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WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal provided dedicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

TRADEMARK INFRINGEMENT THROUGH KEYWORD ADVERTISING IN INDIA: ISSUES AND CHALLENGES

AUTHORED BY - V ANAANTHIKHA

ABSTRACT

Due to the rapid advancement in digital advertising, there has arisen a worry regarding the entanglement of registered trademarks as keywords in search engine marketing. The study is an attempt to analyze the issue of trademark infringement by means of keyword advertising in India, perusing the legal framework, judicial precedents, and enforcement challenges. Section 29 of the Trade Marks Act, 1999, accords protection against use of trademarks by unauthorized persons through consequence of confusion or misrepresentation to consumers. However, Indian courts, as evidenced from the case of Consim Info Pvt. Ltd. v. Google India Pvt. Ltd. (2013), have taken a conservative approach requiring proof of consumer confusion at the threshold to establish infringement.

The study goes on to highlight the international perspectives where India's position is compared to U.S., EU, and China about the different standards for determining liability in keyword advertising disputes. While U.S. courts adopt the likelihood of confusion test, the EU's Google France ruling emphasized that search engines are not held directly liable unless deception occurs as a result of misleading ads. Other issues that have been raised include challenges in terms of jurisdiction, intermediary liability of Section 79 of the IT Act, 2000, and the changing face of artificial intelligence in targeted advertising.

There are major challenges facing enforcement such as proving consumer confusion, lack of clear regulations for digital marketing, a clash between intermediary liability and protection of trademarks, and delays in obtaining legal remedies. It advocates a balanced approach to adjudicate dispute cases between trademark owners and fair competition in digital advertising. Recommendations include clearer legislative guidelines, stricter enforcement mechanisms, and revised policies on search engine liability in order to establish a strong and adaptive legal framework for trademark protection in the digital economy of India.

(Keywords: Trademark infringement, keyword advertising, digital marketing, intermediary liability, consumer confusion, Trade Marks Act, IT Act, India.)

CHAPTER 1 - INTRODUCTION

1.1. Introduction

In today's digital age, advertisement has gone a long way from conventional media with companies, making greater use of online media to connect the potential consumers. Keyword advertising is now one of the most popular and powerful ways of digital advertising, where the advertiser pays to show up highly in search results for certain words or phrases they choose. This method is used because the consumer search behaviour is assessed where the consumers are attracted to digital advertising. This is done so that companies can effectively target markets and gain exposure. While keyword advertising has revolutionized digital marketing, it has also triggered legal controversies, particularly concerning trademark infringement. The issue arises when advertisers use keywords identical or similar to competitors' registered trademarks, potentially leading to consumer confusion or misappropriation of brand value. For instance, when an advertiser incorporates a competitor's brand name as a keyword, consumers looking for the brand can be confused into going to the advertiser's website, believing a connection or endorsement by the owner of the trademark. This behavior poses complicated legal issues regarding the scope of trademark protection in cyberspace.

Across the world, courts have struggled with the impact of keyword advertising on trademark rights. Pioneering cases like *Google France SARL v. Louis Vuitton Malletier* and *Rescuecom Corp. v. Google Inc.* have influenced the law, shaping judicial interpretations in many jurisdictions. With India experiencing rapid digitalization and a surge of exponential growth in e-commerce, keyword advertising has become a crucial means for companies to reach connected consumers. India is one of the most rapidly growing digital ad economies, as per industry reports, with keyword advertising being a significant proportion of online marketing expenditures. With companies competing more intensely for search engine visibility, conflicts over trademarked keywords will only escalate.

But the Indian legal system is still in its infancy as regards this matter. In spite of the well-structured provisions of the Trade Marks Act, 1999, which protect brand identity and avoid consumer confusion, the law has nothing to say regarding the subtleties of digital advertising

and keyword bidding. As such, Indian courts struggle with applying age-old trademark concepts to contemporary digital marketing cases.

Keyword advertising is gaining significance in India. Since there are no clear statutes guiding keyword advertising practices, confusion has been created leaving brand owners, advertisers and search engines providers. This requires a critical review of the law and regulation dealing with trademark infringement by keyword advertising in India.

1.2. Existing Legal Situations

International Legal Framework

Trademark infringement through keyword advertising has been a subject of legal scrutiny in various jurisdiction across worldwide. Some courts have found that purchasing a competitor trademark a keyword constitutes infringement, others have emphasized the necessity of demonstrating consumer confusion.

The Google France SARL v. Louis Vuitton Malletier SA (EU, 2010) us a landmark decision where the European court of justice ECJ ruled that the search engine operators, such as Google do not directly in French trademark right merely by permitting advertises to purchase trademark keywords. The ECJ emphasize that liability arises only if such use creates confusion between consumer. The rolling clarified that while search engine are not automatically liable, advertisers may be held accountable if their advertisements mislead consumers into believing they are associated with the trademark owners.

In the case of Rescuecom Corp. v. Google Inc. (US, 2009) the circuit court of appeals in United States held that Google sale of trademark terms as keyword in its AdWords program constituted “use in commerce” under US trademark law. However, the court stressed that actual consumer confusion must be proved for successful infringement claim. Hence, this case reinforced the idea that keyword advertising is not inherently infringing, but must be examined on a case by case basis. In the case of Network Automation, Inc. v. Advanced Systems Concepts, Inc. (US, 2011), the ninth circuit rule that purchasing a competitor trademarks as a keyword does not automatically result in trademark infringement. The court apply that likelihood of confusion test evaluating factor such as the nature of advertisement, the sophistication of consumer and the strength of the trademark. This ruling set an important president in determining that merely

keyboard bidding that's not necessarily mislead consumers.

In the recent ruling of the case *1-800 Contacts, Inc. v. JAND, Inc.* (US, 2024), the second circuit reaffirmed that the mere purchase of a trademarked keyboard does not constitute infringement unless additional deceptive practices are involved. The court emphasize that the focus should be on actual presentation of advertisements rather than the purchase of the keyword alone. This decision further clarify the importance of assessing whether consumer or admitted by advertisement rather than only considering keyword usage.

National Legal Framework

In India, the legal framework governing trademark infringement through keyword advertising as privately based on Trademark Act, 1999. Section 29 of the act, explicitly prohibits the unauthorized use of registered trademarks if it causes confusion or deception among consumers however, the Indian courts have taken a nuanced approach and determining whether keyboard advertising amounts to infringement. In the significant case of *Consim Info Pvt. Ltd. v. Google India Pvt. Ltd.* (India, 2013), the Delhi High Court examined whether the use of registered trademarks as key word in Google's advertising platform constituted trademark infringement. Consim Info Pvt. Ltd., the owner of trademarks related to its matrimonial websites that Google India and competing matrimonial services were using its trademark as keywords for sponsored advertisements leading to consumer confusion. In this case, the court held that in action of consumer, confusion or misleading association, keyboard advertising does not amount to infringement under section 29 of trademarks at 1999. Hence the decision the importance of proving that advertisement creating an impression that it is affiliated with or endorsed by trademark owner.

1.3. Literature Review

1. Title: Keywords Advertising: Issues of Trademark Infringement Author: Althaf Marsoof

Year: 2010

The study examines judicial decisions in the European Union, the United States, and the UK, focusing on the Trademark Directive in Europe and the Lanham's ruling. It compares these decisions with the U.S. approach, particularly in the *Rescuecom v Google* case. The analysis highlights the complexities of trademark law₉ in the digital age, particularly in keyword

advertising.

It emphasizes the need for a nuanced approach that balances trademark rights with competitive advertising practices. Service providers like Google may avoid direct liability, but advertisers must exercise caution.¹

2. Title: Trademark Infringement Through Keyword Advertising in India: Issues and Challenges

Author: Chiranjeev Gogoi Year: 2018

The study examines the use of trademarked keywords in digital advertising, focusing on whether it constitutes trademark infringement under Indian law. The research, based on Indian legal precedents and international perspectives, reveals that the Indian legal framework lacks clear guidelines on using trademarks as keywords. The study also highlights gaps in Indian law, particularly regarding contributory infringement by search engines. The findings of this paper suggest that India needs to update its legal framework to ensure trademark protection while balancing competitive advertising practices, unlike the European Union and the U.S., which have clearer protections for search engines.²

3. Title: The Use of Trade Marks in Keyword Advertising Author: Van der Laan, N. Year: 2020

The literature review by N. van der Laan explores the legal complexities surrounding the use of trademarks as keywords in online advertising. The study questions whether selecting competitors' trademarks as keywords constitutes trademark infringement, challenging traditional trademark law's ability to address this modern advertising strategy. The research uses a comparative legal methodology and evaluates landmark cases like Google v. Louis Vuitton from the European Union (CJEU). Findings reveal that while keyword advertising can enhance competition and market transparency, it also risks consumer confusion and exploitation of trademark goodwill. The CJEU adopted a flexible approach, ruling that trademark infringement only occurs when ads mislead consumers about the relationship

1

[https://www.researchgate.net/publication/46574868 Keywords Advertising Issues of Trademark Infringement](https://www.researchgate.net/publication/46574868_Keywords_Advertising_Issues_of_Trademark_Infringement)

² <https://docs.manupatra.in/newslines/articles/Upload/0310B7DF0-4F52-45EA-ABFF-AC5DB67FC9D9.2-CIPR.pdf>

between the advertiser and the trademark owner.³

4. Title: Protecting Business in the Digital Age: A New Perspective on Trademark Law and Keyword Advertising

Author: Nicholas J. Krob Year: 2015

The study explores the legality of using trademarked terms as keywords in online advertising, focusing on consumer confusion and trademark infringement. It analyzes case law, statutory interpretations, and judicial rulings across different circuits, primarily examining the Lanham Act and the concept of "initial interest confusion." The research reveals that courts remain divided on the issue, with some arguing that keyword advertising unfairly benefits competitors by leveraging brand recognition, while others argue that increased consumer awareness and labeling of sponsored ads reduce confusion. The study advocates for stronger trademark protections to prevent unfairly capitalizing on competitors' brand equity and promote fair competition through comparative advertising. The study concludes that the legal treatment of keyword advertising remains inconsistent, requiring clearer guidelines to balance business interests and consumer protection.⁴

5. Title: Confusion is the Key: A Trademark Law Analysis of Keyword Banner Advertising

Author: Kurt M. Saunders Year: 2002

This paper explores the intersection of trademark law and keyword advertising, focusing on the legal implications of businesses using competitors' trademarks for online marketing. The research question examines whether the practice of purchasing trademarked keywords for advertising constitutes infringement or falls under fair use. The methodology involves an analysis of judicial precedents, legislative frameworks, and economic implications of keyword advertising. The study considers various court rulings, particularly those from the Ninth and Tenth Circuits, which have established different standards for determining consumer confusion and trademark infringement in online advertising. The findings suggest that while some court's view keyword advertising as permissible comparative advertising, others argue that it leads to initial interest confusion, thereby constituting trademark infringement. The ambiguity in legal interpretations indicates a need for more precise judicial guidance to balance consumer

³ https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2041936

⁴ Protecting Business in the Digital Age: A New Perspective on Trademark Law and Keyword Advertising
Note Krob, Nicholas J. Page 947

protection with competitive business practices. Ultimately, the study advocates for a more uniform approach to keyword advertising that aligns with the principles of trademark law while ensuring fair market competition.⁵

6. Title: Googling a Trademark: A Comparative Look at Keyword Use in Internet Advertising

Author: Tyson Smith Year: 2010

The growing use of keyword advertising has raised legal concerns about trademark infringement. This study examines the legal frameworks in the U.S. and Europe, examining how courts interpret the intersection of trademark law and online advertising. Comparative legal analysis is used to review statutory provisions like the Lanham Act and EU's trademark directives. Case law from various jurisdictions, including the European Court of Justice (ECJ) and U.S. federal courts, is examined. The study also explores the economic impact of keyword advertising on brand owners and competitors. Findings show that courts remain divided on keyword advertising's legality, with some focusing on consumer confusion and others on functional use of trademarks in commerce. The study calls for clearer global regulations to balance fair competition and trademark protection in digital markets.⁶

7. Title: Competing Through Keyword Advertising Author: Giuseppe Colangelo Year: 2020

The growing popularity of online shopping has sparked debates about the legality and competitive implications of keyword advertising. The research question is whether using trademarked terms in search engine advertising infringes on trademark rights or unfairly restricts competition. Trademark holders argue that such practices weaken brand identity, while regulators and competitors raise concerns about anticompetitive restrictions on advertising. The study uses a comparative legal and economic analysis, examining rulings from the European Court of Justice, the Federal Trade Commission (FTC) in the U.S., and competition authorities in the UK and the Netherlands. Findings suggest that while keyword advertising can enhance market competition by informing consumers of price differences, restrictive agreements between firms may lead to anticompetitive harm.⁷

⁵ Confusion is the Key: A Trademark Law Analysis of Keyword Banner Advertising Saunders, Kurt M. Page 543

⁶ Googling a Trademark: A Comparative Look at Keyword Use in Internet Advertising Note Smith, Tyson Page 231

⁷ Giuseppe Colangelo, Competing Through Keyword Advertising, *Journal of Competition Law & Economics*, Volume 16, Issue 3, September 2020, Pages 306–348

8. Title: Trademarks and Keyword Banner Author: Gregory Shea

Year: 2002

Online advertising has led to legal debates over the use of trademarked terms as keywords in search engine marketing. The research questions whether these practices constitute trademark infringement or are legitimate forms of competitive advertising. The study examines case law and regulatory approaches from the US and the EU, focusing on doctrines like initial interest confusion and fair use. It also considers investigations by competition authorities into the potential anticompetitive effects of keyword advertising restrictions. Findings suggest courts remain divided, with some rulings emphasizing consumer confusion as grounds for trademark infringement, while others recognize keyword advertising as a legitimate way to inform consumers about alternative products. The study calls for clearer legal guidelines to balance trademark protection with competitive market practices in digital advertising.⁸

9. Title: Does the use of trademark as ‘keywords’ amount to trademark Infringement?

Author: Sunidhi Bansal

Year: 2021

The article investigates whether using trademarks as keywords in online advertising is considered trademark infringement. It focuses on search engine marketing, where businesses bid on competitors' trademarks to trigger ads. The research examines legal precedents, statutory provisions under the Indian Trademarks Act, and comparative case studies from the US and EU. The findings reveal a nuanced legal landscape, with courts assessing confusion likelihood, advertiser intent, and ad disclaimer clarity. While keyword advertising is a legitimate marketing strategy, it must be executed carefully to avoid legal repercussions. The article calls for clearer guidelines to balance trademark protection with fair competition in the digital marketplace.⁹

10. Title: No Confusion Here: Proposing a New Paradigm for the Litigation of Keyword Advertising Trademark Infringement Cases

Author: Rachel R. Friedman Year: 2010

<https://doi.org/10.1093/joclec/nhaa011>

⁸ Trademarks and Keyword Banner Advertising Note Shea, Gregory Page 529

⁹ <https://www.algindia.com/article-does-the-use-of-trademark-as-keywords-amount-to-trademark-infringement/>

The research question explored in the study is whether the misappropriation of a trademark's goodwill should replace consumer confusion as the basis for finding infringement in keyword advertising cases. The methodology involves a comparative analysis of U.S., U.K., and Canadian trademark laws and judicial decisions to evaluate how courts handle keyword advertising disputes. The study particularly examines the initial interest confusion doctrine, which determines liability based on consumer diversion rather than actual confusion. The findings suggest that courts have increasingly acknowledged that keyword advertising involves the unauthorized exploitation of a brand's reputation, regardless of whether consumers experience prolonged confusion. The study argues that requiring proof of consumer confusion imposes an undue burden on trademark holders and that courts should instead focus on the advertiser's intent to divert consumers and benefit from a competitor's goodwill. The study concludes by recommending that search engines, such as Google, should implement policies that align with trademark protections across different jurisdictions.¹⁰

11. Title: Can Keywords Infringe Trademark? Author: Adhila Muhammed Arif

Year: 2022

The article explores the legal implications of using keywords in online advertising to infringe trademarks. It focuses on the potential for trademark infringement by causing confusion or exploiting a competitor's brand reputation. The research uses legal frameworks like the Indian Trademarks Act and case law from the US and EU. Courts typically assess factors like confusion likelihood, intent, and advertisement transparency. While trademarks are not inherently illegal, they may be infringed if they mislead consumers or undermine brand distinctiveness. The article concludes that businesses should exercise caution when using such strategies, ensuring clear labeling to avoid consumer deception. It calls for a balanced approach to protect trademark rights while promoting fair competition in digital advertising.¹¹

12. Trademark Infringement Claims in Keyword Advertising Author: Maral Kilefian and Sally Dahlstrom

Year: 2016

The rise of keyword advertising has sparked a legal debate over whether using a competitor's trademark as a keyword constitutes trademark infringement under the Lanham Act. Courts have

¹⁰ No Confusion Here: Proposing a New Paradigm for the Litigation of Keyword Advertising Trademark Infringement Cases Friedman, Rachel R. Page 355 Page 355

¹¹ <https://www.theippress.com/2022/08/08/can-keywords-infringe-trademark/>

largely rejected claims of trademark infringement in keyword advertising cases, focusing on cases where plaintiffs alleged infringement due to competitors purchasing their trademarks as keywords in search engine advertising programs like Google's AdWords. The primary factor in these decisions is the absence of a likelihood of consumer confusion. Key cases, such as *Network Automation, Inc. v. Advanced System Concepts, Inc.* and *1-800 Contacts, Inc. v. Lens.com, Inc.*, demonstrate that the mere purchase of a competitor's trademark as a keyword does not inherently cause confusion, particularly when the ad text does not misleadingly incorporate the trademark.¹²

13. Beyond Rescucom vs. Google. The Future of Keyword Advertising Author: Kristin Kemnitzer

Year: 2010

Keyword advertising has raised legal questions about trademark infringement under the Lanham Act, especially in cases where competitors purchase trademarks as keywords to trigger sponsored ads. Courts consistently hold that the sale of trademarked keywords constitutes a "use in commerce" under the Lanham Act, but the likelihood of confusion remains unresolved. Consumer sophistication plays a critical role in determining confusion, with modern Internet users generally able to distinguish between organic search results and sponsored ads. The theory of initial interest confusion, where consumers are temporarily misled by competitor ads, has been a contentious issue, with some courts applying it and others rejecting it. Future rulings will depend on empirical evidence of consumer behavior and the specific context of each case. The debate highlights the tension between protecting trademark rights and promoting competitive advertising practices in the digital age.¹³

14. Trademark Licensing in Keyword Advertising Author: Maciej Zejda

Year: 2016

The article explores the legal issues surrounding trademarks as keywords in online advertising, focusing on consumer confusion and the implications for trademark functions. It analyzes case law from the European Court of Justice (CJEU) and scholarly debates, particularly focusing on *Interflora* and *Google France*. The findings show that while trademarks can affect the origin-indicating function of a trademark, the likelihood of consumer confusion is often overstated.

¹² https://www.americanbar.org/content/dam/aba/publications/franchise_lawyer/summer2016/flj-v36-1-kilejian.pdf

¹³ https://www.btlj.org/data/articles2015/vol25/25_1_AR/25-berkeley-tech-l-j-0401-0428.pdf

Modern consumers are generally aware of the distinction between organic search results and sponsored links, reducing the risk of confusion. However, the CJEU's broad interpretation of trademark functions has led to concerns about overprotection, potentially stifling competition and innovation in online advertising. The article proposes a licensing model for trademark use in keyword advertising, balancing the interests of trademark owners, advertisers, and consumers, ensuring fair competition without undermining search engine functionality.¹⁴

15. The Limitations of Trademark Law in Addressing Trademark Keyword Banners

Author: Matthew A. Kaminert

Year: 2000

The rise of keyword banner advertisements (TKBs) on the internet has sparked legal debates about trademark infringement and dilution. This essay examines the limitations of trademark law in addressing TKBs, focusing on whether they violate the Lanham Act or undermine trademark protections. The research uses a detailed analysis of existing legal frameworks and compares TKBs with manipulative Meta tagging and comparative advertising. The findings suggest that TKBs do not inherently violate trademark law, as they do not create confusion or dilution. They are displayed separately from search results, reducing consumer confusion. TKBs can be seen as a form of comparative advertising, benefiting consumers by providing information about alternative products. The essay concludes that existing trademark laws are sufficient to address TKBs, and new legislation is unnecessary.¹⁵

1.4. Research Problem

Although digital advertising develops rapidly, it continues to present a considerable legal laguna in the application of the conventional doctrine of trademark infringement to keyword advertising in India. Trademark owners claim that entering their marks into the keywords of competitors results in the erosion of brand equity, dilution of distinctiveness in the trademarks, and, as a result, inducing consumers to otherwise believe in the product offering of the competitors. Nevertheless, prevailing interpretation in judicial cases, both in India and international boundaries, tend to rule out infringement unless there is sufficient proof of consumer confusion. This creates tension in the enforcement of trademark rights that have already been established with the promotion of competition in the digital advertisement market.

¹⁴ Trademark Licensing in Keyword Advertising Zedja, Maciej Page 18

¹⁵ <https://digitalcommons.law.scu.edu/cgi/viewcontent.cgi?article=1253&context=chtlj>

The wider definition of "use in commerce" extended to include new advertising usage has resulted in ambiguity in the definition of infringing use itself. The conventional tests, such as the "likelihood of confusion" analysis, fail at times to reveal the dynamics of consumer behavior in an online environment where sponsored links are clearly demarcated from organic search results. Those new marketing techniques, including the initial interest confusion and comparative advertising, challenge the traditional yardsticks of legal test. There have been conflicting judicial pronouncements on similar issues in other jurisdictions, but no clear resolution or consensus over how the doctrines should be applied in India. As a result, trademark owners are severely restricted in enforcing their rights in India, with competitors benefiting from a much more liberal regime.

Thus, the research problem focus on the need to critically evaluate whether existing legal doctrines are fit for purpose in the digital age and to propose potential reforms that would balance the interests of trademark protection with the realities of competitive online advertising.

1.5. Research Question

1. Is the trademark protection framework in India under the Trade Mark Act, 1999 effective in addressing trademark infringement claims arising from keyword advertising and how it is effective. What could be better reform to balance the interests of trademark owners and digital advertisers?
2. Does the existing legal structure of the trademarks act 1999 fails to provide sufficient protection for trademark owners against implement through keyword advertising? What are specific reforms to tackle the distinct challenges presented by digital marketplace?

1.6. Research Objective

- To examine the concept of keyword advertising on its intersection with trademark law.
- To evaluate the adequacy of trademarks at 1999, in addressing trademark infringement in keyword advertising.
- To examine the judicial interpretations and global legal perspectives on keyboard, advertising and trademark infringement.
- To assess the role of search engine and digital advertisers in trademark infringement

cases.

- To suggest, legal and policy reform to create a balanced approach between trademark protection and fair competition.

1.7. Scope and Limitations

This research focuses on the legal issues surrounding trademark infringement through keyword advertising in India, with a comparative perspective that includes seminal international case laws. The study analyses statutory provisions, judicial decisions, and scholarly commentary from the period 2000 to 2024. It does not examine the technical aspects of digital advertising algorithms or the economic impact of keyword bidding beyond their legal implications. Moreover, while the study includes analyses of relevant articles, it is limited by the subjective perspectives of a small sample of legal practitioners and digital marketing experts. The research does not cover every possible jurisdiction or case, and its conclusions are drawn primarily from available case law and literature, which may evolve. Therefore, while the study offers significant insights, its findings are constrained by the rapidly changing digital landscape and emerging judicial interpretations.

1.8. Research Methodology

This research adopts doctrinal and comparative legal methodology to critically analyze the Indian legal framework on trademark infringement by advertising via keywords. This methodology is appropriated for an in-depth analysis of existing legislation, judicial precedents, and academic literature to evaluate the adequacy of legal protections against trademark infringement with digital advertising as their control. The study aims to track existing gaps in prevailing legal frameworks in addressing trademark infringement, especially when posed by keyword advertising, and offer a more systematic approach to address the protection of trademarks with such development in the area of digital marketing.

The primary and secondary data will confer a complete understanding of trademark infringement through keyword advertising. Primary sources include the Trade Marks Act, 1999, and relevant judicial precedents which interpret issues related to trademark infringement such as "likelihood of confusion" and "initial interest confusion. This study addresses landmark judgments in India dealing with issues involving both trademarks and online advertising, as well as highlighting issues related to the use of trademarks as keywords in search engine advertising.

The Trade Marks Act, 1999, has its own provisions regarding trademark infringement that are pertinent to keyword advertising, and this study critically assesses if the current framework is sufficient to deal with the subtleties of keyword advertising.

Secondary sources like the law review articles, books, and scholarly papers are supplemented by primary sources to provide an academic context to the issues of digital advertising and trademark infringement. Such sources enhance the understanding of ethical, economic, and consumer welfare issues concerning keyword advertising. Further research examines the comparatives of keyword advertising with other jurisdictions, mainly the United States and European Union, regarding how they treat this medium and the importance or lack of importance it places on the trademark rights. *Google France v. Louis Vuitton* and *Rescuecom v. Google* are some of the cases analyzed to understand how international courts viewed and interpreted the issue of trademark infringement amidst search engine advertising and its applicability in the Indian context.

1.9. Hypothesis

The current legal framework of India is insufficient for addressing trademark infringement in keyword advertising which leads to permissive practices and misappropriation of brand goodwill.

CHAPTER – 2 DISCUSSION

1.1. Trademark Law and Keyword Advertising – Conceptual Framework

Trademark law serves as a fundamental pillar of intellectual property rights, ensuring that businesses can distinguish their goods and services from competitors while preventing consumer confusion. Under the Trademark Act, 1999, provide which owner protecting it from unauthorized used in a manner likely to mislead consumer or dilute its distinctiveness. Traditional cases of trademarking and unauthorized use of marketing, physical or digital marketplaces, but technological advancements have introduced normal challenges, particularly in digital advertising.

One of the challenges, keyword advertising, digital marketing strategy where advertises bid on keyboards – often, including trademarks to prepare their advertisements on search engines like Google. This practice enables businesses to appear in search trademark infringement and unfair

competition. The central issue is better bidding on a trademark as a keyword constitute “unauthorized use” under Indian trademark law. Go worldwide have delivered varied interpretations, some jurisdictions, consider considering it, legitimate ad, advertising tool, and author viewing it as potential infringement.

The Trademarks Act, 1999, establishes extensive trademark protection in India against infringement and passing off yet the legal treatment of keyword advertising lacks clarity. Judicial bodies have struggled to establish clear definitions regarding whether such usage results in confusion probability, deceptive representation, or unjust benefit.

1.2. Assessing the Efficacy of Trademark Protection in India: Addressing Infringement in Keyword Advertising and the Need for Reforms

Keywords advertising has brought about new challenges for trademark protection in India due to the speedily changing scenario of digital marketing. The Trade Marks Act, 1999, does afford complete protection against trademark infringement and passing off, but its applicability to keyword advertising remains questionable. The Act prohibits unauthorized use of trademarks, in a confusing or unfair advantage manner to the aggrieved party; meanwhile, the provisions do not mention any legal interpretation on the nature of digital advertisement practices.

Effectiveness of the Current Framework

Under section 29 of the Trade Marks Act, 1999: a trademark is infringed when a similar or identical mark is put to use in a way so as to confuse or draw an unfair advantage from the reputation of the registered owner. Thus, keyword advertising raises a unique challenge: using a trademark as a keyword does not necessarily mean that the mark itself is being used in the advertisement. Therefore, whether bidding on a competitor's trademark as a keyword constitutes "use" in commerce by Indian law is put to question.

Since no landmark judgments have yet been established by the Indian courts on the question, matters remain legally uncertain. Cases like *Google India Pvt. Ltd. v. Visakha Industries*¹⁶ have acknowledged the place of online intermediaries but have not declared trademark infringement through keyword advertising. In contrast, the courts in the USA and EU have provided mixed decisions, some regarding it as a legitimate marketing method and others as infringing one,

bringing consumer confusion.

Need for Reforms

- Defining Trademark "Use" in Digital Advertising-Trademark legislation should explicitly define the use of trademarks in keyword advertising, along with setting some markers for when this use shall be pronounced to constitute infringement.
- Consumer Confusion and Likelihood of Association-A legal test needs to be developed ensuring that if keyword bidding does smear the minds of the consumer in such a way that they associate the advertised brand with the trademark owner, corresponding to that presumably misleading advertising.
- Search Engines and Advertisers Liabilities: The law should clarify whether search engines like Google should prevent misleading advertisements and whether advertisers may be held liable for bidding on competitors' trademarks.
- Balance Between Competition and Trademark Rights: The regulation should uphold fair competition while prohibiting misleading advertising practices that injure trademark owners.

1.3. Trademark Protection and Keyword Advertising in India: Evaluating Legal Adequacy and Proposed Reforms

The rise of keyword advertising in digital marketing has posed new challenges for trademarks protection in India. Under Section 29, it defines infringement as the use of an identical or deceptively similar mark likely to cause confusion or take unfair advantage in Trade Mark Act 1999 which provides a legal framework to prevent unauthorized use of trademarks. However, the Act does not explicitly address the use of trademarks as keywords in online advertising, leading to legal uncertainty.

One of the key issues in keyword advertising is determining whether bidding on a competitor's trademark constitutes "use in commerce". Unlike traditional forms of trademark infringement, keyword advertising does not always involve the visible use of a trademark in an advertisement, making it difficult to establish consumer confusion. While Indian courts have dealt with intermediary liability in cases like Google India Pvt. Ltd. v. Visakha Industries, they have not yet provided clear guidance on trademark infringement through keyword advertising. This ambiguity has led to inconsistent enforcement and uncertainty for brand owners and advertisers

alike.

To address these challenges, legal reforms are necessary. First, the Trade Marks Act should explicitly define trademark use in the context of digital advertising, including keyword bidding. Second, clear legal tests should be developed to assess whether keyword-based advertisements create a likelihood of confusion or mislead consumers. Third, the liability of search engines and advertisers should be clarified to ensure a fair balance between trademark protection and competitive marketing practices.

CHAPTER – 3 CHALLENGES

3.1. Challenges in Enforcing Trademark Rights in Digital Advertising

Enforcing trademark rights in digital advertising presents significant challenges due to the evolving nature of online marketing strategies and the global reach of digital platforms. The lack of direct trademark use in keyword advertising is one of the major issues. Unlike traditional infringement cases, where an unauthorized party physically uses a trademark, keyword advertising involves bidding on trademarks as search engine triggers, making it difficult to establish direct infringement under the Trade Marks Act, 1999. Another challenge is jurisdictional complexity since digital advertising operates across borders, enforcing Indian trademark law against foreign advertisers or search engine platforms becomes difficult. Search engines like Google follow their own advertising policies, which may not always align with national trademark law leading to conflict in enforcement. Additionally, identifying infringers and proving consumer confusion remain complex. Competitors using keyword advertising may not explicitly display the trademark in their ads, making it harder to prove misleading association, or deception.

3.2. The Absence of Clear Legislative Guidelines and Judicial Inconsistency

One of the huge challenges in tackling trademark infringement in keyword advertising is the lack of clear legislative provisions and inconsistent judicial interpretations. While the Trade Marks Act, 1999 protects trademark owners from unauthorized use, it does not explicitly address keyword advertising, leaving courts to interpret its applicability on a case-by-case basis. This leads to legal uncertainty and unpredictable outcomes in enforcement. Indian courts have yet to establish a definitive precedent on whether bidding on a competitor's trademark as a keyword constitutes infringement. International courts, such as those in the European Union,

have ruled that keyword advertising can amount to trademark infringement if it causes consumer confusion, while courts, like in U.S., have leaned toward permitting it under fair competition principles. This inconsistency makes it difficult for businesses to examine legal risks in India. The absence of regulatory clarity also affects enforcement against search engines and advertisers. Without specific guidelines, online platforms often rely on their own policies rather than national laws, making enforcement inconsistent.

CHAPTER 4 – COMPARISON OF INTERNATIONAL PERSPECTIVE

The legal treatment of trademark infringement through keyword advertising varies across jurisdictions, with courts and lawmakers attempting to balance trademark protection with fair competition in the digital marketplace. Some jurisdictions consider bidding on a competitor's trademark as a legitimate marketing strategy, others emphasize the risk of consumer confusion.

4.1. Legal Frameworks Governing Keyword Advertising

The question of whether keyword advertising infringes trademark rights has been widely debated. Courts in different jurisdictions have taken varying stances based on factors such as consumer confusion, deceptive advertising, and trademark dilution. In *Google France SARL v. Louis Vuitton Malletier SA*¹⁷ (EU, 2010), the European Court of Justice (ECJ) ruled that search engines like Google do not directly infringe trademark rights merely by allowing advertisers to purchase trademarks as keywords. The court held that liability arises only if such use misleads consumers into believing the advertisement is affiliated with the trademark owner.

Similarly, in the United States, courts have reinforced the idea that keyword bidding itself is not inherently infringing. In *Rescuecom Corp. v. Google Inc.*¹⁸ (US, 2009), the U.S. Court of Appeals ruled that selling trademarks as keywords constitutes "use in commerce" under U.S. trademark law but emphasized that actual consumer confusion must be proven for an infringement claim to succeed. The *Network Automation, Inc. v. Advanced Systems Concepts, Inc.*¹⁹ (US, 2011) case further applied a likelihood of confusion test, assessing factors such as the nature of advertisements, consumer sophistication, and trademark strength. More recently, in *1-800 Contacts, Inc. v. JAND, Inc.*²⁰ (US, 2024), the Second Circuit ruled that the mere

¹⁷ *Google France Sarl v Louis Vuitton Malletier SA* (C-236/08) [2010]

¹⁸ *Rescuecom Corp. v. Google Inc.* 562 F.3d 123

¹⁹ *Network Automation, Inc. v. Advanced Systems Concepts, Inc.* 638 F.3d 1137

²⁰ *1-800 Contacts, Inc. v. JAND, Inc.*, No. 22-1634 (2d Cir. 2024)

purchase of a trademarked keyword does not constitute infringement unless additional deceptive practices are involved.

In India, the Trade Marks Act, 1999, particularly Section 29, prohibits the unauthorized use of registered trademarks if it causes consumer confusion or deception. However, Indian courts have taken a more cautious approach. In *Consim Info Pvt. Ltd. v. Google India Pvt. Ltd.*²¹ (India, 2013), the Delhi High Court ruled that keyword advertising does not amount to trademark infringement unless the advertisement explicitly misleads consumers. This decision highlights India's requirement for proof of deception, rather than assuming automatic infringement.

4.2. Enforcement Mechanisms and Legal Remedies

The enforcement of trademark rights in keyword advertising cases depends on legal frameworks that assess consumer confusion, deceptive practices, and trademark dilution. In the EU, the *Google France SARL* ruling emphasized that enforcement should focus on consumer perception. If an ad misleads users into believing it is affiliated with the trademark owner, enforcement actions such as injunctions or financial damages can be imposed on advertisers.

In the US, courts use the likelihood of confusion test, as applied in *Network Automation, Inc. v. Advanced Systems Concepts, Inc.* (2011), to determine whether an advertisement misleads consumers. The *1-800 Contacts* case (2024) further clarified that keyword bidding is not infringing unless the actual ad creates deception. Enforcement, therefore, targets deceptive advertisements rather than keyword bidding itself. In India, enforcement relies on proving deception under Section 29 of the Trade Marks Act, 1999. In *Consim Info Pvt. Ltd. v. Google India Pvt. Ltd.*, the Delhi High Court ruled that keyword advertising does not amount to trademark infringement unless it explicitly misleads consumers. This precedent requires clear evidence of consumer confusion for successful enforcement.

However, enforcement in India remains inconsistent due to jurisdictional challenges, evolving digital marketing strategies, and the absence of specific laws addressing keyword advertising. To strengthen enforcement, India could consider:

1. Developing clear legal standards for consumer confusion in digital advertising
2. Requiring advertisers to disclose affiliations in ads to avoid deceptive practices

3. Establishing dedicated regulatory mechanisms for resolving keyword advertising disputes

A balanced enforcement approach will help protect trademark owners from unfair competition while maintaining a fair and competitive digital advertising ecosystem.

CHAPTER 5 – CONCLUSION

5.1. Key Findings

This research highlights trademark infringement, especially in connection with keyword advertising, which presents intricate situations in India and across the globe. EU, US, and India demonstrates that courts have taken divergent approaches to determining liability, primarily focusing on consumer confusion and deceptive advertising practices.

In India, the Trade Marks Act, 1999, particularly Section 29, forms the legal foundation for addressing trademark infringement. However, Indian courts have ruled that keyword advertising does not automatically constitute infringement unless it leads to misleading consumer perception. The case of *Consim Info Pvt. Ltd. v. Google India Pvt. Ltd.* (2013) established that proof of deception is required to hold advertisers accountable.

In contrast, EU courts, as seen in *Google France SARL v. Louis Vuitton Malletier SA* (2010), ruled that search engines are not directly liable for allowing trademark keyword bidding. Similarly, US courts, in *Rescuecom Corp. v. Google Inc.* (2009) and *1-800 Contacts, Inc. v. JAND, Inc.* (2024), emphasized that advertisers, not search engines, are responsible for misleading consumers.

The study finds that India lacks clear legislative guidelines and judicial consistency in handling keyword advertising disputes. A more defined legal framework is necessary to balance trademark rights and digital marketing practices effectively.

5.2. Addressing the Gap Between Trademark Protection and Keyword Advertising

The present framework of trademark protection in the country does not really act much for emerging problems surrounding digital advertisement. There are no explicit legislative guidelines to go for keyword advertising. Without these, the law concerning keyword-advertising suffers unsatisfactory judicial interpretations. Majorly missing in the legal

apparatus is an objective standard for consumer confusion in advertising that takes place online. Likelihood of confusion test is used in the EU and US, for instance, see *Network Automation, Inc. v. Advanced Systems Concepts, Inc.* (2011). However, India does not have a standard approach, leaving the whole picture hazy and case dependent.

Also, the role of search engines and digital intermediaries remains vagueness under Indian law. As it defines, European and American judgments are about Google and others outside the direct liability worlds, Indian law does not mention a definition concerning their liabilities. Section 79 of the Information Technology Act, 2000 allows the platform to bring safe harbour but does not provide a clear position on their responsibilities regarding misuse of trademarks.

- Amending the Trade Marks Act, 1999, explicitly to provide provisions for keyword advertising;
- Establishment of judicial guidelines to establish consumer confusion in digital advertisement;
- Clarifying intermediary liability and enforcement mechanisms.
- Balanced regulation would have a fair competitive environment to protect trademark owners from misleading advertising.

5.3. Conclusion

As digital marketing, avoids trademark protection framework must adapt to address potential infringement while allowing fair competition. The research highlight that India lacks a clear, consistent legal framework to regulate keyword advertising leading to judicial ambiguity and enforcement difficulties.

A comparative analysis of EU, US, and Indian legal systems shows that courts in different jurisdictions have taken varied approaches to determining liability. In *Google France SARL v. Louis Vuitton Malletier SA* (2010), the European Court of Justice (ECJ) ruled that search engines are not directly liable unless they actively contribute to consumer confusion. Similarly, US courts in *Rescuecom Corp. v. Google Inc.* (2009) and *1-800 Contacts, Inc. v. JAND, Inc.* (2024) emphasized that advertisers, rather than search engines, bear the primary responsibility for misleading consumers. In India, *Consim Info Pvt. Ltd. v. Google India Pvt. Ltd.* (2013) clarified that keyword advertising does not automatically amount to infringement unless it misleads consumers into believing that an advertisement is associated with the trademark

owner. Despite these judicial developments, India lacks a legislative framework that directly addresses keyword advertising. Additionally, there is no established test for determining consumer confusion in online keyword advertising, leading to inconsistent rulings.

To address these gaps, India must include specific provisions on keyword advertising and digital trademark use. Judicial guidelines on consumer confusion, deceptive advertising, and intermediary liability should be developed to ensure consistency in trademark enforcement. A balanced legal approach will help safeguard trademark owners' rights while supporting fair competition in the world of digital advertising.

