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GOOGLE RELAXES ADWORD POLICY IN EUROPE

Following a series of recent judgments by the European Court of Justice on the issue of the use of trade marks in keywords, Google has announced a relaxation of its policy on the purchasing of trade marks in its own Adwords keyword advertising system bringing its European practice much more into line with that which it applies in the United States.

As of the 14th September 2010, Google will allow the purchase of one trader's trade mark as a keyword to trigger advertisements for a competitor's advertisement across all European countries. Although Google is introducing a new notification and take down procedure for continental European countries this is a significant departure of practice.

Lessons for brand owners

Brand owners will have to be increasingly vigilant in monitoring competitor's keyword usage. They must register their brands as fully as possible to give them the widest scope of protection if enforcement actions are to be taken either through the courts or via the Google new notification and take down procedures.

Two recent decisions

Trade Mark Infringement cases concerning the use of trade marks in keywords contain two dominant themes; (i) the first is whether Google itself is liable for any infringing use of a trade mark in a keyword trigger by facilitating the process and benefiting directly from the sale of a keyword; (ii) the second theme is the criteria for assessing whether the use of trade mark keyword trigger by the purchaser of the keyword is indeed infringing use.

In March of this year in a case brought against Google by the luxury goods producer Louis Vuitton, the European Court of Justice (ECJ) held that if Google was "passive" in the adword process, they were not liable for any infringing activity. It was understood that Google's automated adword selection process would be seen as such 'passive' use. However, the ECJ did make it clear that notification of an 'issue' with an advertisement made Google 'active' in the adword process and they would have to act accordingly to take down a particular advertisement if it offended against trade mark law or potentially become liable themselves.



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Further the court held that if the use of a trade mark as a keyword trigger was creating confusion in the marketplace as to the origin of the goods or services covered by an advertisement, then the purchaser of the keyword would be found liable for trade mark infringement.

The million dollar question is what are the criteria for assessing what use of a trade mark would cause confusion in the marketplace as to the origin of the goods or services covered by an advertisement? The ECJ held that this was a question for national courts to decide on a case by case basis and with regards the Louis Vuitton case this question is presently back before the French Appeal Court.

However the ECJ gave some guidelines of what did not constitute infringing use when in July of this year in a case concerning an action by portable buildings maker Portakabin against the Dutch company Primakabin, who were reselling genuine Portakabin product by way of adverts triggered by the purchase of the PORTAKABIN trade mark. The court found that using a trade mark visibly in an advertisement to identify the second hand goods of a trade mark owner and using terms such as 'used' or 'second hand' in the advertisement did not suggest the trade mark owner and keyword purchaser were economically linked or was seriously detrimental to the reputation of the trade mark.

The new policy

Google obviously encouraged by the above decisions announced on the 4th August 2010 that "a company advertising on Google in Europe will now be able to select trademarked terms as keywords. If, for example, a user types in a trademark of a television manufacturer, he could now find relevant and helpful advertisements from resellers, review sites and second hand dealers as well as ads from other manufacturers." However Google has introduced a new notification and take down procedure, in that and I quote "advertisers will be able to complain about the selection of their trademark by a third party if they feel that it leads to a specific ad text which confuses users about the origin of the advertised goods and services. Google will then conduct a limited investigation and if we find that the ad text does confuse users as to the origin of the advertised goods and services, we will remove the ad."

Further in the UK, Ireland and Canada resellers will be able to use a brand owner's trade mark visibly in the text of the advertisement concerned.

What does the relaxation of the Google policy mean for brand owners?

Although the Google policy has been relaxed it is clear that the courts have not given carte blanche to the use of a competitor's trade mark in advertisement triggered by keyword consisting of the competitor's trade mark. If an advertisement causes confusion as to the source of a product or service then a brand owner has recourse to both Google through its notification and take down policy and through the courts.

However, the key question is what constitutes confusing usage? This question is still largely unanswered with each instance being decided on a case by case basis. However, at least with the reselling of genuine second hand branded products, for example by resellers, then it would appear that a trade mark can visibly appear in an advert providing there is no confusion as to the source of the product concerned.

Where reselling is not occurring and a competitor is simply using a trade mark as a keyword to trigger advertisements to its site, the exact rules of use are still to be decided. The upcoming Interflora vs. Marks & Spencer case may shed more light on the issue.

However, it would appear that you should:-

1. Never use the brand owner's trade mark visibly in the advertisement triggered by the keyword.
2. Never suggest any connection with the brand owner in the advertisement or the linked website.
3. The website which is linked to the advertisement should make it very clear who is the owner of the site concerned.
4. And above all never cause any confusion as to the origin of the goods or services sold on your website.

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