

North American Med. Corp. v. Axiom Worldwide, Inc.,
United States Court of Appeals for the Eleventh Circuit
147 F.3d 1301 (11th Cir. 2008)

Axiom briefly argues that placing a competitor's trademarks within meta tags, which consumers never view, does not constitute a "use" as required to find trademark infringement under the Lanham Act. However, we readily conclude that the facts of the instant case do involve a "use" as contemplated in the Lanham Act – that is, a use in connection with the sale or advertisement of goods. In deciding whether Axiom has made an infringing "use," we focus on the plain language of § 1114(1)(a), which, as noted above, requires a "use in commerce ... of a registered mark in connection with the sale ... or advertising of any goods." 15 U.S.C. § 1114(1)(a). The facts of the instant case are absolutely clear that Axiom used NAM's two trademarks as meta tags as part of its effort to promote and advertise its products on the Internet. Under the plain meaning of the language of the statute, such use constitutes a use in commerce in connection with the advertising of any goods. Accordingly, we readily conclude that plaintiffs in this case have satisfied that (1) they possessed a valid mark, (2) that the defendant used the mark, (3) that the defendant's use of the mark occurred "in commerce," and (4) that the defendant used the mark "in connection with the sale ... or advertising of any goods."

In an effort to avoid the foregoing plain meaning of the statutory language, Axiom places its sole reliance on the Second Circuit's 1-800 Contacts case. In that case, whenever a consumer who had installed the defendant's computer program clicked on or searched for the plaintiff's website address, the program generated on the consumer's screen not only the website sought (e.g., plaintiff's), but also a second window displaying pop-up ads for the defendant's alternative, competing products. 414 F.3d at 404-05. The Second Circuit ultimately held, as a matter of law, that such use of the web address is not a "use in commerce." *Id.* at 403.

In so holding, the Second Circuit emphasized that the defendant did not use plaintiff's trademark, but rather used its website address, which differed slightly from the mark. *Id.* at 408-09. Indeed, the court explicitly declined to express an opinion on the appropriate result if defendant had in fact used plaintiff's trademark. *Id.* at 409 n. 11. Even more crucial to the Second Circuit's holding, the court emphasized repeatedly the fact that the defendant never caused plaintiff's trademarks to be displayed to a consumer. *Id.* at 408-10. The court explained that the defendant used plaintiff's web address merely in the internal directory of its proprietary software, which was "inaccessible to both the C-user and the general public." *Id.* at 409. Explaining the significance of the fact that the defendant never caused plaintiff's trademark to be displayed to the consumer, the court stated that defendant's use of plaintiff's "website address in the directory does not create a possibility of visual confusion with 1-800's mark." *Id.*

In rejecting Axiom's invitation to rely on 1-800 Contacts, we initially note that the above two key facts are not present in the case before us. First, unlike the defendant in 1-800 Contacts, Axiom in the instant case did use NAM's two trademarks in its meta tags; it did not merely use NAM's unprotected website address. Second, and again unlike in 1-800

Contacts, the defendant-Axiom in this case did cause plaintiff's trademark to be displayed to the consumer in the search results' description of defendant's site.⁶ Thus, the facts of the instant case stand in stark contrast to those in 1-800 Contacts, and Axiom's reliance on the Second Circuit's opinion is therefore misplaced.

Furthermore, to the extent the 1-800 Contacts court based its “use” analysis on the fact that the defendant did not display the plaintiff's trademark, we think the Second Circuit's analysis is questionable. Although we believe that the absence of such a display is relevant in deciding whether there is a likelihood of confusion, we believe that, when the analysis separates the element of likelihood of confusion from the other elements, this fact is not relevant in deciding whether there is a use in commerce in connection with the sale or advertising of any goods. Because the Second Circuit did separate its analysis in this manner, and did purport not to address the likelihood of confusion issue, see *id.* at 406, its reliance on the fact that there was no display of the plaintiff's trademark (and thus no possibility of confusion) undermines the persuasiveness of its analysis of the separate elements of use in commerce in connection with the sale or advertising of any goods.

In sum, we conclude that Axiom's reliance on the Second Circuit decision in 1-800 Contacts is misplaced.⁷ We conclude that the plain meaning of the statutory language clearly indicates that Axiom's use of NAM's trademarks as meta tags constitutes a “use in commerce ... in connection with the sale ... or advertising of any goods” under the facts of this case. . . .

⁶ As described more fully below, when a consumer in this case entered NAM's trademarks into a search engine, the search results displayed Axiom's website along with a description thereof, which description included NAM's trademarks in a manner likely to confuse consumers and suggest some relationship between Axiom and NAM.

⁷ We also note that several cases, including 1-800 Contacts, refer to 15 U.S.C. § 1127 with respect to the definition of “use in commerce” in the infringement context. See, e.g., 1-800 Contacts, 414 F.3d at 407, 409. However, a leading treatise on trademarks notes that § 1127 “defines the kind of ‘use’ needed to acquire registerable trademark rights-not to infringe them.” J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 23:11.50 (4th ed.2003). McCarthy explains that § 1127 harked back to the common law “affixation” requirement, a formalistic prerequisite to achieving technical trademark status. *Id.* By contrast, McCarthy observes that § 1114(1) merely requires that a plaintiff's proof of infringement establish a use in commerce “in connection with the sale ... or advertising of any goods.” *Id.* In any event, McCarthy notes that the cases that inappropriately cite § 1127 in the context of an infringing “use” analysis do not apply that section's affixation limitations. *Id.* Finally, McCarthy cites Ninth Circuit opinions as correctly construing § 1127. *Id.* (citing, for example, *Bosley Med. Inst., Inc. v. Kremer*, 403 F.3d 672 (9th Cir. 2005)). In *Kremer*, the Ninth Circuit noted that § 1127 is expressly prefaced with the caveat: “unless the contrary is plainly apparent from the context.” 403 F.3d at 677. Thus, the *Kremer* court held that the appropriate issue was whether the use was “in connection with the sale of goods or services.” *Id.*