

Google Adwords: Uncertainty reigns despite ruling from ECJ

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The European Court of Justice (ECJ) has recently ruled that Google's sale of third-party registered trade marks as keywords through its Adwords service, and subsequent display of advertisements triggered by those keywords, is not use by Google of those trade marks in the course of trade (and so Google cannot be liable for trade mark infringement for such use).

However, question marks remain over whether advertisers who purchase keywords can be liable for trade mark infringement, and whether Google could be jointly liable if it plays an active role in that purchase.

Background

Advertisers and trade mark owners are probably already aware of the potential for infringement through Google advertising using so-called AdWords. This is the name of a service under which Google sells keywords to advertisers so that, in the results of a search containing the purchased keyword, an advertisement containing a link to the advertiser's website appears as a "sponsored link". The advertiser pays per-click or per page impression.

This scheme can result in advertisers paying for keywords that are registered to third parties as trade marks. Use by the advertisers of such marks either as keywords or in the text of the actual advertisement that is triggered by the keyword could potentially amount to trade mark infringement and/or passing off.

Recent European decision

The ECJ has recently ruled on a referral from three French cases brought by brand owners, including Louis Vuitton, against Google.¹ In the Advocate-General's opinion, the selection by advertisers of keywords was not use in the course of trade. However, the ECJ disagreed. It held that the selection of keywords by

advertisers was both use in the course of trade and use in relation to goods and services to which the keywords relate.

Further, the ECJ made it clear that advertisers might be held liable for trade mark infringement, if an advertisement makes it difficult for reasonably attentive internet users to discern whether the advertised goods and services originate from the owner of the trade mark being used as a keyword or the advertiser.

As for Google, the ECJ held it could be held jointly liable for trade mark infringement with advertisers, depending on the extent to which it had actively suggested keywords and or text for the advertisement.

Ultimately these somewhat obscure tests will be for national courts to apply to the facts, so regrettably there is still no hard and fast guidance for advertisers. However, at the very least advertisers using third-party trade marks as keywords should take care not to display that trade mark or anything confusingly similar to it in the body of the advertisement.

Advertisers or trade mark owners seeking advice on actual or potential infringement in Google Adwords should contact Jeremy Dickerson or Andrew Tibber (below) or a member of the Intellectual Property team.



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¹ Case: *Google France SARL and Google Inc v Louis Vuitton Malletier SA* (C-236/08); *Google France SARL v Viaticum SA and Luteciel SARL* (C-237/08); *Google France SARL v Centre national de recherche en relations humaines (CNRHH) SARL, Pierre-Alexis Thonet, Bruno Raboin and Tiger SARL* (C-238/08) Judgment of the Court (Grand Chamber), 23 March 2010

Disclaimer: This briefing is not intended to be a complete coverage of the law in this area. Legal advice should always be taken in any particular case.

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