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**USE OF TRADEMARKS ON THE INTERNET:
SUMMARY OF RESPONSES TO QUESTIONNAIRE**

prepared by the International Bureau

I. INTRODUCTION

1. During the second session, second part of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT), held in Geneva from June 7 to 11, 1999, the SCT asked the International Bureau to prepare a questionnaire with hypothetical situations relating to the use of trademarks on the Internet.
2. Pursuant to the conclusion of the Standing Committee, a questionnaire prepared by the International Bureau was sent to all States party to the Paris Convention and/or Member of the World Intellectual Property Organization. The purpose of circulating the questionnaire was to collect information regarding the practice of Member States of WIPO, in the light of their national law, with regard to these hypothetical situations.
3. As of October 19, 1999, replies had been received from the following States: Argentina, Armenia, Australia, Austria, Belgium, Brazil, Bulgaria, Burkina Faso, China, Denmark, Estonia, France, Georgia, Germany, Greece, Hungary, Japan, Kyrgyzstan, Latvia, New Zealand, Nigeria, Norway, Portugal, Republic of Moldova (stating its inability to answer), the Russian Federation, Slovakia, Spain, Switzerland, Tajikistan, Trinidad and Tobago, Tunisia, Turkey, Turkmenistan, the United Kingdom, Uruguay, and Uzbekistan (36).
4. The text of the questionnaire showing the number of replies given to the various questions is reproduced in the Annex.¹

II. ANALYSIS

5. It should be noted that the replies to the questionnaire do not provide a general authoritative description of the existing state of the law of Member States, and the replies frequently referred to the absence so far of regulatory or judicial guidance. This led many States either to refrain from answering particular questions, to reply by checking the sample answer "other," or to explicitly state that the answers given constituted only tentative indications as to the direction in which the law might develop.
6. Taken as a whole, the replies illustrate the situation in which an enterprise finds itself when it wishes to use a sign on the Internet. No question has been answered unanimously and, even though majority views in many cases might give an indication as to the probable future development of the law, the wide divergence of views is significant.

Jurisdiction

7. With regard to jurisdiction², a large number of countries chose more than one of the sample answers. The majority seem to agree that the courts of the country where the defendant has its place of business and/or the courts of the countries where the rights were established have jurisdiction over infringement actions. Similar responses were given by eight

¹ The number of replies given to a particular question is not always equivalent to the total number of replies received since, in some cases, more than one sample answer was chosen and, in other cases, no reply was given.

² Question I.1.a)

States that checked the sample answer “other,” indicating that the courts of the country where the “harmful event”, the “actionable harm” or “the infringement” occurred would be competent under their national law. One State pointed out that the courts of the countries where the rights were established would only have “specific jurisdiction.”³

8. It is also noteworthy that most countries were of the opinion that their courts would be competent to decide the cases described under II through IV.⁴

Applicable Law

9. Most States seem to apply the law of the country of registration for each trademark. Four States replied that they would additionally apply the *lex fori*. One State pointed out that, in practice, it might be difficult to decide a case on the basis of three different trademark laws, and that courts might, therefore, have to rely on the *lex fori*.⁵

Infringement

10. A majority of replies indicated that the use of a trademark on a “passive” web site (i.e. a web site that is devoted to advertising) is regarded as a trademark infringement.⁶ That number was greater with regard to use on an “interactive” web site for “mail order”⁷, and greatest with respect to the delivery of software over the Internet.⁸

11. The majority of those who considered that the use of the trademark would be regarded as an infringement were of the opinion that the court would have to limit the effect of its decision to the country in which it is based, and in which the trademark enjoys protection. This seems to be in recognition of the fact that both the jurisdiction of national courts and the protection of trademarks are territorially limited.⁹

12. The assessment of “disclaimers” varied according to the situation in which they were used: Whereas a majority of those who considered an infringement did not regard a mere statement on a “passive” web site sufficient (although a substantial number of replies did),¹⁰ this perception changed when disclaimers were use on an interactive web site and supported by factual evidence.¹¹

13. In cases of conflicts between holders of different national trademark rights in the same sign, a large majority considered the use of a sign on the Internet as infringing the conflicting right. As a reference to the principle of territoriality and in an effort to enable both right holders to use “their” sign on the Internet, most respondents favored limiting the effect of the court decision to the country in which the infringed right was protected.

³ For the distinction between “general” and “special” or “specific jurisdiction”, see document SCT/2/9, paragraphs 40 to 42 and document SCT/3/3, paragraphs 23 *et seq.*

⁴ Questions II.2.a), III.3.a) and IV.4.a)

⁵ Question I.1.b)

⁶ Question II.2.b)

⁷ Question III.3.b)

⁸ Question IV.4.b)

⁹ See document SCT/2/9, paragraphs 68 to 69

¹⁰ Question II.2.c)

¹¹ Questions III.3.d) and IV.4.d)

Maintenance of Rights

14. For a slight majority, use of a trademark on a passive web site (i.e. in the context of advertising) could be sufficient for the purpose of maintaining a trademark registration.¹² A majority of those States who had replied by checking the sample answer “other”, however, indicated that such use would only be regarded as sufficient if the goods were used in commerce or were actually available on the market in that country (or, as one reply stated, were made available within a reasonable time).

15. An even bigger majority considered use of a trademark on an “interactive” web site sufficient for the purpose of maintaining a trademark registration, but no real difference was made with respect to whether the goods marketed on that site were delivered by “mail order” or directly over the Internet.¹³ Again, a substantial number of States indicated under “other” that it was not clear whether such use could be regarded as sufficient use in commerce. Not surprisingly, the overwhelming majority considered such use sufficient if it was supported by a substantial number of sales to customers located in the country.¹⁴

Associative Use

16. The most remarkable general fact with regard to that group of cases is the great number of replies indicating that, due to the absence of legal provisions or precedents, no reliable judgment as to the outcome of the hypothetical case could be made.

Metatags and invisible html code

17. A great majority of countries held that unauthorized use of trademark as a metatag could be enjoined by the right holder, mostly on the basis of unfair competition law.¹⁵ Those who had opted for “other” mainly pointed out that no legal provisions or precedents exist to decide such cases.

Sale of keywords

18. A smaller majority than in the previous case was of the opinion that the sale of keywords could be enjoined by the right holder, again mostly on the basis of unfair competition law.¹⁶ An even larger number of replies than in the previous case indicated under “other” that they had no legal provisions or precedents on which to base their answer.

Fair use, non-commercial use

19. With regard to the use of a trademark by a retailer,¹⁷ the responses were evenly split between those who considered such use as being subject to an injunction, and those who regarded it as fair use. Some who had checked “other” stated that such use might be regarded as an infringement if the goods displayed were not produced by the trademark owner, if the

¹² Question II.2.d)

¹³ Questions III.3.e), IV.4.f)

¹⁴ Questions III.3.f), IV.4.g)

¹⁵ Question VI.1.5.

¹⁶ Question VI.2.6.

¹⁷ Question VI.3.7.

retailer gave the impression of being the producer or in other ways associated with the trademark owner, or if the latter had its own distribution network. Once again, some indicated their inability to answer due to lack of normative or judicial guidelines.

20. Non-commercial use of a trademark by a non-commercial association was considered legitimate by the majority of responses, whereas a minority either considered such use as subject to an injunction by the trademark holder, or indicated that it lacked the guidance to answer the question.

21. With regard to use of trademarks in the context of critical statements, views again diverged widely. A small majority was of the opinion that the right holder could enjoin such use. A substantial number of respondents pointed out that the legal treatment would depend on the exact form and content of the statements made on the web site, and that the trademark owner might (also) have a claim under defamation law. One country stressed that the interests of the trademark holder would have to be balanced against the freedom of speech of the user of the trademark.

III. CONCLUSION

22. The most obvious conclusion to be drawn from the answers to the questionnaire is that there exists a wide divergence of views regarding the legal treatment of the hypothetical situations presented in it. From the perspective of trademark owners, as well as from the perspective of those who want to participate in electronic commerce, this will probably seem rather disconcerting.

23. With regard to the problems resulting from tension between the territoriality of trademark rights and the global nature of the Internet,¹⁸ however, there seems to be a tendency towards “transposing” territoriality into the borderless cyberspace by:

- defining the notion of infringement in a way that presupposes some objective relationship with the country in which the conflicting right exists;¹⁹
- giving some effect to “disclaimers”, at least when they are supported by factual evidence;²⁰
- limiting the effect of court decisions to the territory in which the court is located and/or where the infringed trademark is protected.²¹

24. There is also a tendency towards solving conflicts between legitimate national trademark rights on the Internet in a way that would allow all right holders to use their signs on the Internet.²²

¹⁸ See, in particular questions II.2.b) and c), III.3. b) to d) and IV.4.b) to e)

¹⁹ The number of those who found an infringement in the situation described in question II.2.b) was smaller than in questions III.3.b) and IV.4.b)

²⁰ See questions II.2.c), III.3.d) and IV.4.d)

²¹ See questions II.2.b), III.3.b), IV.4.b)

²² See question IV.4.e)

25. With regard to problems resulting from “new” forms of use on the Internet, the divergence of views is notable. There might, therefore, be a need for harmonized general criteria of either acceptable or unacceptable forms of use.

[Annex follows]

ANNEX

HYPOTHETICAL CASES CONCERNING THE USE OF TRADEMARKS ON THE INTERNET

The Member States of the SCT are asked to answer the following questions on the basis of their national law. The questions may be answered on the basis of the sample answers, additional comments, references to precedents etc., would be most welcome. If a particular situation has not yet been decided under your national law, an indication to that effect could be given, or the question could be answered according to how courts of your country would probably decide the case.

I. GENERAL JURISDICTION AND APPLICABLE LAW

1. P, a company based in country W, has registered its trademark "GTI" in three countries W, X and Y. D, a company based in country Z, has registered the domain name "gti.com" for an Internet search engine which offers its services free of charge as a strategy for attracting advertising. The web site and the advertisements displayed on it are in a language widely used and understood on the Internet. The web site is regularly visited by Internet users from all over the world. P argues that by registering the domain name "gti.com", D has infringed its trademarks in countries W, X and Y. P wants to sue D to obtain an injunction preventing any further use of the domain name "gti.com", as well as damages.

a) *General Jurisdiction.* On the basis of your national law, which country's courts would have jurisdiction to decide over the infringement of all rights owned by P?

- | | |
|---|-----------|
| <input type="checkbox"/> The courts of the country where the defendant (D) has its place of business (i.e. country Z) | 15 |
| <input type="checkbox"/> The courts of the country where the plaintiff (P) has its place of business (i.e. country W) | 1 |
| <input type="checkbox"/> The courts of the countries where the rights were established (i.e. countries W, X and Y) | 22 |
| <input type="checkbox"/> Other (please specify) | 10 |

b) *Applicable Law.* On the basis of the rules of your country's private international law, which law or laws would the court have to apply in order to decide the merits of this case?

- | | |
|--|-----------|
| <input type="checkbox"/> For each right the law of the country in which it is registered, i.e. the law of country W, X and Y | 23 |
| <input type="checkbox"/> The lex fori, i.e. the law of the country in which the court is located | 9 |
| <input type="checkbox"/> The law of the country where the defendant is located, i.e. country Z | 4 |
| <input type="checkbox"/> The law of the country where the plaintiff is located, i.e. country W | 1 |
| <input type="checkbox"/> Other (please specify) | 3 |

II. ADVERTISING

2. A car manufacturer (D) who is based in country Z, runs a web site on which it advertises its cars in a language widely used and understood on the Internet. On this web site, D displays the trademark "GTI" which he has registered in country Z. D's cars cannot be ordered through the web site. For some economic reasons, the cars are not available on the market in your country (W) even though dedicated customers have been able to purchase one abroad and import it into your country (W). In your country (W), however, the trademark "GTI" is owned by a different car producer (P). P wants to file suit against D for trademark infringement, demanding an injunction against D's use of the trademark "GTI" on its web site.

a) *Jurisdiction.* Would the courts in your country have jurisdiction?

- | | |
|---|-----------|
| <input type="checkbox"/> Yes | 25 |
| <input type="checkbox"/> No | 7 |
| <input type="checkbox"/> Other (please specify) | 2 |

b) *Infringement.* Would D's use of the trademark "GTI" on its web site be regarded as an infringement of P's trademark on the basis of your national trademark law?

- | | |
|--|-----------|
| <input type="checkbox"/> Yes | 7 |
| <input type="checkbox"/> Yes, but the court would have to limit the effect of its decision to my country (W) | 15 |
| <input type="checkbox"/> No | 9 |
| <input type="checkbox"/> Other (please specify) | 4 |

c) *Disclaimers.* If your answer to question a) or b) is "yes", would your answer be different if D had, on its web site, added a phrase saying "the cars are not available in country W"?

- | | |
|---|-----------|
| <input type="checkbox"/> Yes | 10 |
| <input type="checkbox"/> No | 14 |
| <input type="checkbox"/> Other (please specify) | 5 |

d) *Maintenance of Trademark Registrations.* If P but not D had registered its trademark "GTI" in your country (W), could its use on the web site maintain its trademark registration under your national trademark law?

- | | |
|--|-----------|
| <input type="checkbox"/> Yes | 13 |
| <input type="checkbox"/> No, the trademark could be cancelled for non-use after a certain period of time | 6 |
| <input type="checkbox"/> Other (please specify) | 13 |

III. MAIL ORDER

3. D offers books on the Internet under its trademark "GTI" which is registered in country Z. The language of the web site is widely used and understood on the Internet; it is, however, not the official language of your country (W). P has registered the trademark "GTI" in your country (W) and uses it for its chain of book stores. P wants to sue D for trademark infringement in a court of your country (W).

a) *Jurisdiction.* On the basis of your national law, would courts in your country (W) have jurisdiction over the dispute?

- | | |
|---|----|
| <input type="checkbox"/> Yes | 25 |
| <input type="checkbox"/> No | 8 |
| <input type="checkbox"/> Other (please specify) | 2 |

b) *Infringement.* Would D's activities be regarded as an infringement of P's trademark under your national trademark law?

- | | |
|--|----|
| <input type="checkbox"/> Yes | 8 |
| <input type="checkbox"/> Yes, but the court would have to limit the effect of its decision to my country (W) | 16 |
| <input type="checkbox"/> No | 7 |
| <input type="checkbox"/> Other (please specify) | 3 |

c) *Relationship with a Particular Country.* If you have answered question a) or b) with "no", would your answer be different if D had actually sold a substantial number of books to customers located in your country (W)?

- | | |
|---|---|
| <input type="checkbox"/> Yes | 8 |
| <input type="checkbox"/> No | 6 |
| <input type="checkbox"/> Other (please specify) | 2 |

d) *Disclaimers.* If your answer to question a) or b) is "yes", would your answer be different if D had, on its web site, added a phrase saying "no orders are accepted from persons located in country W", and if D had actually refused orders by customers holding credit cards from banks located in your country (W)?

- | | |
|---|----|
| <input type="checkbox"/> Yes | 24 |
| <input type="checkbox"/> No | 8 |
| <input type="checkbox"/> Other (please specify) | 4 |

e) *Maintenance of Trademark Registrations.* If D but not P had registered its trademark "GTI" in your country (W), could its use on the web site maintain its trademark registration under your national trademark law?

- | | |
|--|----|
| <input type="checkbox"/> Yes | 18 |
| <input type="checkbox"/> No, the trademark could be cancelled for non-use after a certain period of time | 9 |
| <input type="checkbox"/> Other (please specify) | 9 |

f) *Maintenance of Trademark Registrations.* If your answer to question e) was "no", would your answer be different if the enterprise had actually sold a substantial number of books to customers located in your country?

- | | |
|--|----|
| <input type="checkbox"/> Yes | 12 |
| <input type="checkbox"/> No, the trademark could be cancelled for non-use after a certain period of time | 1 |
| <input type="checkbox"/> Other (please specify) | 2 |

IV. DELIVERY OVER THE INTERNET

4. The trademark "GTI" is owned in country Z by company D and in your country (W) by company P. Both companies are producing computer software. The trademark is not registered in any other country of the world. Company D operates a web site from which its software can be downloaded and on which its trademark "GTI" is displayed. Payments can be effected on the Internet by credit card. The text displayed on the web site is in a language widely used and understood on the Internet. Company P wants to sue D in order to demand an injunction against any further use of the trademark "GTI" on the Internet and for damages.

a) *Jurisdiction.* On the basis of the law of your country, would courts in your country (W) have jurisdiction over D?

- | | |
|---|-----------|
| <input type="checkbox"/> Yes | 26 |
| <input type="checkbox"/> No | 6 |
| <input type="checkbox"/> Other (please specify) | 3 |

b) *Infringement.* Would D's activities be regarded as an infringement of P's trademark under your national trademark law?

- | | |
|--|-----------|
| <input type="checkbox"/> Yes | 10 |
| <input type="checkbox"/> Yes, but the court would have to limit the effect of its decision to my country (W) | 17 |
| <input type="checkbox"/> No | 3 |
| <input type="checkbox"/> Other (please specify) | 4 |

c) *Relationship with a Particular Country.* If your answer to question a) or b) is "no", would your answer be different if D's web site has been visited by a substantial number of Internet users from servers located in your country (W), and if customers holding credit cards from banks in your country (W) have downloaded software?

- | | |
|---|----------|
| <input type="checkbox"/> Yes | 2 |
| <input type="checkbox"/> No | 8 |
| <input type="checkbox"/> Other (please specify) | 2 |

d) *Disclaimers.* If your answer to question a) or b) is "yes", would your answer be different if D had, on its web site, added a phrase saying "no orders are accepted from persons located in country W", and if D had actually refused orders by customers holding credit cards from banks located in your country (W)?

- | | |
|---|-----------|
| <input type="checkbox"/> Yes | 21 |
| <input type="checkbox"/> No | 7 |
| <input type="checkbox"/> Other (please specify) | 6 |

e) *Conflicting Rights*. Company P has been successful against D and now itself runs a web site on which it offers its software for downloading under its trademark "GTI". The web site is in a language widely used on the Internet. It has been visited by a substantial number of Internet users based in country Z, and some transactions have been effected using credit cards issued by banks in country Z. Now company D wants to sue P in country Z seeking an injunction against P and damages. On the basis of the law of your country, would D be successful?

- | | |
|---|----|
| <input type="checkbox"/> Yes | 5 |
| <input type="checkbox"/> Yes, but the court would have to limit the effect of its decision to the country in which the infringed right was protected, i.e. to country Z | 19 |
| <input type="checkbox"/> No | 3 |
| <input type="checkbox"/> Other (please specify) | 6 |

f) *Maintenance of Trademark Registrations*. If P was only using its trademark "GTI" on its web site under the circumstances outlined in question e), could such use maintain its trademark registration in your country (W) under your national trademark law?

- | | |
|--|----|
| <input type="checkbox"/> Yes | 18 |
| <input type="checkbox"/> No, the trademark could be cancelled for non-use after a certain period of time | 8 |
| <input type="checkbox"/> Other (please specify) | 9 |

g) *Maintenance of Trademark Registrations*. If your answer to the previous question is "no", would your answer be different if the web site has been visited by a number of Internet users from servers located in your country (W) and if customers holding credit cards from banks in your country (W) have downloaded software?

- | | |
|--|---|
| <input type="checkbox"/> Yes | 8 |
| <input type="checkbox"/> No, the trademark could be cancelled for non-use after a certain period of time | 1 |
| <input type="checkbox"/> Other (please specify) | 3 |

VI. ASSOCIATIVE USE

1. Metatags and invisible html. code

5. The trademark "GTI" is registered in your country for P, a producer of coffee makers and coffee filters. D runs a web site on which it advertises its coffee filters stating that these filters fit "the range of GTI coffee filter brewers." The web site has been created in such a way that it is listed as the first search result when someone enters the trademark "GTI" into a frequently used search engine. The reason for this is that D has repeated the sentence "Attractively priced and packed Coffee Filters fitting the range of GTI Coffee Filter Brewers" several times among the metatags or in the invisible html. code of its web site. On the basis of the law of your country, would a court enjoin D from using the trademark "GTI" in such a way?

- | | |
|--|----|
| <input type="checkbox"/> Yes, this would be regarded as an infringement of the trademark "GTI" | 6 |
| <input type="checkbox"/> Yes that would be regarded as an act of unfair competition | 21 |
| <input type="checkbox"/> No, this would be regarded as legitimate use of the trademark "GTI" | 2 |
| <input type="checkbox"/> Other (please specify) | 9 |

2. Sale of keywords

6. The trademark "GTI" is registered in your country for P, a cosmetics producer. D runs an Internet search engine. When the trademark "GTI" is entered into D's search engine, P's web site is listed and above the list of search results appears, clearly separated from it, a banner advertisement for a retailer selling cosmetics over the Internet (C). The reason for this is that D has linked the advertisement to the trademark "GTI" and sold it to C who wants to target Internet users looking for "GTI" cosmetics. On the basis of your national law, would P be successful in court with its claim to enjoin D from "selling" its trademark to advertisers?

- Yes, this would be regarded as an infringement of the trademark "GTI" **7**
- Yes, this would be regarded as an act of unfair competition **13**
- No, this would be regarded as legitimate use of the trademark "GTI" **3**
- Other (please specify) **13**

3. Fair use, non-commercial use

7. A retailer (D) sells toys over the Internet. D uses the trademark of a major toy producer (GTI) as a subdirectory in its URL (<http://www.D.com/GTI.html>). On this web page, information about toys bearing the trademark "GTI" is offered and the trademark "GTI" is displayed. The toys can be ordered through D's web site. On the basis of your national trademark law, could GTI enjoin P from using its trademark in the subdirectory of its URL and displaying it on its web page?

- Yes, this would be regarded as an infringement of the trademark "GTI" **6**
- Yes, this would be regarded as an act of unfair competition **4**
- No, this would be regarded as legitimate use of the trademark "GTI" **13**
- Other (please specify) **10**

8. The "GTI Owners Association" is a non-commercial organization of owners of cars produced by the car manufacturer P under the trademark "GTI". On the basis of the law of your country, could P enjoin this association from displaying the trademark "GTI" on its homepage which does not contain any commercial text?

- Yes, this would be regarded as an infringement of the trademark "GTI" **4**
- Yes, this would be regarded as an act of unfair competition **1**
- No, this would be regarded as legitimate use of the trademark "GTI" **23**
- Other (please specify) **4**

9. "GTI Bank" has registered its trademark in your country. D runs a web site under the domain name "ihategti.com" which contains critical statements about "GTI Bank". On the basis of your national trademark law, would "GTI Bank" be successful with its claim for an injunction against D?

- Yes, this would be regarded as an infringement of the trademark "GTI" **5**
- Yes, this would be regarded as an act of unfair competition **9**
- No, this would be regarded as legitimate use of the trademark "GTI" **7**
- Other (please specify) **10**

[End of Annex and of document]