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Google Adwords: Case Law Overview

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[Rz 1] In February 2017, the Supreme Court (OLG) Frankfurt am Main decided that a web user is misled if a Google search result includes a trademark as subdomain that links to a landing page offering predominantly goods and services of other brands.¹ This decision joins various rulings on the use of trademarks for search engine advertisement. I take this opportunity to give a brief overview of selected cases.

[Rz 2] Google is the world's leading Internet search engine. It provides search results by relevance, among others based on PageRank.² In addition to regular search results, Google also offers paid search results placed through Google AdWords.³ The search results are listed on top or next to the regular search results and are marked as «Advertisement» and/or highlighted in color.

[Rz 3] In Google AdWords, an advertiser can define keywords, an advertisement, and a landing page. If, e.g., you place the keyword «IP attorney» in AdWords and a web user searches for that keyword, then the paid search result appears on top of the regular search results.⁴

[Rz 4] In 2010, the European Court of Justice (ECJ) decided in three joined *Google* cases⁵, the *Bananabay* case⁶ and the *BergSpechte* case⁷ that the owner of a trademark is entitled to prohibit a competitor from advertising goods and services with keywords identical to the owner's trademark if an average web user cannot ascertain whether the goods and services referred to in the advertisement originate from the trademark owner or the advertiser.⁸

[Rz 5] In 2011, the ECJ clarified its 2010 judgment in the *Interflora* case⁹. It ruled that the owner of a trademark is entitled to prohibit a competitor from advertising goods and services with keywords identical to the owner's trademark if such use has an adverse effect on one of the functions of the trademark, namely:¹⁰

- adversely affects the trademark's function of indicating origin if, based on the keyword, a reasonably well-informed and observant web user cannot ascertain whether the goods and services advertised originate from the trademark owner or from a third party;
- does *not* adversely affect the trademark's advertising function; and
- adversely affects the trademark's investment function if it substantially interferes with the owner's use of its trademark to acquire or preserve a reputation capable of attracting consumers and retaining their loyalty.

[Rz 6] Furthermore, pursuant to unfair competition law, the ECJ ruled that the trademark owner is entitled to prevent a competitor from advertising if (i) the competitor thereby takes unfair advantage of the distinctive character or repute of the trademark (free-riding) or (ii) the advertising is detrimental to its distinctive character (dilution) or to its repute (slander).¹¹

¹ OLG Frankfurt am Main, 2 February 2017 (6 U 209/16).

² PageRank makes use of the link structure of the web to calculate a quality ranking for each website. SERGEY BRIN / LAWRENCE PAGE, The Anatomy of a Large-Scale Hypertextual Web Search Engine, <http://tinyurl.com/y98mbt>.

³ Google AdWords, <http://tinyurl.com/kytfzyb>.

⁴ About Google AdWords, <http://tinyurl.com/lhxt7ba>.

⁵ ECJ C-236/08 (Louis Vuitton), C-237/08 (Viaticum) and C-238/08 (CNRRH) of 23 March 2010.

⁶ ECJ C-91/09 of 26 March 2010.

⁷ ECJ C-278/08 of 25 March 2010.

⁸ C-236/08, s. 1 ruling; C-91/09, ruling; C-278/08, ruling.

⁹ ECJ C-323/09 of 22 September 2011.

¹⁰ C-323/09, s. 1 ruling.

¹¹ C-323/09, s. 1 ruling.

[Rz 7] In 2011, the Supreme Court of the canton of Thurgau held in the *Ifolor* case¹² that although the use of the keyword «IFOLOR» qualified as commercial use in this particular case, the keyword was not used in its function as trademark. The court argued that although a web user's knowledge should not be overrated, it seemed confident that the web user should be able to distinguish between a paid advertisement and a genuine search result. According to the court, if the keyword is not published in the advertisement itself, then the web user will not assume the advertisement was placed by the company whose keyword was used in the search. If, however, the search term appears in the advertisement, then (similar to the use of keywords in metatags) the web user will associate the keyword with the search result.

[Rz 8] Finally, in 2016, the England and Wales High Court decided the *Plumbers* case¹³. The defendants had been bidding on various combinations of their competitor's corporate name elements «victoria(n)» and «plum(b)» as advertisement search keywords. The court, in concluding that the defendants' action was a trademark infringement, summarised that (i) a web user who searches by reference to a brand name is likely to be looking for that brand and that there was a *particular propensity for confusion* if the resultant advertising is vague as to origin; (ii) the reason why transparency is necessary is to *protect the consumer from unclear advertising*; and (iii) bidding on trademarks as keywords is permissible if the advertiser ensures that his advertisement enables the average web user to ascertain whether the goods or services originate from the trademark owner or an unconnected third-party.¹⁴

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¹² Entscheid des Obergerichts Thurgau vom 7. September 2011 (Massnahmeentscheid), in: sic! 2012, S. 387.

¹³ Case No. HC-2015-000209, 18 November 2016.

¹⁴ HC-2015-000209, para 51.