

Trademark Litigation Review

2025

Spain: Alicante Commercial Court Takes Issue with Online 'Hidden' Trademark Use

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Spain: Alicante Commercial Court Takes Issue with Online 'Hidden' Trademark Use

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IN SUMMARY

Until recently, the online hidden use of a competitor's trademark has chiefly been analysed in Spain in relation to the use of keywords within Google's AdWords service. However, Order no. 206/2023 of the Alicante Commercial Court no. 4 shows that the use of a competitor's trademark in a non-apparent way – as, for example, part of the URL or the metadata of a website – may also imply trademark infringement or amount to unfair competition, at least at first sight within the context of interim measures proceedings.

DISCUSSION POINTS

- Risk of confusion when using a competitor's trademark as part of the URL or the metadata of a website
- · Acts of unfair competition when jeopardising the web positioning of a competitor
- Limitations of the effects of a trademark and the need for honest practices in industrial and commercial matters

REFERENCED IN THIS ARTICLE

- · ECJ's Google France and Google case
- ECJ's Interflora case
- Order no. 206/2023 of the Alicante Commercial Court no. 4, dated 14 August 2023

INTRODUCTION

Article 34 (3)(f) of the Spanish law on trademarks (17/2001) establishes that where there is a double identity, a risk of confusion or a situation in which the reinforced protection of reputed trademarks is applicable, the owner of the trademark affected may prohibit the use of the conflicting sign in the course of trade. This includes, in particular, "in telematic communication networks and as a domain name". Although the clearly visual online use of a conflicting sign may not mean that much difference in terms of trademark enforcement in comparison to the use of a conflicting sign on goods or on printed advertising materials, such enforcement is more challenging when the online use of a conflicting sign is 'hidden', as, for example, in a URL or in website metadata. Referrals made to the European Court of Justice and its rulings have thrown some light on this matter.

Particular attention has been given to Google's paid referencing service, AdWords. Within AdWords, an economic operator may choose to use a competitor's trademark as a keyword in order to promote its own goods and services and try to obtain a better search result placing. In its judgment of 23 March 2010 issued in the joined cases C-236/08 to C-238/08 (Google France and Google), the ECJ ruled that the sign selected by an advertiser or economic operator as a keyword in the context of an internet referencing service must, for the purposes of trademark law, be regarded as a use in the course of trade. [1] Soon after, through its judgment of 22 September 2011 issued in the case C-323/09 (Interflora), the ECJ set the parameters by which to determine when the use of a competitor's trademark as a keyword to an internet referencing service may adversely affect the main function of a trademark;

that is, that of indicating its commercial origin. The ECJ ruled that whether there is an adverse effect on the function of indicating origin depends on how the commercial message is presented. An adverse effect can be found either where the advertiser's commercial message suggests an economic link between that economic operator and the trademark owner; or where the commercial message is vague on the origin of the goods or services at issue, to such extent that reasonably well-informed and observant internet users are unable to determine whether the economic operator advertising its goods or services is economically linked to the trademark owner. ^[2] In its latter judgment, the ECJ further stated that in carrying out this assessment, facts such as the general knowledge of the market by the reasonably well-informed and reasonably observant internet user, or the size and profile of the commercial network of the trademark owner, ^[3] should be taken into account. ^[4]

Spanish courts have applied the teachings of these rulings. They have, for example, found trademark infringement where a company was using a competitor's trademark as a keyword to promote its goods and services while, at the same time, the competitor's trademark was included in the company's commercial message, suggesting that there was an economic link between them. ^[5]

However, an economic operator may avoid using a competitor's trademark as a keyword within AdWords but still include it within the URL or metadata of its website. When an internet user performs a search on the basis of that trademark, the search engine will display those sites that appear best to correspond to that word, in decreasing order of relevance, and including those results in which the trademark is hidden within the URL or metadata. These are the so-called natural results of the search, as described by the ECJ in its Interflora judgment. Yet they may still affect the trademark owner's search engine optimisation (SEO). That is, the process and actions, including technical ones, that aim to improve the quality and quantity of traffic to its website from search engines.

In fact, Spanish courts have already acknowledged that trademark law and the law against unfair competition apply to the use of a competitor's trademark within the metadata of a website. This is due to the role that metadata plays in positioning websites within engine search results, and the importance of trading goods and services on the Internet. The Barcelona Court of Appeal, for example, found trademark infringement and acts of unfair competition in favour of, among others, Fundación Gala-Salvador Dalí, in a case in which the terms "Dalí" and "Salvador Dalí" – which formed part of different trademark registrations – were used in the metadata of a third party's website relating to an art gallery. [7]

Recently, the Alicante Commercial Court no. 4, acting as the EU Trademark Court in Spain, has been able to assess this matter from a prima facie perspective within the context of interim measures proceedings.

ORDER NO. 206/2023 OF THE SPANISH EU TRADEMARK COURT

The plaintiff filed a request for interim measures against an online real estate platform on the basis of alleged trademark infringement and alleged acts of unfair competition.

The plaintiff was said to have recently launched an innovative fully online service that provided certificates regarding the solvency of tenants, after conducting a professional analysis on the documentation submitted by the latter in combination with an anti-fraud system. This certificate facilitates tenants' access to accommodation offered for rent (by reducing the amount of documentation to be submitted to the owner) and, at the same time, provides the renter with more certainty as to the tenant's solvency. The plaintiff renders this

service under several EU and national figurative trademarks. The defendant owns a website focused on real estate intermediation between owners offering their properties for sale or rent and potential buyers or tenants. This website has high levels of traffic, and is one of the most visited websites in Spain.

After the launch of the plaintiff's certification service, the defendant began to commercialise a solvency certification service through its website. It launched a marketing campaign for this service in April 2023. Although initially the name adopted for this service was not in conflict with the plaintiff's trademarks, the defendant later changed the name of the service to one that, according to the plaintiff, was in conflict. This name change was reflected in both the text and metadata of the defendant's website, as well as in a marketing campaign around this new service that was posted to third party websites.

Following a cease and desist letter from the plaintiff, the defendant changed the conflicting name of its service on its website, returning to the original non-conflicting name. However, it did not remove the conflicting terms from its website's URL or metadata. In addition, the marketing campaign across third party websites continued to refer to the conflicting name.

On 10 August 2023 the plaintiff filed a request for interim measures, on the basis of trademark law and the law against unfair competition. It claimed that continued use of the conflicting sign was having an adverse effect on its SEO and posed a risk that the public would wrongly connect the certification services of the plaintiff and the defendant. Consequently, it asked that the defendant remove and cease use of the conflicting sign on its website and within the site's metadata, and across the third party websites. The request was filed prior to the filing of the statement of claim and sought the granting of the interim measures without hearing the other party, claiming reasons of extreme urgency. Among other reasons, this was because of the short time before September – a month in which the closing of rent contracts increases – and the damaging consequences that the prolongation of the situation could have on the plaintiff's SEO.

The Alicante Commercial Court no. 4 fully granted the plaintiff's interim measures request by means of Order no. 206/2023, dated 14 August 2023. On initial examination of the case it reasoned that the marketing actions taken by the defendant, either through its own website or through those of third parties, could be deemed detrimental to the plaintiff's search engine positioning and could lead to damaging consequences in terms of competition. The court also acknowledged that it could amount to risk of confusion. After analysing the facts of the case, including the level of distinctiveness of the respective trademarks, it concluded that the public could be led to believe that the innovative certification offered by the plaintiff was actually rendered by the defendant, considering the novelty of the plaintiff's certification and the online nature of the services rendered by both parties.

CONCLUSIONS

A decision on the merits of this case remains to be seen, but Order no. 206/2023 reminds us that the hidden (or non-apparent) use of a competitor's trademark as part of a URL or within the metadata of a website may imply trademark infringement and acts of unfair competition, especially in the case of competitors that operate fully online. This could at least be the case where the economic operator using the conflicting sign within a URL or metadata of its website combines this with an advertising campaign through third parties' websites on which the conflicting sign is openly used; or where the economic operator's actions have the potential to jeopardise the competitor's SEO to the extent of eliminating it from the market.

The limitations of the effects of trademarks should also be taken into account, however. In particular, attention should be given to those that relate to the potential lack of distinctiveness or descriptive character of the registered trademark being used without consent by a competitor as part of the URL or the metadata of its website. Nevertheless, in this analysis, it should also be apparent that Spanish trademark law, just like the EU's Regulation on Trademarks, prohibits the application of this defence when the unconsented use of a conflicting sign does not accord with honest practices in industry or commerce.

Endnotes

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