

Trademark enforcement against Google's Adwords

Summary: French case law has been hesitating as to the proper and most efficient ground for acting against GOOGLE as to its Adwords system. Our practice has shown that a large panel of grounds can indeed be considered. At that time, only trademark infringement is being questioned before the CJE. While often forgotten when it comes to infringement through the Adwords system, advertisers are however not in rest. The case law has indeed adopted a constant position in their respect.

The process of the Google AdWords system is quite known now. It allows anyone to purchase keywords and then display advertisements on the basis of the keywords purchased when a search is being performed on GOOGLE. This system has brought to conflicts when the keyword purchased before GOOGLE is a third party trademark. In France, the growing number of French decisions amongst which some have involved LOUIS VUITTON MALETIER, AXA or LE MERDIEN brings us to browse a portrait of the most significant aspects.

I. Trademark enforcement directly against GOOGLE companies

a) Most part of the decisions issued against GOOGLE retained **trademark counterfeiting** resulting from the reproduction and use of registered trademarks in the computer tool.

This ground of action is not so obvious to admit considering that the internet users going through GOOGLE do not necessarily see the keywords but only the requests including them. Also, GOOGLE does not make any choice or intervention on the denomination chosen as keyword and is not technically "using" them.

The Paris Court of Appeal ruled on June 28, 2006, counterfeiting of LOUIS VUITTON MALLETIER trademarks against GOOGLE which lied in the display of the plaintiff marks on the computer screen of users in the 'commercial links' section where identical and highly similar products were being offered for sale.

On May 20, 2008, the French High Court handled that case by questioning the CJE on whether GOOGLE could be regarded as using trademarks without authorisation while offering for sale to advertiser's key words reproducing or imitating registered trademarks.

Several jurisdictions of other European countries have since then similarly questions the CEJ. The answer would of course have huge consequences on trademark defence strategies and is expected by late

2009. We are of the opinion that GOOGLE's practice is nothing else than trademark infringement. We do not see any justification to the existence of the AdWord system which aims only at driving internet users to somebody's web site while they search for authentic or specific marked products or services. Anyway, there are other axes of actions which have proved to be successful and which would need to be considered if the CJEC regards GOOGLE's system as an exception to the trademark monopoly.

b) Alongside of counterfeiting, **civil responsibility** has proved to be a second ground of action. Some French Courts have decided that GOOGLE was responsible for not having checked and elaborated a system enabling to check that the offer to purchase keywords were not infringing third parties rights.

Civil responsibility has shown to be retained alternatively to the trademark infringement claim and not as an additional ground of action. On July 12, 2006, a Court of First Instance rejected the trademark counterfeiting considering GOOGLE what not itself using the marks for a particular products or service and only admitted the civil responsibility. So this might consequently be the route for actions if the CJEC rules that GOOGLE can not be regarded as using registered trademarks.

c) **Unfair competition** is also another possible basis which, up to now, has been retained in the French case law in addition with either trademark infringement or with civil responsibility. This ground of action succeeded when raising that the purchasing of keywords was not made by chance but only served the purpose of attracting on competitor's web sites the consumers who were looking for the authentic trademark.

d) Lastly, GOOGLE has also been condemned for **misleading advertising**. The "Commercial links" indication generated by a GOOGLE search and appearing on the right side column of the results were regarded as bringing to falsely believe the trademark owner and the advertisers were economically linked. The Judges consequently considering that any internet user could expect authentic products when clicking on the commercial links whereas they were not.

Until the issuance of the CEJ decision, our recommendation is to consider suing GOOGLE by multiplying the grounds of action in the claim so as to optimize the chances of success of seeing the claim granted.

II. Trademark enforcement against the advertisers

Alongside of French decisions involving only GOOGLE companies, there also are decisions relating to the AdWords system but not directed against said companies. The French case law has indeed remained quite coherent when bringing the action against the sole advertiser which reserved the keyword(s). In such situation, trademark infringement has proved to be repeatedly successful.

The Paris Court of First Instance for example ruled trademark infringement on February 22, 2008, with regards to the reservation of IDEO and SWEETDEV as keywords whereas these were indeed trademarks belonging to Ideo Technologies.

More recently, on February 4, 2009, the Paris Court of First Instance ruled trademark infringement against Skin'up which had reserved LYTESS as keyword whereas this term was owned since July, 10, 2006 by Onixxa, its main competitor.

For the judge, the public could believe that the products offered by Skin'up and those traded by Onixxa have a common origin when seeing the advertising message on the webpage of the GOOGLE search results for LYTESS. The Court ordered Skin'up to pay to the plaintiffs 15.000 Euros as damages and another 15.000 Euros for supporting their costs.

Until the issuance of the CEJ decision, our recommendation is to consider suing both GOOGLE (by multiplying the grounds of action in the claim) and the advertiser (by focusing on trademark infringement in the claim) in one French single action. This would of course increase the chances of success as to the removal of the key word concerns. But it might also be a proper way in building up a file strengthening one's position if the same situation is again encountered against GOOGLE as to another mark of the plaintiff or against the same competitor in an eventual different context (so as to demonstrate a repeated counterfeiting behavior).

Franck SOUTOUL and Jean-Philippe BRESSON
Supervisors of PHARMINLEX and LEXVALUE Departments
Reporters for IP TALK newsletter and blogs
INLEX IP EXPERTISE, www.inlex.com