic" if society wishes to appropriate them for cultural use. Similarly, Prof. Wendy Gordon stated in his article "On Owning Information: Intellectual Property and the Restitutionary Impulse" {78 Va. L.Rev.149} that "culture could not exist if all free riding were prohibited within it".

153. Even before the advent of this issue in the internet age, the Supreme Court (of USA) allowed, in *Saxlehner vs. Wagner* {216 US 375 (1910)}, a natural water producer to use its competitor's mark to identify the product that it was copying. Justice Holmes explained that as long as the defendants did not create confusion about the real source of their product, they were free "to tell the public what they are doing and to get whatever share they can in the popularity of the trademarked product by advertising that they are trying to make the same article and think that they succeed". The Court held that by flagging its product as an imitator of the original, they are not trying to get the goodwill of the name but the goodwill of the goods.

154. In *Health & Glow Retailing Pvt Ltd. Vs. Dhiren Krishna Paul* [2007(35) PTC 474], a similar question came up before me for consideration. But in that case the plaintiff had a word mark as well as a device mark, both registered in their favour. The defendants copied not only the very same word mark "Health and Glow" but also the device mark. Therefore, I found in that case (para 36 of the report) that there was no honest concurrent use, but only dishonest subsequent use, by the defendants in that case. After analysing the precedents on the issue, I also held in para 48 of the decision that the objection relating to inventiveness of a registered mark could be raised only at the pre registration stage. But the case on hand falls under a different category. In *Health and Glow*, the



availability of the choice of synonyms (or equivalent terms), for describing the products and services of the parties, did not arise. But in the case on hand, I have found that out of the 2 words constituting the registered trademarks of the plaintiff, one does not have a synonym and the choice with respect to the other, is limited to a very few words. Therefore, I accept the first defence set up by the defendants 2 to 4, in view of the peculiar features of the case.

#### DEFENCE-II (TWO OR MORE WORDS CONSTITUTING A TRADE MARK)

155. The second defence of the defendants is that the plaintiff has obtained registration of a combination of two words and that they have not obtained registration of each of the two independent words constituting the registered trade marks. Therefore, the defendants claim that the plaintiff cannot claim monopoly over each of those independent words, which constitute the registered trade marks.

156. This defence of the defendants 2 to 4 stems out of Sections 15 and 17 of the Act, which read as follows :

'15. Registration of parts of trade marks and of trade marks as a series. -

(1) Where the proprietor of a trade mark claims to be entitled to the exclusive use of any part thereof separately, he may apply to register the whole and the part as separate trade marks.

(2) Each such separate trade mark shall satisfy all the conditions applying to and have all the incidents of, an independent trade mark.

(3) .. ... '17. Effect of registration of parts of a mark : (1) When a trade mark consists of several matters, its registration shall confer on the proprietor exclusive right to the use of the trade mark taken as a whole.

(2) Notwithstanding anything contained in Sub.Section (1), when a trade mark -

(a) contains any part -

(i) which is not the subject of a separate application by the proprietor for registration as a trade mark; or

(ii) which is not separately registered by the proprietor as a trade mark; or

(b) contains any matter which is common to the trade or is otherwise of a non distinctive character, the registration thereof shall not confer any exclusive right in the matter forming only a part of the while of the trade mark so registered.'

157. But, the second defence taken by the defendants, on the basis of Sections 15 and 17, cannot be sustained for one simple reason. The plaintiff does not seek an injunction restraining the defendants

from making use of the individual words 'Tamil', 'Malayalam', 'Telugu', 'Punjabi', 'Assamese', 'Matrimony' etc., independently. The plaintiff does not even seek an injunction to restrain the defendants 2 to 4 from using any of the words 'Tamil', 'Malayalam', 'Telugu', 'Punjabi', 'Assamese', etc in combination with any word other than 'Matrimony'. The injunction that they seek is to prevent the defendants 2 to 4 from using any of these words 'Tamil', 'Malayalam', 'Telugu', 'Punjabi', 'Assamese', etc., in combination with the particular word 'Matrimony'. Therefore, the second defence taken by the defendants 2 to 4 cannot be accepted.

### DEFENCE III (USE OF THE MARK)

158. The third defence of the defendants is that the use of the words 'Tamil', 'Malayalam', 'Telugu', 'Punjabi', 'Assamese', etc., in their advertisements, is not in the trade mark sense, but in a descriptive sense. It is their contention that their use of the words do not constitute the 'use of a mark' within the meaning of Section 2(2)(b) or 2(2)(c) and that therefore, it could not be categorised as an infringement, within the meaning of Section 29 of the Act.

159. Sections 2(2)(b) and 2(2)(c) read as follows :

"2(2) In this Act, unless the context otherwise requires, any reference--

(a).....

(b) to the use of a mark shall be construed as a reference to the use of printed or other visual representation of the mark"

"(c) to the use of a mark, -

(i) in relation to goods, shall be construed as a reference to the use of the mark upon, or in any physical or in any other relation whatsoever, to such goods;

(ii) in relation to services, shall be construed as a reference to the use of the mark as or as part of any statement about the availability, provision or performance of such services."

160. Section 29 reads as follows :

"29. Infringement of registered trade marks.-(1) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trade mark.

(2) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which because of-

(a) its identity with the registered trade mark and the similarity of the goods or services covered by such registered trade mark; or

(b) its similarity to the registered trade mark and the identity or similarity of the goods or services covered by such registered trade mark; or

(c) its identity with the registered trade mark and the identity of the goods or services covered by such registered trade mark.

(3) In any case falling under clause (c) of sub-section (2), the Court shall presume that it is likely to cause confusion on the part of the public.

(4) A registered trade mark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which -

(a) is identical with or similar to the registered trade mark; and

(b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and

(c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.

(5) A registered trade mark is infringed by a person if he uses such registered trade mark, as his trade name or part of his trade name, or name of his business concern or part of the name, of his business concern dealing in goods or services in respect of which the trade mark is registered.

(6) For the purposes of this section, a person uses a registered mark, if, in particular, he -

(a) affixes it to goods or the packaging thereof.

(b) offers or exposes goods for sale, puts them on the market, or stocks them for those purposes under the registered trade mark, or offers or supplies services under the registered trade mark;

(c) imports or exports goods under the mark; or

(d) uses the registered trade mark on business papers or in advertising.

(7) A registered trade mark is infringed by a person who applies such registered trade mark to a material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, provided such person, when he applied the mark, knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.

- (8) A registered trade mark is infringed by any advertising of that trade mark if such advertising -
- (a) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters;  
or
  - (b) is detrimental to its distinctive character, or
  - (c) is against the reputation of the trade mark.
- (9) Where the distinctive elements of a registered trade mark consist of or include words, the trade mark may be infringed by the spoken use of those words as well as by their visual representation and reference in this section to the use of a mark shall be construed accordingly."

161. As seen from Section 29 (1), an infringement happens when a person uses in the course of trade an identical or a deceptively similar mark, in relation to the same goods or services and in such a manner as to render the use of the mark likely to be taken as being used as a trade mark. Under Sub.Section (2), an infringement happens when a person uses in the course of trade, a mark similar to or identical with a registered trade mark, on similar goods or services, which is likely to cause confusion on the part of the public. Sub.Section (3) raises a presumption in favour of likelihood of confusion, if the mark used by a person in the course of trade has identity with the registered trade mark and the goods or services, on which such mark is used, also have identity with the goods or services in respect of which, the mark is registered. Sub.Section (4) speaks of infringement in relation to trade marks which have acquired transborder reputation. Sub.Section (5) seeks to prevent a person from adopting someone else's trade mark as part of his trade name or business name.

162. However, Sub.Section (6) clarifies that for the purpose of Section 29, a person uses a registered mark,

- (i) if he affixes it to goods or the packaging thereof;
- (ii) if he offers or exposes those goods or services for sale under the registered trade mark;
- (iii) if he imports or exports the goods under the mark; or
- (iv) if he uses the registered mark on business papers or in advertising;

163. Under Sub.Section (7), even the application of a registered trade mark on a material intended to be used for labelling or packaging goods or as a business paper or for advertising goods or services, would constitute infringement. Sub.Section (8) goes a step further, by prescribing that a trade mark is infringed even by advertising that trade mark, if such advertising-----

- (i) takes unfair advantage of and is contrary to honest practices in industrial or commercial matters  
or

(ii) is detrimental to its distinctive character or

(iii) is against the reputation of the trade mark.

164. Thus, a careful reading of Section 29, which contains an exhaustive list of various acts constituting infringement, shows that those various acts of infringement revolve either around the use of the mark in the course of trade or the use of the mark as a trade/business name or the use of the mark on packages, labels and advertisements. While Sub-Sections (1) to (4) lay emphasis on 'use in the course of trade', Sub-Sections (5) and (6) merely speak about use of the registered mark on trade name, business name or labels or packages or on business papers or in advertising. In contrast, Sub-Section (7) speaks of the application of the registered mark on labels, packages, business papers, etc., or on advertisements. Sub-Section (8) does not speak either of the 'use of the mark' or 'application of the mark'. It speaks merely of the advertisement of the mark. Thus, section 29 in its entirety, brings within its fold, (i) the use of the mark (ii) the application of the mark and (iii) the advertisement of the mark.

165. Coming to the definition under Section 2(2)(b) and 2(2)(c), it is seen that Sub-Clause (ii) of Clause (c) of Sub-Section (2) of Section 2 steers clear, of any doubt that one may have as to what constitutes an use of the mark in relation to services. According to it, the use of the mark as or as part of any statement about the availability, provision or performance of certain services, would tantamount to 'the use of the mark in relation to such services'.

166. In the light of the provisions of Sections 2(2)(b), 2(2)(c), 29(6)(d), 29(7) and 29(8), if we examine the case on hand, it is clear that the defendants 2 to 4, use in the course of their trade, the two words, which form the component parts of the registered trade marks of the plaintiff, on their advertisements. Whenever a websurfer searches for the sites of the plaintiff, the links to the sites of the defendants 2 to 4 appear in the 'sponsored links' column. If the defendants 2 to 4 actually use in the adtitle and adtext of their advertisements in the 'sponsored link' column, the words which form part of the registered trade marks of the plaintiff, then it would certainly be an use in advertising and an use in the course of trade. A similar view was echoed by the High Court of Australia in *Shell Company of Australia Ltd., Vs. Esso Standard Oil (Australia) Ltd.*, {(1961) 1 B IPR 523}. The question which arose in that case was as to whether the use of an animated cartoon oil-drop character in a television commercial, amounted to use of the constituent pictures of a trademark. The court was called upon to decide whether in the setting in which the particular pictures referred to were presented, they would have appeared to the television viewer, as possessing the character of the devices or brands, which the appellant was using or proposing to use in relation to petrol for the purpose of indicating or so as to indicate, a connection in the course of trade between the petrol and Shell. The High Court held that "the use of a mark in an advertisement of goods is a use in the course of trade and is of course a use in relation to the goods advertised." However, *Kitto, J.*, ultimately held that the use of the oil-drop character was to convey a message that it is that the chemical composition of Shell petrol gives it advantages over its rivals and that since the mark was being used descriptively rather than as a badge of origin, the action for infringement should fail.

167. However, the question whether a mere use by a person, of someone else's registered trademark, even if unauthorisedly, would constitute infringement has attracted the attention of various courts internationally. But, Courts have not uniformly deemed all unauthorised uses of trademarks in metatags, to be actionable. In particular, where the junior user of a trademark, acts in good faith while using the mark in its metatags, to index the legitimate content of its website, Courts have held such use to be a permissible fair use. For instance, in *Playboy Enters., Inc. vs. Welles* 279 F.3d 796 9th Cir. 2002, the Court held that internet searchers would have a much more difficult time locating relevant websites if they could do so only by correctly guessing the long phrases necessary to substitute for trademarks. Similarly, someone searching for critiques of Playboy on the internet would have a difficult time if internet sites could not list the object of their critique in their metatags.

168. Similarly, the unauthorised use of another person's trade mark, was held to be a fair use in cases-- (i) where the defendant used the plaintiff's mark in a descriptive sense as in the decision in *Brookfield* (174 F.3d at 1066), by using simple English words "movie" and "buff" with a space in-between (ii) where the defendant's website was critical of the plaintiff's business activities as in the case of *Bihari vs. Gross* (119 F.Supp. 2D 309) (iii) where the defendant distributed the plaintiff's products or had a similar legitimate business relationship with or connection to the plaintiff and its products as in the case of *Transunion* {142 F.Supp. 2d at 1040} and (iv) where the defendant's fame or notoriety was due to its affiliation to the plaintiff as in *Welles* {279 F.3d at 802}. However, despite these exceptions, Courts have not extended the fair use defence to Cyber Stuffing in which another's trademark is used multiple times in website metatags to obtain more prominent placement on a search engine research space {*Transunion* 142 F.Supp. 2d at 1040}.

169. A use is considered to be a permitted nominative fair use, if it meets three requirements, viz., (i) the product or service in question must be one not readily identifiable without use of the trademark; (ii) only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and (iii) the user must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder. {see *New Kids on the Block vs. News Am. Publ'g Inc.*, 971 F.2d 302, 308 (9th Cir. 1992); *Caims vs. Franklin Mint Co.* 292 F.3d 1139, 1153-55 (9th Cir. 2002)}.

170. Nominative fair use and initial interest confusion were at the center of the dispute in *J.K.Harris & Co. vs. Kassel*. In this case, J.K.Harris and Kassel were rendering the services of negotiating reductions in tax assessments and resolution of past due tax obligations for clients. Both of them promoted their services online. On its website, taxes.com, Kassel began publishing negative information about Harris on a page that was designed so as to be prominently featured in the search engine results of those seeking information about Harris. Kassel did this by creating "keyword density" on the page in question: Harris' trade name was used seventy-five times, header and underline tags were placed around sentences containing Harris's trade name, the font size was increased, and links to websites containing information about Harris were included.

171. In the searches for Harris's trade name, Kassel's site prominently featured in the results. Harris sought to prevent Kassel from using its trade name anywhere on the taxes.com site, arguing that Kassel caused initial interest confusion by attracting customers to Kassel's site, where, after reading

the negative information posted there about Harris, they might be dissuaded from doing business with Harris. The Court held that Kassel's use of Harris's trade name would be permitted if it was a nominative fair use. Further, the Court found that Harris' service could not be adequately described without using the "J.K.Harris" trade name, but that, given the negative nature of the information posted on Kassel's site, no user would believe it was sponsored or endorsed by Harris.

172. Nevertheless, the Court also held that it was necessary that "only so much of the mark or marks may be used as is reasonably necessary to identify the mark holder's product or services". After reviewing Kassel's uses, the Court held that "defendants' use of plaintiff's trade name in links to other web pages and when disseminating truthful factual information about plaintiff is a nominative fair use". However, the Court explained that it was not necessary either to use header or underline tags around sentences containing Harris' trade name or to increase the font size or page prominence of sentences containing Harris' trade name, or to increase the keyword density of its page by using Harris' trade name, or variations thereof.

173. Finding that there was no nominative fair use defense, the Court held that Harris was likely to prevail on its initial interest confusion claim as consumers were likely to be confused by Kassel's use of Harris' trade name. Since irreparable harm is presumed under the Lanham Act after a demonstration of likelihood of confusion, the Court issued a preliminary injunction, enjoining Kassel from using 'J.K. Harris' or any permutation thereof as a keyword for the taxes.com website more often than is necessary to identify the content of the website and from using header and underline tags around sentences containing Harris' trade name, or from increasing the prominence and font size of sentences which include Harris' trade name.

174 However, in the context of the statutory provisions in India, there are only 2 questions which are relevant in this context. They are:-

(1) whether the defendants are using the registered trade mark in the course of trade or using it in advertisements within the meaning of section 2(2)(b) and (c) and 29(6); and (2) whether such use or application constitutes infringement within the meaning of section 29(8).

If the defendants 2 to 4 use the individual words constituting the registered trade marks of the plaintiff, in their advertisements in the sponsored links column, then such use would certainly fall within section 2(2)(c)(ii) and 29(6)(d).

175. Therefore we have to see if such use in advertising, satisfies the ingredients of sub-section (8) of section 29 also, so as to constitute infringement.

176. In the case on hand, it is the contention of the defendants that even if they use the individual words or parts of the plaintiff's registered trade marks in their advertisements, such use will not be an use in the trade mark sense, but only in a descriptive sense. This contention has to be viewed in the light of the fact that a web portal rendering online matrimonial services for different sections of the public, will have no alternative, except to describe the nature of the services rendered by them, in their advertisements, with reference to----

(i) the caste/community/race/ethnic group and

(ii) the type of services rendered.

177. Therefore, the defendants 2 to 4, in my view, cannot be said to be taking unfair advantage of and acting contrary to honest practices in industrial or commercial matters, within the meaning of section 29(8)(a) of the Act. These 2 terms unfair advantage of and honest practices appear not only in section 29(8)(a) but also in section 30, which prescribes the limits on the effect of registered trade marks. The relevant portion of section 30 reads as follows:-

'30. Limits on effect of registered trade mark (1) Nothing in Section 29 shall be construed as preventing the use of a registered trade mark by any person for the purpose of identifying goods or services as those of the proprietor provided the use -

(a) is in accordance with honest practices in industrial or commercial matters, and

(b) is not such as to take unfair advantage of or be detrimental to the distinctive character or repute of the trade mark.

(2) A registered trade mark is not infringed where -

(a) the use in relation to goods or services indicates the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services;

178. Despite section 29(8)(a) and section 30(1)(a) speaking of "honest practices", there is no indication anywhere in the Act as to what constitute "honest practices". It may perhaps be due to the fact that persons who follow honest practices in everyday life do not need a definition from the statute book, while for the others, no amount of definition would be of any use. However, the European Court of Justice in Michael Holterhoff vs. Ulrich Freiesleben {(2002) F.S.R. 23, 362, p.376}, expressed the view that, "by its very nature, such a concept must allow of a certain flexibility. Its detailed contours may vary from time to time and according to circumstances, and will be determined in part by various rules of law which may themselves change, as well as by changing perceptions of what is acceptable. However, there is a large and clear shared core concept of what constitutes honest conduct in trade, which may be applied by the Courts without great difficulty and without any excessive danger of greatly diverging interpretations..." The Court further described the concept as "expressing a duty to act fairly in relation to the legitimate interests of the trade mark owner, and the aim as seeking to "reconcile the fundamental interests of a trade-mark protection with those of free movement of goods and freedom to provide services in the common market" in such a way that trade mark rights are able to fulfil their essential role in the system of undistorted competition which the Treaty seeks to establish and maintain".

179. The European Court further referred to Article 10bis of the Paris Convention for Protection of Industrial Property which uses the very same expression "honest practices in industrial or



commercial matters". Article 10bis defines an "act of unfair competition" as one which is contrary to such practices. The said Article runs thus:

The following in particular shall be prohibited:

1. all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
2. false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;
3. indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.

180. Honesty is actually an animus of mind. It can never be discovered either by the words spoken by a person or by the acts of omission and commission committed by him. Therefore one can only make inferences from the circumstances. Keeping in mind the concept of what constitutes "honest practices", if we look at the third defence set up by the defendants 2 to 4, it cannot be said that the defendants are guilty of infringement in terms of section 29(8), especially in view of the descriptive nature of the individual words, whose combinations have been registered as trade marks by the plaintiff. However, I wish to clarify that if the registered trade marks of the plaintiff were not descriptive of (i) the consumers of the services rendered, such as Tamils, Telugus, etc., and (ii) the nature of the services rendered, namely matrimonial services, I would not have accepted the third defence set up by the defendants, since even an application of the registered trade mark in advertisements, would be an use in the course of trade and may at times constitute infringement in terms of section 29(6) and (8) respectively. Say for instance, the plaintiff had adopted the name of its founder "Murugavel" as the trademark for the online matrimonial services rendered by them, the same would not fall under the category of generic or descriptive word in so far as the offering of matrimonial services are concerned. In that case, the defendants will not be heard to contend that they would use the same mark and that such use did not take unfair advantage of or fell within the meaning of honest practices.

181. Therefore, in my considered view, the use by the defendants, of the individual words constituting the registered trademarks of the plaintiff, in the advertisements in internet, may not amount to taking unfair advantage of and contrary to honest practices in industrial or commercial matters. The ingredients of section 29(8)(b) and (c) are also not satisfied, since it is not shown that the use is detrimental to the distinctive character of the mark or against the reputation of the mark. Therefore, i hold that though the use by the defendants would be an use in the course of trade and an use in advertising, such use does not amount to an infringing use, in view of the reasons stated above.

DEFENCE IV (ESTOPPEL)

182. The fourth contention of the defendants 2 to 4 is that the plaintiff is equally guilty of what the defendants 2 to 4 are alleged to be. According to them, whenever the web surfers attempt to access the sites of the defendants 2 to 4, the links to the sites of the plaintiff are automatically displayed on the right hand side under the sponsored links. Therefore, the defendants 2 to 4 contend that under the law relating to grant of injunctions, a person, who himself is guilty of something, is not entitled to seek a prohibitory order restraining others from doing what he is also guilty of.

183. Interestingly, the third defendant has filed a print-out of an interview given by Janakiraman Murugavel, Founder and CEO of the plaintiff to MediaNama, probably a web journal, as document No.2. The interviewer appears to have questioned him regarding the advertisements of plaintiff on the search engine, which also fall in the same line. The relevant portion of the interview is as follows:-

In response to our question regarding Consim Info itself advertising on competitive keywords (screenshots here), Janakiraman said that Google should stop everybody, including us. Therefore, the fact that the plaintiff is also enjoying the unlimited choice of keywords offered by Google, which at times, trespasses into others' territories, is quite obvious.

184. However, in response to the said contention, Mr.T.V.Ramanujun, learned Senior Counsel appearing for the plaintiff contended that irrespective of who is guilty of infringement, the search engine owns the responsibility to prevent the same and that the plaintiff has no qualms about being prevented by the search engine, if their advertisements tend to infringe the registered trade marks of the defendants 2 to 4. 185. Though, on principle, the contention of the defendants 2 to 4 in this regard is legally well founded, there is a lacuna in their contention. As pointed out in the preliminary portions of this order, the defendants 2 to 4 also have as their trade marks, words which are descriptive. Therefore, the first defence that they set up against the plaintiff's claim, would apply equally against them, if and when they seek an injunction against the plaintiff. Therefore, I do not wish to decide the dispute, on the basis of this fourth contention, since all the parties hereto, have actually adopted ordinary English or Hindi words in combination with other words that are descriptive in nature, as their trade marks or domain names.

#### DEFENCE V (REGISTRATION OF THE MARK WAS WRONGFUL)

186. The fifth ground of attack of the defendants 2 to 4 to the claim of the plaintiff is that since the words 'Tamil', 'Malayalam', 'Telugu', 'Punjabi', 'Assamese', etc., are in publici juris, the very registration obtained by the plaintiff, is in violation of Section 9(1)(b) of the Act.

187. The relevant portion of Section 9 reads as follows :

"9. Absolute grounds for refusal of registration.-

(1) The trade marks-

(a) which are devoid of any distinctive character, that is to say, not capable of distinguishing the goods or services of one person from those of another person;

(b) which consist exclusive of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or service;

(c) which consist exclusive of marks or indications which have become customary in the current language or in the bona fide and established practices of the trade, shall not be registered:

Provided that a trade mark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trade mark.

188. But, unfortunately, the contention based on the validity of registration, cannot be accepted in view of Sections 31 and 32. Under Section 31(1), the registration of a trade mark is considered prima facie evidence of its validity. Under Sub.Section (2) of Section 31, a registered trade mark cannot be held to be invalid in a legal proceeding on the ground that it was not registrable under Section 9. By virtue of Section 32, it is open to the plaintiff to establish in the course of trial that after the registration of the mark, but before the commencement of the legal proceedings, the mark has acquired a distinctive character, in consequence of its use. Therefore, the contention that the trade marks in question ought not to have been registered, cannot be accepted.

#### DEFENCE VI (ICANN)

189. The next contention of one of the defendants is that the plaintiff ought to have availed of the remedy provided under the Uniform Domain Names Dispute Resolution Policy (UDRP) of the Internet Corporation for Assigned Names and Numbers (ICANN) and that they should not have rushed to this court. But, the said contention cannot be accepted since the jurisdiction conferred upon this Court by statute, is not ousted by the said Policy. There is no bar of jurisdiction of this Court, to adjudicate a dispute relating to the alleged infringement of a registered trade mark and of passing off in the internet.

190. The Internet Corporation for Assigned Names and Numbers (ICANN) is a non profit consensus organisation designated to carry on the administration of the Internet name and address system. It has control over domain names in the global or generic top level domain names (gTLDs). It administers the Internet Protocol and addresses issues of space allocation, protocol parameter assignment, Domain Name System management and root server system functions. It administers the Uniform Dispute Resolution Procedure, for resolving certain disputes by a non judicial process. Paragraph 4.1 of the said Policy enables ICANN to adjudicate a dispute between a third party and a Provider (i) if his domain name is identical or confusingly similar to a trade mark or service mark in which the complainant has rights (ii) if he has no rights or legitimate interests in respect of the domain name and (iii) if his domain name has been registered and is being used in bad faith. Paragraph 5 makes it clear that all disputes regarding domain name registration which are not

brought pursuant to the mandatory administrative proceeding provisions of paragraph 4, shall be resolved through Court, Arbitration or other proceedings. Therefore it is a non-exclusive remedy.

## DEFENCE VII (ROLE OF SEARCH ENGINE)

191. The next contention of the defendants is that a search engine is like a directory containing references to various products and services as well as references to the manufacturers of those products and providers of services. Therefore, according to the defendants, the use of the words which constitute the registered trademarks of persons, in the keyword suggestion tool would not amount to an use in the course of trade of the search engine and would not in any case constitute an infringement.

192. But analogizing a search engine to a directory, may not be appropriate for various reasons. In a directory, the name of a person would invariably appear in one or two locations or sites. Say for instance, the name and address of a timber merchant or his advertisement may appear in a directory, at the location where the names and addresses/advertisements of all timber merchants are grouped and displayed. At the most, it may appear (not very often) also at a location where wood products are listed. The reason for this is (i) that there is a constraint of space in a directory and (ii) that the listing in various locations unconnected with the advertiser's products or services would not be of any utility value. But in a search engine, there is no constraint of space, since it operates in the virtual world. Moreover, the selection of locations at which a person's name could appear, is made mechanically in a search engine and not manually. Consequently, the names are prone to appear in the organic results column, at as many locations as one could imagine, irrespective of whether or not, the location has any relevance to the name, product or service. Even in respect of advertisements, search engines offer unlimited choice, in the form of keywords, to enable service providers and manufacturers to display or hang their advertisements, in as many locations as possible. Since there is no constraint of space, the advertisers prefer to post their advertisements in several locations in the search engine. Therefore, the comparison of a search engine to a directory may not be appropriate. In such circumstances, what then is the role and the responsibility of the search engine, in respect of the choice of keywords offered by them ?

193. According to Google, their relationship with a person advertising his products and services in the search engine is governed by (1) Advertising Program Terms (2) Advertising Policy and Editorial Guidelines and (3) Adwords and Adsense Trademark Policy. In the Advertising Program Terms , Google has made the customer (advertiser) solely responsible for ad targeting options and keywords and all ad content, ad information and ad URLs. Similarly, in their Advertising Policies , a copy of which is filed by them, the search engine has stated as follows:-

Trademarks Google recognizes the importance of trademarks. Our AdWords Terms and Conditions with advertisers prohibit intellectual property infringement by advertisers. Advertisers are responsible for the keywords they choose to generate advertisements and the text. Google takes allegations of trademark infringement very seriously and, as a courtesy, we investigate matters raised by trademark owners. Trademarks are territorial and apply only to certain goods or services. Therefore, different parties can own the same mark in different countries or different industries.

Accordingly, in processing complaints, Google will ask the trademark owner for information regarding where the mark is valid and for what goods or services. Please note the following about our complaint process:

The trademark owner doesn't need to be a Google AdWords advertiser in order to send a complaint. Any such investigation will only affect ads served on or by Google. Google's trademark policy does not apply to search results. Our investigations only apply to sponsored links. For trademark concerns about websites that appear in Google search results, the trademark owner should contact the site owner directly. In the case of an AdSense for Domains trademark complaint, an investigation will affect only the participation of the domain name in question in our AdSense for Domains program. Because Google is not a third-party arbiter, we encourage trademark owners to resolve their disputes directly with the advertisers, particularly because the advertisers may have similar ads running via other advertising programs.

194. By adopting the policy extracted above, the search engine appears to have shown concern, about the possible infringement of trademarks by the potential advertisers. It has also provided a mechanism for redressal of complaints. What is important is that the second paragraph of the policy extracted above, shows that even a person who is not an adwords advertiser in Google, is welcome to send a complaint. In other words, the policy to honour registered trademarks, is not merely confined to those who advertise in Google, but also available to all, who have a grievance of infringement.

195. In the third document filed by Google viz., Adwords and Adsense Trademark Policy , it is stated that depending upon the region in which trademark rights are asserted, Google would investigate the use of trademarks, (i) in adtext only or (ii) in adtext and keywords. In the said document, Google has given a list of regions, where their investigation would be confined to the use in adtext only and a list of regions where they would investigate the use in both adtext and keywords. India is placed along with United States and United Kingdom, in the first list of regions, where the investigation would be confined only to adtext. Many of the European countries such as France, Italy etc., are included in the second list. China is also included in the second list, perhaps due to the controversies created in the recent past.

196. In the document mentioned in the preceding paragraph, just below the list of regions where the investigation is confined to adtext only, it is stated as follows:-

Google is dedicated to providing relevant advertising to our users, advertisers and publishers alike. Accordingly, our trademark policy not to investigate the use of trademarks as keywords in the regions listed above aims to provide users with choices relevant to their keywords. At the same time, we investigate trademark violations in adtext, both as a courtesy to the trademark owner and to ensure that ads are clear to users. Just below the list of regions where the investigation would be on both adtext and keywords, it is stated as follows:-

We do not take any action in situations where an advertisement is being triggered by non-trademarked terms even though the search query contains a trademarked term. This occurrence stems from the fact that Google allows advertisers to use a broad matching system to

target their ads. For example, if an advertiser has selected the keyword shoes that advertiser's ad will appear when a user enters the word shoes as a search query, regardless of other search terms that may be used. So, the ad would show if the user entered any of the following search queries: lennis shoes , red shoes or Nike shoes . This system eliminates the need for the advertiser to specify each of the myriad different search query combinations that are relevant to their ad.

197. The reason for adopting different policies in different regions, is actually not very clear. However, in document No.6 filed by Google, containing sample printouts, depicting the component of an ad and explaining the process of search in Google, the first defendant has stated that in accordance with their adwords policy, the plaintiff's registered trademarks, would not appear in the adtext i.e., the title or the text of the ad of others.

198. However, in the screen shots of the defendant's webpages, showing sponsored links ads, filed by the plaintiff as document Nos.48, 49, 50, 51, 52 and 53, the terms Tamilmatrimony , Sindhimatrimony , Punjabimatrimony , Bengalmatrimony , Assamesematrimony etc., are shown to have appeared in the ad title of the advertisements released by the defendants 2 to 4, in the sponsored links column. In some of those webpages, the ad title contains the term as one single term and in some, they appear as separate words such as Tamil Matrimony etc.

199. As I have pointed out elsewhere in the judgment, the appearance of the separate words cannot be taken exception to, in this particular case, in view of the peculiar nature of the combination of the two words constituting the registered trademarks. As held elsewhere, there is no synonym for the words Tamil , Telugu etc., and the synonyms available for the word Matrimony are a few. Therefore, there would be difficulty in giving a title to these advertisements, if the use of both the words together, is prohibited. In such circumstances, I am of the view that if the search engine enforces the policy that is reflected in document Nos.2, 3, 4, 5 and 6 filed by them, that would be a sufficient safeguard for the rights conferred upon the plaintiff by the registration of the trademarks.

200. Normally an advertisement in a search engine, is triggered when the hands of the websurfer, types a search term, which matches the adwords selected by the advertiser, with or without the help of the keyword suggestion tool. While the search engine may have a control over the selection of keywords by the advertiser, the search engine may not have any control over the surfer, on the choice of a search term. It is also not possible for a search engine to be aware of all the trademarks registered in all the jurisdictions, in respect of all the goods and services. Therefore, the offer of words by a search engine, in their keyword suggestion tool, may not per se amount to an infringing use of a registered trademark, though it may amount to a use in the course of their own trade. It is true that the number of visitors that a site has on a daily basis, may induce the search engine to include the whole or part of the name or title of the site, in the keyword suggestion tool, to enable the competitors of the site to choose those words as adwords. But it may or may not happen with the knowledge that such names constitute registered trademarks. There cannot be a presumption that the inclusion of those names in the keyword suggestion tool, happened with the knowledge of the search engine, about the registration of those words as trademarks. It is only in cases where a completely arbitrary or fanciful name, which has no nexus or connection with the nature of the goods or services, is adopted as a trademark, that the offer by a search engine of that trademark in

their keyword suggestion tool, to the competitors of the proprietor of the mark, could be considered as amounting to vicarious or contributory infringement. In cases of the nature on hand, the benefit of doubt would go to the search engine, since the choice of the words Tamil , Matrimony etc., in the keyword suggestion tool, need not necessarily have happened deliberately.

201. One more contention of the plaintiff is that the search engine is guilty of double standards, in the sense that sponsored links do not appear for certain categories of persons, products and services such as Aircel, HDFC, Microsoft, Nike, ICICI Bank, Oracle, Facebook etc. In support of the said contention, the plaintiff has also filed the print-outs of the relevant webpages as part of document No.69. However, the first defendant has denied this. The first defendant has also filed as document No.16 series, the screen shots of the webpages, where multiple sponsored links appear for HDFC, Oracle, Microsoft and even Google. Therefore, the question as to whether the search engine is adopting double standards, has to be examined only at the time of trial and as on date, the match is equally poised on this issue.

202. Therefore, I hold that the inclusion of the words Tamil , Matrimony etc., in the keyword suggestion tool of the search engine, would not amount to an infringing use, nor would it amount to a contributory infringement, in view of my findings against the plaintiff vis-a-vis defendants 2 to 4. However, it is made clear that Google has a duty to explain in the course of the main proceedings (suit), the rationale behind the difference in policy adopted by them in different regions.

O.A.Nos.977 and 978 of 2009

203. In the light of the above discussion, I am of the view that the plaintiff is not entitled to the injunctions sought for, as they have failed to pass the triple tests of (i) prima facie case (ii) balance of convenience and (iii) irreparable hardship. But it shall not be construed to mean that the first defendant (Google) need not anymore adhere to their Adwords Trademark Policy, as reflected in document Nos.2, 3 and 4 filed by them. This is on account of the fact that as a result of my judgment, the plaintiff should not be singled out and deprived of the benefit of a policy that the first defendant is adopting uniformly, not only for the benefit of its own customers, but also for the benefit of persons who do not advertise in their search engine. As a matter of fact, the plaintiff is admittedly one of the advertisers in Google. Therefore, they have a contractual relationship with Google. Consequently, the benefit of the Adwords Trademark Policy would enure to them, at least out of such contractual relationship. Therefore, even while dismissing O.A. Nos.977 and 978 of 2009, I make it clear that the first defendant (Google) shall not deprive the plaintiff of the benefit of their Trademark Policy.

A.No.6001 of 2009

204. As pointed out in paragraph 7, this is an application filed by the plaintiff under Order XXXIX, Rule 2A, CPC for punishing the first defendant, by ordering the attachment of its properties, for allegedly disobeying the orders of this Court dated 07.10.2009 in O.A.Nos.977 and 978 of 2009.

205. As pointed out earlier, this Court granted interim orders of injunction as prayed for, in O.A.Nos.977 and 978 of 2009, on 17.9.2009. The operative portion of the said order read as follows:

"I could see considerable force in the submission made by the learned counsel for the applicant/plaintiff and accordingly, interim injunction as prayed for is granted till 05.10.2009."

It is seen from the docket sheet in O.A.Nos.977 and 978 of 2009 that the applications were listed for hearing on 05.10.2009 and they were simply adjourned to 06.10.2009 without any order. On 06.10.2009, the Court heard the matter in part and adjourned it to 07.10.2009 and also extended the interim order till then.

206. On 07.10.2009, the Court heard the arguments on both sides. After advertng to the prayers made and the rival contentions in paragraphs 1 to 8, in its order dated 07.10.2009, the Court pointed out in paragraphs 10 and 13 that the plaint as it stood on that date, required modifications and that therefore, the plaintiff was not justified in seeking exparte injunction with those defective pleadings. Thereafter, the Court referred to the policy of the search engine on the issue and held in paragraphs 19 and 20, which constitute the operative portion of the order, as follows:

"19. As of now, in view of my discussion supra, it is suffice to direct that R1 Google India Private Limited would adhere to its present business policy as put forth by the learned senior counsel for R1 that the plaintiff's registered trade marks would be protected by ensuring that others do not use them in their "ad words".

20. As such, the interim injunction already granted on 17.09.2009 shall stand vacated and the matter is posted for further hearing on 04.11.2009."

207. Complaining that despite the directions of this Court to adhere to their business policy, the first defendant was continuing to use the plaintiff's trade marks as part of their "ad words" program and that they have been allowing the others to use the plaintiff's trade marks in part of their advertisement, the plaintiff has come up with this application to punish the first defendant.

208. The first defendant (Google) has filed a counter, contending inter alia that as per their Adwords Trademark Policy, recorded by this Court in paragraph 8 of its order dated 07.10.2009, the first defendant did not allow the registered trademark of any one from being used as adwords by any other person and that the impression "Adword" as used in the industry would mean the use of the words in the title and text of the advertisement. The first defendant has also pointed out that since the number of advertisements created using the adwords program is substantial and voluminous, there may be some odd instance of an advertisement which is non compliant with the policy, to appear. However, in paragraph 9 of the counter affidavit, the first defendant has reiterated its commitment that they would adhere to the present business policy. The first defendant has also indicated that its current adwords policy does not permit the use of any trademarked term in the ad text, i.e., the title and text of the advertisement.



209. In view of the stand taken by the first defendant and in view of what was recorded by this Court in paragraph 8 of its order dated 07.10.2009, it is not possible for me to conclude that there was any wilful and deliberate disobedience of the order dated 07.10.2009. Therefore, A.No.6001 of 2009 is dismissed.

A.Nos. 6380, 6382 & 6383 of 2009

210. While A.No.6380 of 2009 is by the fourth defendant under Order VII, Rule 11, CPC to reject the plaint, A.Nos.6382 and 6383 of 2009 are by the second defendant praying for (i) rejection of plaint under Order VII, Rule 11, CPC; and (ii) stay of further proceedings in the suit.

211. The stay of suit is sought on the short ground that in the plaint, the plaintiff has given a false and fictitious address for the second defendant, despite the fact that there are several litigations between the parties and the plaintiff was well aware of the correct address of the second defendant. The second defendant relies upon the provisions of Order VI, Rule 14A (5)(a) of the Code of Civil Procedure, for seeking stay of the suit.

212. However, I do not think that there is any necessity to stay the suit. The second defendant has entered appearance through counsel and has also filed counter affidavits to the applications for injunction. The second defendant has also come up with substantial applications for stay of suit and rejection of plaint. Therefore, the stage at which the provisions of Order VI, Rule 14A(5) are to be invoked, has already passed. As a matter of fact, a careful perusal of the provisions of sub rules (5), (6), (7) and (8) of Rule 14A of Order VI would show (i) that at any time, the plaintiff can seek the setting aside of the order of stay, after furnishing the true address of the defendant; and (ii) that as per sub rule (8), nothing in Rule 14A shall prevent the Court from directing the service of process at any other address.

213. Now that the second defendant has effectively defended itself, there is no occasion to invoke the said provision. We have already crossed the stage at which the provisions of Order VI, Rule 14A(5) could be invoked. Therefore, there is no question of staying the suit. Hence, A.No.6383 of 2009 is dismissed.

214. The rejection of plaint under Order VII, Rule 11 is sought by defendants 2 and 4 in their applications A.Nos.6382 and 6380 of 2009 respectively, on the following grounds:

- (i) that the plaintiff did not produce any evidence regarding registration of trade marks in its name;
- (ii) that it is only the registered proprietor of the trade marks, who is entitled to the rights conferred by registration and since the plaintiff is not the registered proprietor, he is not entitled to protection;
- (iii) that the second defendant is not engaged in any line of business connected with those mentioned in Class 16 and hence, even the proprietor of the trade marks in relation to goods falling under Class 16, would have no cause of action against the second defendant; and

(iv) that all disputes regarding the registration and use of domain names are governed by a separate regime under the Uniform Domain Names Dispute Resolution Policy (UDRP) of the Internet Corporation for Assigned Names and Numbers (ICANN) and hence, the dispute raised by the plaintiff is out of the jurisdiction of this Court.

215. Insofar as the first two contentions (regarding the person in whose name the trade marks stand registered) are concerned, it is true that at the time when the plaintiff came up with the above suit, the pleadings were defective. Admittedly, the proprietor of a majority of the 22 registered trade marks was Mr. Janakiraman Murugavel. Originally, he was not made a party to the suit in his individual capacity and there were also no pleadings about any assignment made by him in favour of the plaintiff, of which he is the Chief Executive Officer. This is why the defendants 2 and 4 came up with applications for rejection of plaint, on the ground that a majority of 22 registered marks did not stand in the name of the plaintiff Company and that therefore, the protection available only to the registered proprietors, cannot be extended to the plaintiff. However, the plaintiff later got his plaint amended by virtue of an order dated 21.01.2010 passed in A.No.6379 of 2009. The order dated 21.01.2010, allowing the application for amendment, was not challenged by any of the parties.

216. It is true that I also gave liberty to the defendants 2 and 4 to raise all these objections in the applications for injunction and in the suit. I have noted this in paragraph 10 of this order, even while providing the reasons which persuaded me to allow the amendments.

217. Therefore, all that the defendants 2 and 4 can claim is that these objections can be taken note of in deciding the applications for injunction and in deciding the suit. But, it does not mean that the suit can be thrown out at the threshold, on the ground of defective pleadings, especially after the amendments were allowed.

218. Order VII, Rule 11 enables this Court to reject a plaint (i) where it does not disclose a cause of action; (ii) where the relief is under valued; (iii) where the relief is properly valued, but the plaint is insufficiently stamped; (iv) where the suit appears from the statement in the plaint to be barred by any law; (v) where it is not filed in duplicate; and (vi) where the provisions of Rule 9 are not complied with.

219. A reading of the averments in the affidavits in support of the applications for rejection of plaint would show that the defendants 2 and 4 are attempting to bring the applications within clauses (a) and (d) of Order VII, Rule 11. But, the plaint does actually disclose a cause of action. It is well settled that for deciding an application under Order VII, Rule 11, the Court has to look only into the averments contained in the plaint and the documents filed by the plaintiff. The averments contained in the plaint, certainly disclose a cause of action. Whether such cause of action is true or false, is a matter of evidence and hence, the plaint cannot be thrown out without trial.

220. The defendants 2 and 4 are unable to point out as to how the suit is barred by any law (so as to bring it within clause (d) of Order VII, Rule 11), except depending upon the Uniform Domain Names Dispute Resolution Policy (UDRP) of the Internet Corporation for Assigned Names and Numbers (ICANN). But, I have already pointed elsewhere that the jurisdiction conferred upon this Court, is

not ousted by the said Policy. Therefore, the case will not even fall under clause (d) of Order VII, Rule 11.

221. Thus, there are no grounds to reject the plaint. Hence, A.Nos.6380 and 6382 of 2009 are dismissed.

A.No.247 of 2010

222. This is an application taken out by the plaintiff to implead Google Inc., USA, as the fifth defendant in the suit. This application is taken out on the ground that the first defendant has taken a stand in their counter affidavit that it is a wholly owned subsidiary of Google Inc., USA and that Google Inc., is the owner of the search engine.

223. There is no dispute about the fact that Google Inc., USA is the holding company and the first defendant herein is its wholly owned subsidiary. All the policies of the search engine google, including the adwords policy, are framed by Google Inc., USA. Perhaps, the policies are trimmed by the subsidiaries in different jurisdictions, depending upon the local laws. But, ultimately, it is the holding company which owns the search engine. Therefore, the proposed defendant is a proper party, even if construed to be not a necessary party. Hence, A.No.247 of 2010 is allowed.

224. In fine-----

(i) O.A. Nos.977 and 978 of 2009 are dismissed. But the dismissal of these applications shall not be construed to mean that the first defendant (Google) may henceforth deprive the plaintiff, of the benefit of their Adwords Trademark Policy, as reflected in document Nos.2, 3 and 4 filed by them.

(ii) A.No.6001 of 2009 is dismissed.

(iii) A.Nos.6380, 6382 and 6383 of 2009 are dismissed.

(iv) A.No.247 of 2010 is allowed.

The parties shall bear their own costs. It is made clear that the main suit shall proceed, uninfluenced by all observations and findings recorded herein.

Index : Yes.  
Internet : Yes.  
Svn

30-09-2

V. RAMASUBRAMANIAN, J.

Common Order  
6380, 6381 and 6382 of 2009 and  
in C.S.No.832 of 2009

30-09-2010