

Use of Trademarks As Metadata & #Hashtags in Canada

Intellectual Property Bulletin

Just as social media platforms may vie for omnipresence in our lives, digital and otherwise, businesses may vie for market share on these social media platforms. Proper use and avoiding misuse of trademarks (alternately "TMs") and other intellectual property ("IP") on these platforms may be an increasing concern. Social media technologies and developments sometimes seem ever-changing, and guidelines on proper use of IP in social media need constant updating and adaptation. The international reach of social media platforms also often means that what may be okay in one jurisdiction may be offside in another.

Thankfully, a recent decision of the Federal Court of Canada provides guidance on the proper use of IP in this digital world that brand owners need to know now.

In *Red Label Vacations Inc. (redtag.ca) v. 411 Travel Buys Limited (411travelbuys.ca)* (PDF), 2015 FC 19 ("*Red Label Vacations*"), the Federal Court provided guidance on metadata and also hints at whether use of other social media mainstays – particularly, hashtags (for example "#topic") – may constitute IP infringement.

Use of Trademarks in Metadata: The Court's Decision

Red Label Vacations Inc. ("Red Label") is a travel business that offers online travel information services and bookings to the Canadian market through its website redtag.ca. Red Label has three registered TMs: (1) redtag.ca, (2) redtag.ca Vacations & Design, and (3) Shop. Compare. Payless!! Guaranteed & Design. 411 Travel Buys Limited ("411 Travel") is an online travel agency offering information to customers through its website, and the availability of agents over the phone to create bookings for travel and travel-related services.

When 411 Travel's website went online in January 2009, a number of its webpages included, among others, metadata (the title, description, and keyword metatags) containing terms such as "red tag vacations" and "shop, compare & pay less". This metadata was not visible to customers visiting 411 Travel's website, and was located only in the webpage's source code. Red Label became aware of 411 Travel's use of these phrases and alleged copyright and trademark infringement.

Metadata are machine-readable pieces of information embedded in the coding of a webpage which, among other factors, can be effectively used to draw traffic to the website. When a person types a phrase into the search bar of a search engine (e.g. the

Authors

Mark D. Penner
Toronto

Practice Areas

Intellectual Property
Trade-marks

Google™ search engine), an algorithm returns a list of webpages ranked according to their relevance to that query. Strategic placement of keywords in metadata and in the content of the webpage itself can increase the chance a search engine will rank that webpage higher in the results for searches containing those words (for example, on page 1 rather than page 6 of the results). As a result, SEO (search engine optimization) may be important in marketing a company's goods and services.

In *Red Label Vacations*, 411 Travel was not found to infringe Red Label's TM rights. According to the Federal Court, the use of a competitor's trademark or trade name in a metatag does not, by itself, create a likelihood of confusion. The consumer may still freely choose amongst the search results and purchase goods and services from one or another of them. According to the court:

The use of metatags in a search engine merely gives the consumer a choice of independent and distinct links that he or she may choose from at will, rather than directing a consumer to a particular competitor. Rankings may affect the choice to be made, but nevertheless, such a choice exists. Even if a searcher is looking for the website connected with a particular trade name or trademark, once that person reaches the website, there must be confusion as to the source of the entity or person providing the services or goods.

Implications & Potential Impact on Hashtag Use in Social Media

In reaching its conclusion that there was no likelihood of confusion, the Federal Court of Canada in *Red Label Vacations* stressed: (1) that none of the trademarks were visible anywhere on the 411 Travel website, and (2) that the website was clearly identified as that of 411 Travel. The conclusion may have been different, however, if Red Label's trademarks and trade names were visibly "hashtagged". Unlike metatags, the hashtagging of a competitor's TMs and tradenames would be visible to users and could create confusion (or a likelihood thereof) as to who is offering the goods and services.

"Hashtags" refer to topical words and phrases preceded by the pound or hash sign (#) which identify messages and posts on social media platforms as relating to those specific topics. Hashtags function differently than metatags, and typically allow users to navigate between similarly hashtagged social media posts. It is this linking functionality that may be somewhat uncertain from a trademark perspective. While many social media platforms have policies to deal with IP infringement, it remains unclear whether use of hashtags may result in IP infringement. For example, the Twitter™ policy governing trademarks provides that using "a company or business name, logo, or other trademark-protected materials in a manner that may mislead or confuse others with regard to its brand or business affiliation may be considered a trademark policy violation." Under what circumstances may a hashtag be misleading or confusing?

Based on the *Red Label Vacations* decision, if someone hashtags your #trademark in a social media post giving consumers a clear choice, then it may be difficult to support a finding of trademark infringement. Despite this, there may yet be the issue of depreciation of goodwill. Canada's *Trade-marks Act* sets out four elements required for depreciation of goodwill:

1. A claimant's registered TM was used by the defendant in connection with goods or services, whether or not such goods and services are competitive with those of the claimant;
2. The claimant's registered trademark is sufficiently well-known to have significant goodwill attached to it;

3. The claimant's TM was used in a manner likely to have an effect on that goodwill (*i.e.*, linkage); and
4. The likely effect would be to depreciate the value of its goodwill (*i.e.*, damage).

In the *Red Label Vacation* decision, the court found that there was no trademark use with metatags, and so there was no depreciation of goodwill. Given some of their inherent differences, however, hashtags may function more akin to TMs and their use, even though not leading to a likelihood of confusion, could be more likely caught as a depreciation of goodwill under section 22 of Canada's *Trademarks Act*.

Next Steps for Companies Looking to Protect Hashtags and Trademarks

1. Monitor #Hashtag Usage

Given that use of hashtags in social media may amount to trademark use, companies should monitor social media platforms such as Twitter to see whether their TMs are used as hashtags. In addition, companies making use of hashtags should be aware of whether those hashtags may be trademarks which belong to third parties.

Full availability searches should be conducted if a company intends to use a word or phrase as both a hashtag and a TM. The company should consider searching the applicable registry of trademarks (e.g., [CIPO](#) in Canada, and the [USPTO](#) in the United States) for the word or phrase that they plan to use as a hashtag in association with any particular goods and services with which the word or phrase will be used (for example, in the case of Starbucks, in association with beverages).

2. Consider Registering #Hashtags as Trademarks

Where a company decides that a hashtag will also be used as a trademark, that company should consider registering it. Some factors to consider may include the value and timeframes of any associated marketing program (for example, a long term multi-national marketing platform or a fleeting local campaign), and whether the company wants to prevent others from using the hashtag. In Canada and the U.S., companies have started filing trademark applications for hashtags. It may be possible to register a hashtag as a trademark in Canada, though it should be remembered that just including a hash sign (#) does not make distinctive an otherwise descriptive or generic word or phrase.

#TheEnd