



ARTICLE

GOOGLE ADWORDS: A QUESTION OF USE...



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Almost two years after the Cour de cassation made a reference for a preliminary ruling (Cour de cassation, Commercial Chamber, May 20, 2008), the European Court of Justice (ECJ) has recently validated the activities of Google Adwords under trade mark law.

This was a much-awaited decision: since 2003, Google has been sued many times in France by trade mark owners displeased with their signs being used as keywords to reference competing goods or services.

Following many cases in which Google was found guilty of trade mark infringement, the Cour de cassation decided to stay the proceedings and refer several questions to the ECJ for a preliminary ruling, in order to determine the extent to which making available or using a keyword reproducing or imitating a trade mark to create advertising links qualifies as infringement. The other aspect of the questions, which will not be examined here, related to the application of the liability regime for hosts to the Google Adwords service.

Regarding the interpretation of trade mark law, the ECJ recalled that, under Article 5 of Directive 89/104/EEC relating to Trade Marks and Article 9 of EC Regulation 40/94 on the Community Trade Mark, the trade mark owner is entitled to prohibit "a third party from using, without the owner's consent, a sign identical with that trade mark when that use is in the course of trade, is in relation to goods or services which are identical with, or similar to, those for which that trade mark is registered, and affects, or is liable to affect, the functions of the trade mark".

Therefore, the ECJ's response regarding Google's activity was as follows: a referencing service provider, when it stores keywords reproducing or imitating trade marks, even reputable trade marks (§104), for the purpose of displaying advertising links, is not guilty of infringement. To justify this interpretation, the ECJ considered that Google does not use the trade marks in question "in its own commercial communication" (§55 & 56), despite recognising that it "operates in the course of trade" and is paid for using the trade marks in question (§ 57).

However, trade mark owner preserve their rights and remedies against the advertisers themselves.

According to the ECJ, the owner of a trade mark is legitimately entitled to prohibit an advertiser from referencing competing goods or services on the basis of its trade mark. However, the ECJ points out that such action may not be taken unless the use infringes the essential function of the trade mark, i.e., the function of guaranteeing "Internet users" the origin of the goods or services (§ 51, 69 & 87).

It is a relatively narrow window of action, and despite clearly identifying the difficulties which trade mark owners may experience in their commercial referencing strategy (§ 93 - 95), the ECJ considers that using a keyword identical with another person's trade mark does not, per se, constitute an adverse effect on the advertising function of the trade mark (§ 91 - 98). According to the Court, natural referencing allows trade mark owners to overcome the negative repercussions that may be caused by the commercial referencing.

Accordingly, based on this decision, an infringement claim can only be brought against the advertiser and implies, for it to be admissible, that the advertisement created does not allow "normally informed and reasonably attentive Internet users" to identify the origin of the goods (§ 87 - 92). Therefore, it is on the basis of the ad itself, and not based on the use of a trade mark in a keyword, that the existence of infringement will be established. So it will be necessary to determine whether the ad suggests there are economic links between the advertiser and the owner of the trade mark (§ 89) or whether it casts doubt over the origin of the goods (§ 90), regardless of whether or not the trade mark in question is reproduced in the ad itself (§ 65). However, if the advertising function of the trade mark is in question, then any claims of infringement should be dismissed.

It is now a matter of seeing how the French Courts, which have been invited to review their position, will react to the interpretation proposed by the ECJ.
