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## WHO ELSE IS USING YOUR BRAND NAME



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## ***WHO ELSE IS USING YOUR BRAND NAME?***

The European Court of Justice (ECJ) has recently handed down a landmark decision, the consequences of which mean that brand owners across Europe should check the use of their brand names on the internet search engine, Google.

Many claims for Trade Mark Infringement have been brought against Google in recent years, several of which were referred to the ECJ and answered together in this latest decision.

One of these claims was brought by the producer of luxury items, Louis Vuitton Malletier SA. The basis of these claims was the use of Google AdWords, a service provided by Google which allows brand owners to pay for sponsored links to appear when consumers input particular search terms. When a search term is input into Google it produces “natural” results ranked in order of relevance to the search term used. Google also produces sponsored links, at the top and side of the natural results. Businesses ‘pay per click’ for these sponsored links, meaning that they pay an agreed price every time an internet user clicks on the link which connects to their website. This, it is understood, is Google’s key revenue stream.

Businesses can choose the particular words that they wish to have to activate their sponsored link. For example, a case currently in the UK courts is that of Interflora and Marks & Spencer. M&S pays for activation words such as ‘Interflora’ and numerous variations of the registered trade mark Interflora. This means that if you type ‘Interflora’ into Google ‘M&S Flowers’ appears as a sponsored link.

The concern for businesses such as Interflora is that such sponsored links may tempt consumers to click on other websites, taking business away from them. A more worrying concern is that consumers may visit websites that offer counterfeit products, rather than the official website. This was the issue in the Luis Vuitton case. Finally, Google organises the sponsored links according to, amongst other factors, which business agrees to pay the most “per click”. This means that a brand owner may find itself in a bidding war with other businesses to ensure the link to its website appears in the most prominent position amongst other sponsored links.

So, what issues did the ECJ address in its recent decision? Firstly, the court considered Google’s role in the matter and whether it could be held primarily liable for trade mark infringement. It was not. As a provider of an internet society service Google could rely on a statutory defence that protects it from being held liable for data which is stored at the request of a user. The ECJ highlighted that this defence stood provided that the service provider was not aware of the unlawful nature of the data held. This suggests that if Google does become aware of such actions, for example if a brand owner informs it of such and it fails to act expeditiously to remove or disable access to that data, it could be held liable.

The ECJ drew a clear distinction between the actions of Google and those of the advertiser, the business selecting trade marks as keywords to trigger links to its own website. The ECJ held that where another’s trade mark is specifically chosen by and paid for by the advertiser as a means to trigger the sponsored link, this was commercial activity. It was decided that the use of the trade mark in a commercial context occurred when the advertiser reserved a key word despite the fact that such a word was not used in the advertisement shown on Google. However, it has to be shown that the use of that word has an adverse effect on the function of the trade mark, that is the indication of origin/the owner. The court held that this would be adversely affected if the sponsored link/advertisement did not “*enable the average*

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*internet user or enables that user only with difficulty” to ascertain the origin of the goods or services. Where there is a suggestion of a link between the advertiser and the owner of the trade mark there would be an adverse effect. In addition, where the advertisement attached to the sponsored link was so vague that an internet user would not be able to determine whether there was a link or not there was also an adverse effect on the function of that trade mark.*

It seems that it is now at the discretion of the national courts to decide on the facts of each individual case whether the distinguishing function of a trade mark has been or is likely to be effected by another’s sponsored link on Google. We hope, that the final decision in the Interflora and Marks & Spencer case, mentioned above, will provide further clarity on this point.

In the meantime, brand owners should be closely monitoring their trade marks online. The value of intellectual property cannot be emphasised enough and businesses should take the time to check the use by others of their trade marks. If it appears that others are using your trade mark as a keyword on the Google AdWord service, ie, when you type in your brand name on Google other sponsored links not connected with your business appear, you may be able to request that Google disables the sponsored links. Following this latest decision, it appears that Google has an obligation to do so once it has been brought to their attention.

**Need to know more? Ask us. For information/advice on litigation issues, please contact:**

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