

Adwords Decision – Is Google^{UK} off the hook?

The dust is settling after the Court of Justice of the European Union's much-anticipated judgment related to the sale of search keywords by Google; so what does this mean for brand owners and users?

The principal issue for the court was whether Google and the advertisers who use its search engine could be held liable for trade mark infringement where those advertisers buy other people's brands as search engine keywords with the agreement of the search engine provider but without the brand owners' consent.

It is important to note that the case concerned only the selling, buying and using of keywords in Google and did not extend to instances where the brand appears in the advertisement on the Google page or the linked external website.

Summary

The court's judgment broadly supports Google's position and its search engine keyword business model. Despite this, Google may be liable:

- where its role in the sale of keywords is considered to be more than merely "*technical, automatic and passive*";
- in EU states where contributing to an infringement of trade mark rights is actionable.

Advertisers may, however, infringe third party rights if they use keywords. The court has stated that **it will be an infringement if the advert on the search page does not enable an average internet user to ascertain without difficulty whether or not the goods or services are those of the trade mark owner, even if the trade mark does not appear in the advert or on the advertiser's web page.**

Advertisers therefore need to take great care if they use search engine keywords identical or similar to a registered trade mark, and could find that they are on the receiving end of an action for trade mark infringement if they do not.

Google's position

Generally speaking, the court's judgment supports the search engine keyword business model employed by Google, holding that by making registered trade marks available for purchase as keywords by any party, Google is not 'using' the trade marks in a potentially infringing way and therefore is not liable for trade mark infringement. The mere fact that Google creates, and gets paid for providing, the technical conditions where an advertiser can use an identical or similar brand as a keyword does not mean that Google infringes the brand owner's rights.

This seems to close the door for brand owners to pursue Google and other search engine providers as being directly liable for trade mark infringement where they sell other parties' registered trade marks as search keywords.

However, it may still be possible for brand owners to pursue Google in those EU member states where contributing to an infringement is actionable, even where Google is not directly liable for trade mark infringement.

Newsletter

Trade Marks & Brand Identity

The advertisers' position

The judgment points the finger at the advertisers that buy the keywords, stating that selecting another party's brand as a search engine keyword may constitute infringing use of the trade mark, even if the trade mark does not appear in the advert itself.

The court considered the circumstances in which the use of the keyword can constitute infringement and indicated that if either the mark's capacity to identify commercial origin (the 'origin' function) or its advertising function were affected, this would amount to infringement.

Origin function

The court stated that the origin function will be affected if the advert does not enable internet users to ascertain without difficulty whether the goods or services emanate from the trade mark owner or, on the contrary, from a third party.

For this reason, there can be infringement not only where the search page advert is directly misleading as to the commercial origin of the goods or services, but also where the advert is vague to such an extent that ordinary internet users are unable to determine whether or not the advertiser is the brand owner.

Advertising function

Here the court considered whether third party use of a trade mark as a search engine keyword is liable to affect the proprietor's use of the mark as a factor in sales promotion or as an instrument of commercial strategy. It held that this would not be the case in the proceedings before it.

The reasoning behind this part of the court's decision seems questionable. It stated that the trade mark proprietor's page will always appear in the 'natural' (i.e. not sponsored) results on the first search page, and usually in one of the highest places in the 'natural' list; it is, however, our experience that this is not always the case. Nonetheless, it will now be difficult to argue against this finding unless the contrary can be clearly demonstrated.

Limited liability of search engine providers?

Separately to the issue of trade mark infringement, the court considered whether search engine providers' liability in respect of illegal acts committed by advertisers using their keywords service is limited by the E-Commerce Directive (no. 2000/31). This protects parties whose role is limited to '*hosting*' from liability for the illegal content of stored data, unless they have been notified of the unlawful nature of the data and have failed to act expeditiously to remove or disable access to the data.

The court held that Google's liability would be limited in this way if its involvement with the unlawful data were merely of a "*technical, automatic and passive*" nature, and if it had "*neither knowledge of nor control over the information which is transmitted or stored*".

While the court did provide some guidance on the facts before it, it did not pass judgment on the point, leaving it for the national court to determine.

What now?

It will be important to look carefully at the use of keywords on any searching websites; if a company is using your registered brands as keywords in a such a way that consumers looking at the search page might think there is a link with your business, the other company may well be infringing your rights. This will apply even if that company has no choice over the way in which the advert on the search page is displayed.

But is this the end of the fight against Google? While Louis Vuitton has said that it is stepping out of the ring, there are still other aspects of Google's keywords business model which were not dealt with by the court that others may wish to wrestle with, never mind the potential for litigation in the national courts.

NO (more) HALF MEASURES for slogans

The difficulty with registering slogans as trade marks is that they are frequently considered to lack distinctiveness. This is a catch-all ground of objection which does not necessarily equate to descriptiveness. Now, an almost unbroken line of cases involving refusal of slogans has ended, with Audi's application to register its slogan VORSPRUNG DURCH TECHNIK (meaning advance or advantage through technology) as a CTM. The mark was refused by OHIM and the EU's General Court, which said "while the mark VORSPRUNG DURCH TECHNIK can have a number of meanings, or constitute a play on words, or be perceived as imaginative, surprising and unexpected and, in that way, be easily remembered, this nevertheless does not mean that it is distinctive". The court went on to say it was not likely the relevant public would remember the expression easily and immediately as a distinctive mark for the goods and services covered, over and above its obvious promotional meaning.

Audi appealed to the full European Court. The Court's own case law had already determined it was inappropriate to apply to slogans criteria which were stricter than those applicable to other types of sign.

The Court held that the fact a slogan may be understood – perhaps even primarily understood – as a promotional formula has no bearing on its distinctive character. So long as it is not descriptive it can indicate origin where it is a sign which is not merely an ordinary advertising message, but possesses a certain originality or resonance, requiring at least some interpretation by the relevant public, or setting off a cognitive process in the minds of that public. The decisions to refuse registration were set aside.

An interesting aspect of the European Court's decision was underlined in a recent appeal in the UK in an application to register NO HALF MEASURES as a trade mark. In the UK decision, Appointed Person Professor Annand noted there is a significant difference between descriptive and non-distinctive signs. The principle that descriptive signs cannot be rendered distinctive only because they have numerous possible meanings is well established, and stems from the European Court's decision that DOUBLEMINT should not be registered. In contrast, where a slogan is not descriptive the fact that it can convey a number of meanings may signify that it does indeed have distinctive character. NO HALF MEASURES was held to have a certain originality or resonance for entertainment services, and to have only a casual link with sporting activities. Despite being more meaningful for education and training, the message conveyed by the mark was not ordinary to the extent of excluding distinctiveness.

Registration of slogans, particularly where they convey several possible meanings, should now be more straightforward across the EU. The important proviso to this is that, if one of those possible meanings is obviously descriptive, registration is likely to be refused.

We suggest clients should now review their slogans and straplines, even if registration was refused in the past, and where appropriate seek our input on the prospects of obtaining registration.

Congratulations to Michael Conway!

Congratulations to Michael Conway, who has now qualified as a UK and European trade mark attorney. Michael joined Haseltine Lake in 2006 with an honours degree in modern languages from Cambridge University. He has experience in working for clients in a variety of industry sectors, including foodstuffs, medical equipment and insurance. His work includes trade mark clearance searching, strategic advice, particularly in relation to trade mark opposition proceedings, arguing the case for registrability of trade marks and preparing contentious correspondence such as cease-and-desist letters.

In 2009 Michael completed a 6-week secondment in the in-house trade mark department of one of the world's largest companies based on the East Coast of the USA. During the secondment he gained experience of US trade mark clearance work and prosecution while also obtaining valuable insight into the US corporate world and the relationship between in-house and external legal counsel.

Fluent in German and Spanish, Michael spent a year living in Munich and studying at the Ludwig-Maximilians-Universität as part of his university degree course.



JANE MORE O'FERRALL

Partner – Bristol

*UK and European Trade Mark Attorney
BA Social and Political Science
Cambridge University*

Email: janemof@haseltinelake.com

Tel: +44 (0) 117 910 3200

MARTIN KRAUSE

Partner – Bristol

*UK and European Trade Mark Attorney
Bachelor of Laws
Bristol University*

Email: mkrause@haseltinelake.com

Tel: +44 (0) 117 910 3200



CORINNA HISCOX

Associate – Bristol

*UK and European Trade Mark Attorney
BA Modern Languages
University of Oxford*

Email: corinnah@haseltinelake.com

Tel: +44 (0) 117 910 3200

ELIZABETH LOWE

Attorney – Bristol

*UK and European Trade Mark Attorney
BSc Physiology with Biochemistry
MSc Management of Intellectual Property
Queen Mary & Westfield College, University of London*

Email: elowe@haseltinelake.com

Tel: +44 (0) 117 910 3200



ZOË GAYE

IP & Media Solicitor – Bristol

*Solicitor
Bachelor of Laws
University of Reading*

Email: zgaye@haseltinelake.com

Tel: +44 (0) 117 910 3200

MICHAEL CONWAY

Attorney – Bristol

*UK and European Trade Mark Attorney
Bachelor of Arts Modern Languages
Cambridge University*

Email: mconway@haseltinelake.com

Tel: +44 (0) 117 910 3200

