
Use of Trademarks in Internet Searches: Google Cases Lead to Conflicting Results

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Stemming from its AdWords program, Google Inc. has recently faced a spate of litigation in the United States and France. The AdWords program allows advertisers to bid on keywords, including trademarked terms, which result in the display of the advertisers' sponsored links when users perform searches using the keywords. This controversial service has caused several companies to file lawsuits against Google. Examples of recent litigation, both foreign and domestic, as well as an overview of the company's current trademark policies, are described below.

The French Lawsuits

Google's AdWords program has been the subject of several French lawsuits in recent months, resulting in consistently unfavorable outcomes for the search engine company:

- On March 17, 2005, an appellate court in Versailles affirmed the October 2003 decision of a French trial court, ordering Google to pay 70,000 euros to French travel agencies Luteciel and Viaticum. These agencies own the rights to terms (which translate roughly into "travel market" and "airflight market") that Google France SARL sold to advertisers through its AdWords program.
- In February 2005, a Paris trial court prohibited Google from selling search-related advertisements using words owned by Louis Vuitton Malletier SA and ordered Google to pay 200,000 euros.
- In December 2004, yet another French trial court ruled that Google's policy of permitting competitors of Le Meridien Hotels & Resorts Limited group to bid on keywords involving Le Meridien's name—and allowing those advertisers to appear in the results of searches involving such keywords— infringed on the trademarks of Le Meridien. The court ordered Google to immediately cease linking current ads to Le Meridien-trademarked terms or face daily fines of 150 euros; to stop linking ads related to Le Meridien brands within 72 hours of notice from Le Meridien of a future violation or face a daily fine of 150 euros; and to pay all court fees and a 2,000 euro fine. The court also ordered Google to remove the offending terms as suggestions from its AdWords Keyword Tool, which suggests keywords to advertisers based on the terms they enter.

Google is reportedly considering an appeal of the Luteciel appeal and the two lower court decisions.

The American Lawsuits

In contrast to its losses in French courts, Google recently scored a major victory in the United States District Court for the Eastern District of Virginia:

- During a bench trial in December 2004, Judge Brinkema ruled that the plaintiff, Government Employees Insurance Company (GEICO), had failed to prove that Google's practice of selling the word "GEICO" to trigger ads sponsored by GEICO's competitors did *not* infringe GEICO's trademark, so long as the triggered ads did not themselves use or include GEICO's trademark in their text or title. The court held that GEICO had presented no evidence that the mere use of its trademark as a search word or keyword, or use of the trademark in the AdWords program, creates a likelihood of consumer confusion regarding the source or origin of such sponsored ads, and that GEICO had therefore failed to prove a violation of the Trademark Act of 1946 (also known as the [Lanham Act](#)). The trial court did not, however, render any definitive ruling regarding whether Google could be liable under the Lanham Act in circumstances where Google had, in violation of a longstanding Google policy, actually allowed a GEICO trademark to appear in the title or text of the triggered ads themselves. With respect to those ads, Judge Brinkema said, GEICO had presented enough evidence of potential confusion to avoid a mid-trial ruling absolving Google of liability. The court has not yet issued a written decision memorializing its oral decision, and the bench trial has not yet resumed on the unresolved issues concerning ads in which text or title did contain the GEICO trademark.

Similar issues are raised in two cases pending between Google and American Blind & Wallpaper Factory, Inc. in different federal district courts:

- In November 2003, Google filed suit in the Northern District of California seeking a declaratory ruling that its keyword-triggered advertising program does not infringe American Blind's trademarks. The complaint followed a demand by American Blind that Google discontinue selling keywords that American Blind claimed infringe its registered marks. Google responded that it would, as a matter of its own discretion, stop permitting advertisers to use American Blind's trademarks "American Blind and Wallpaper Factory," "American Blind Factory" and "Decorate Today" as advertising keywords, but that it would not prohibit advertisers from using variant terms, such as "American blind" or "American wallpaper," as advertising keywords. When American Blind continued to threaten legal action unless Google ceased using all terms similar to American Blind's registered marks as advertising keywords, Google filed its suit for a declaratory ruling. (Later, while the suit was pending, Google adopted a new policy of not preventing advertisers from purchasing advertising keywords that are identical to trademarked terms.)

American Blind responded by filing [counterclaims against Google and third-party claims against various partners of Google](#) alleging trademark infringement, false representation,

unfair competition, injury to business reputation and tortious interference. American Blind alleged that Google's practice of selling text ads related to keyword search terms takes advantage of American Blind's trademarks because competitors' ads can appear on pages resulting from search terms such as "American blind and wallpaper factory" and "American blind." American Blind also alleged that Google actively encourages such trademark infringement through its AdWords Keywords Tool. American Blind requested an injunction prohibiting Google and its partners from displaying listings or ads of American Blind's competitors when users enter search terms that are identical or substantially similar to its marks. In January 2004, American Blind filed suit against Google and its partners in federal court in New York, alleging claims substantially similar to those in its California counterclaims and third-party claims and requesting similar relief.

On March 30, 2005, the federal district court in California [denied Google's motion](#) to dismiss American Blind's trademark counterclaims. The court held that American Blind's allegations regarding Google's use of trademarked terms as advertising keywords are sufficient to suggest that American Blind might be able to prevail in establishing both that this practice amounts to actionable "trademark use" and that it produces a likelihood of confusion. The court made clear, however, that its ruling was only preliminary in nature, that it stemmed largely from "the uncertain state of the law" in this area and that a final resolution of these issues would depend on further factual development of the parties' claims and defenses.

Google's Current Policies

Google's published Trademark Complaint Procedure currently states that "advertisers themselves are responsible for the keywords and ad content that they choose to use." Google says that when it receives a complaint from a trademark owner asserting rights under US or Canadian law, it will perform a limited investigation and require that advertisers not include the owner's trademark in the content of ads appearing on the Google service, but that it will *not* disable keywords that include or are derived from trademark terms. In contrast, for complaints asserting trademark rights existing *outside* the United States and Canada, Google's policy goes further and states that it will also remove the trademarked term from its keyword list if it finds that an advertiser has used the term as a keyword trigger.

Conclusion

As discussed in our March 24, 2004, email alert [Keyword Buys of Trademarks](#), while the number of complaints regarding the use of trademarks in search engine advertising continues to grow, relatively little case law exists to guide search engines, trademark owners or advertisers. The disparate opinions of the French and American courts in the cases discussed above leave many questions unanswered regarding proper use of trademarks in search engine advertising. While the *GEICO* case and the *Playboy* case (discussed in the above-mentioned email alert) make clear that Internet advertisers and search engines may lessen the potential for trademark violations by reducing or eliminating the use of trademarks in the text and titles of sponsored ads, there is not yet a consensus in the courts on whether the mere use of trademarks to trigger sponsored links and

other advertising is unlawful. Until the law becomes clear--through the resolution of Google's appeals of the French decisions, further decisions in the American Blind cases or otherwise--search engines may choose to follow Google's policy of permitting the use of trademarks to trigger sponsored links in the United States and Canada, while taking more aggressive action to prevent the practice in other countries.

For more information on the cases in this article or other Internet, e-commerce and new media matters, contact either of the authors listed above.

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