

# Google Adwords and the use of Competitors' Trade Marks on the Internet

Mark Vincent and Megan Edwards, Truman Hoyle Lawyers

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Mark Vincent is the lead Intellectual Property Partner at Truman Hoyle Lawyers in Sydney. Mark advises clients on media and intellectual property disputes, transactions and strategy. Megan Edwards has recently joined the IP and Media Group at Truman Hoyle from the in-house team at the Australian Broadcasting Corporation and brings a wealth of experience in dealing with the application of legal principles to new media and technology.

This paper will examine the interesting and complex legal questions involved in assessing and applying legal principles to online interaction and competition. The focus is on AdWords and the use of a competitor's trade marks on the internet. We examine the position in Australia with a focus on the competition regulator's challenge to Google's AdWord practices, together with a survey of some interesting and contrasting approaches in the USA and the UK.

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Google AdWords are a highly successful form of advertising and account for most of Google's revenue<sup>1</sup>. "Keyword" advertisements currently represent the leading area for growth in online advertisements. Prior to the rise in success of keyword advertising the focus was on "banner" ads and before that "popup" ads and "meta tag" use. As technology changes, the possibility of legal challenge to each new practice is very real. The challenge of applying existing legal principle to new situations provides some inconsistent results making it difficult for those at the cutting edge to get complete certainty of their legal position. Added to this uncertainty are the problems faced by companies such as Google when operating a single global platform across all of the jurisdictions of the world whilst accommodating all of the varied social, political and legal policies.

An "AdWord" may be auctioned by Google to any trader. When those keywords appear in a search request, the purchaser of the "AdWord" is able to advertise its business on a screen alongside the search results on a "pay per click" basis. The author typed in "Ricoh" as a search term in Google on 4 April 2008 and the second ranking result on the "sponsored links" side of the page was for "Sharp Copiers Newcastle". On the Sharp website the author clicked through to, the author could see no sign of Ricoh copiers or other Ricoh equipment on sale. Thus a competitor can purchase its rival's trade mark as an AdWord and attempt to divert a percentage of its rival's internet traffic towards its own website. In this way, it is entirely possible that a trader with no reputation at all can get its goods brought to the attention of a consumer through association with another well known brand. Like the positioning of products on a supermarket shelf with "no-name" brands alongside other better known brands to encourage sales, Google and its competitors will increasingly play roles as the intermediaries in sales and they will be able to sell the rights to place products and services in front of a consumer, alongside other better known products and services. Is this fair competition or an attempt to divert customers by misleading or deceptive conduct?

## Recent Australian Developments

The Australian Competition and Consumer Commission ("ACCC"), a statutory body charged with examining competitive practices in Australia, has filed an action in the Australian Federal Court against Trading Post Australia and Google in relation to advertising practices. The case against Google alleges misleading and deceptive conduct under section 52 of the *Trade Practices Act (1974)* (Cth) ("TPA"). The Trading Post purchased names of car dealerships which it was not affiliated with on a price per click basis to divert traffic to the car trading section of its website. On 4 October 2007 Google's Notice of Motion to strike out the claim was dismissed. Orders made by the Court on 27 August 2008 require Google to attend to the filing of amended defences by 1 October 2008 with

lay evidence to be filed by 27 February 2009. The next directions hearing is listed for 12 December 2008, with no hearing date confirmed as yet. The ACCC alleges that<sup>2</sup>:

- there is inadequate distinction made between search results and “sponsored links” on advertising;
- the term “sponsored links” is itself misleading;
- the appearance of “sponsored links” on the left hand side of the page, rather than on the right hand side with other advertising, confuses consumers;
- on occasion, Google is said to highlight the keyword selected by a user within an advertisement unconnected to the keyword; and
- where results relate to common subject matter such as cars, they are more likely to deceive.

The ACCC’s lawyers have stated:

*“It is not to the point that users may, over time, learn to discern advertisements from search results, to disregard the title of an advertisement and to have sole regard to web-site addresses. Indeed the difference between those who are misled and those who are not may simply be the number of times such users have clicked on an unhelpful result unrelated to their query.”*<sup>3</sup>

Google has defended its sponsored link advertising practices, claiming the ACCC’s allegations are an attack on all search engines and Australian businesses that use Google to connect with customers.<sup>4</sup> The Trading Post has settled with the ACCC and was excused from taking any further steps in the proceedings by orders of Allsop J on 8 April 2008.

Of interest is that the ACCC action against Google in Australia is not based upon trade mark infringement. Assuming that Google allowed purchase of a registered trade mark by a competitor, section 120 of the Australian *Trade Marks Act* (1995) (Cth) dictates that an alleged infringer must use the trade mark “as a trade mark”. Use “as a trade mark” requires a connection between the appropriator’s goods or services and the trade mark use.<sup>5</sup> Particularly with the purchase of AdWords, there is no visible use of the requisite AdWord made by either Google or the “appropriator”. Generally, the only person using the AdWord is the searcher for goods and services. Such use by the searcher cannot easily be deemed to be use by or on behalf of the “appropriator” or Google. Thus there are real problems in identifying any relevant use of a trade mark in the Google AdWord practices. The difficulties of using trade mark law to attack the AdWords service are discussed in several US and UK decisions referred to below.

The ACCC in the *Australian Trading Post* matter seems to base its case upon an inability of consumers to distinguish advertising from genuine search results. Such confusion seems over-stated, particularly where the advertisements identify the businesses which they are advertising. Any momentary confusion is ultimately resolved when the consumer fails to find the goods or services in question after a click through. The ACCC also alleges additional instances where competitor names appear re-produced in advertising content. This comes much closer to misleading conduct although each case would depend on its facts as to whether the precise wording could confuse consumers as to the origin of the advertisement and the goods or services on the advertiser’s website.

### **Survey of Australian Law**

Appropriation of consumer interest does not necessarily involve any trade mark infringement or misleading conduct under Australian law. A good example is the defence available to an action for trade mark infringement in Australia for comparative advertising<sup>6</sup>. There is a deliberate “gap” in Australian law which could be described as “misappropriation *without misrepresentation*”. Such misappropriation generally lacks a remedy in Australia. As the Australian High Court’s Justice Dean said in a famous passage in the *Moorgate*<sup>7</sup> case where he rejected the existence of a tort of “unfair competition” or “unfair trading”:

*“The rejection of a general action for ‘unfair trading’ does not involve a denial of the desirability of adopting a flexible approach to traditional forms of action when such an approach is necessary to adapt them to meet new situations and circumstances. [However]... [n]either legal principle nor social utility requires or warrants the obliteration of that boundary by the importation of a cause of action whose main characteristic is the scope it allows, under high-sounding generalisations, for judicial indulgence of idiosyncratic notions of what is fair in the market place.”<sup>8</sup>*

Nevertheless, this lacuna in Australian law (“misappropriation without misrepresentation”) has often been filled by the significant area for discretion allowed to Australian judges when implementing Part 5 of the TPA. In particular, actions for misleading and deceptive conduct and wrongful claims of affiliation or endorsement under sections 52 and 53 respectively of the TPA (which now largely encompass the common law tort of passing off) have allowed judges to come up with a series of interesting decisions which seem to reflect the moral or ethical judgment reached by the court rather than a rigorous insistence on true misrepresentation. There remains room for doubt and unpredictability as to precisely how AdWord cases and other novel approaches to diversion of consumers’ attention on the internet will play out in Australia. The need for care by Google and others in these new practices surrounds the importance of ensuring that in no sense should consumers be misled or confused as to origin, affiliation or endorsement of the goods or services that are presented to them.

Some of the cases which in the author’s opinion have led to liability travelling beyond a true connection to misrepresentation include *Red Bull Australia Pty Ltd v Sydneywide Distributors Pty Ltd*<sup>9</sup> and *Pacific Dunlop Ltd v Hogan*<sup>10</sup>. To quote a well known passage from the *Hogan* case in the judgment of Burchett, J who said, while considering this case on appeal:

*“In my opinion, the vagueness of the suggestion conveyed in this case is not sufficient to save it. That vagueness is not incompatible with great effectiveness. It would be unfortunate if the law merely prevented a trader using the primitive club of direct misrepresentation, while leaving him free to employ the more sophisticated rapier of suggestion, which may deceive more completely. In my opinion, the deployment in circumstances of the present kind of techniques of persuasion, designed to influence prospective customers in favour of a trader or his products upon the basis of some underlying assumption which is false, may be held to be misleading or deceptive or to be likely to mislead or deceive within the meaning of s 52, and may also be held to constitute passing off.”<sup>11</sup>*

In *Hogan* there was a vague suggestion to the average unenlightened consumer that Hogan had entered into a commercial relationship with Pacific Dunlop prior to its use of a parody of a scene from one of Hogan’s films. The finding being that consumers would assume a licence was needed to use a parody of a scene from a well known film. The subtlety of the misrepresentation of a commercial relationship between Pacific Dunlop and Hogan may have been another way for the Court to express its view that it is inappropriate to reap where one has not sown, or to appropriate the goodwill of others without accounting for it. Was the *Hogan* case a case in which members of the public were truly misled and deceived through a false representation of association or endorsement? Or was it an attempt to punish for an advertising practice seen as unfair?

Likewise in the *Red Bull* case, Conti J of the Australian Federal Court found on the basis of similar colouring on a can of energy drink (a low priced, high volume consumer good) that consumers would be misled as to the origin of the goods.

*“The temptation to market a product with packaging, which potential consumers would identify as similar in get-up presentation or ‘general characteristics’ ... to the already heavily publicised Red Bull product, was something which I would infer was*

*too great a temptation for Sydneywide to resist. ... Even in the situation where both brand names were to be discernible at the point of sale to the potential customer, there would also be the 'Ms Carswell' kind of customer, who might think that both products emanated from the same manufacturing stable, for all sorts of reasons, logical or otherwise.*

*The conclusion I would thus draw is the Sydneywide identified the opportunity to enter this new and expanding market, on the coat tails of Red Bull's massive promotional efforts and success already achieved as a co-market leader, at virtually no promotional cost to Sydneywide, as something too attractive to forego."*<sup>12</sup>

The approach of the Court to misleading and deceptive conduct shows a degree of latitude which could produce uncertainty in judicial examination of Google's practice of selling AdWords.

We contrast the *Hogan* and *Red Bull* cases with the *Parkdale* case<sup>13</sup> where a trader copying a competitor's lounge suite design (not protected by a design registration) caused consumers to wonder as to the identity of the manufacturer or even to erroneously conclude that such lounge was the "original" not the "copy". The difference between the amount of attention consumers deploy when making a substantial purchase (such as a \$1500 lounge suite) as compared to that expended in purchase of an inexpensive consumer good should not be overlooked. In *Parkdale* Gibbs CJ of the High Court noted:<sup>14</sup>

*"Although it is true, as has often been said, that ordinarily a class of consumers may include the inexperienced as well as the experienced, and the gullible as well as the astute, the section must, in my opinion, be regarded as contemplating the effect of the conduct on reasonable members of the class. The heavy burdens which the section [52 of the TPA] creates cannot have been intended to be imposed for the benefit of persons who fail to take reasonable care of their own interests. What is reasonable will of course depend on all the circumstances. The persons likely to be affected in the present case, the potential purchasers of a suite of furniture costing about \$1500, would, if acting reasonably, look for a label, brand or mark if they were concerned to buy a suite of particular manufacture."*<sup>15</sup>

And later in *Parkdale* Mason J of the High Court noted:

*"Conduct does not breach s 52(1) merely because members of the public would be caused to wonder whether it might not be the case that two products come from the same source."*

*"Therefore I conclude that the appellant's practice of labelling its 'Rawhide' furniture ensured that the similarity of the two suites, even if it might otherwise have been 'misleading or deceptive', did not contravene s 52."*<sup>16</sup>

Thus the courts in some cases give consumers credit for some modicum of intelligence and emphasise that our laws encourage competition and don't stifle it by expanding the protections afforded to traders beyond traditional protection afforded by recognised IP rights. In particular clear labelling and identification of advertisers and their goods and services may resolve any confusion of members of the public who would be caused to wonder. Any initial confusion must be considered against all of the background facts so as not to protect those consumers who fail to take reasonable care of their own interests. In the context of the internet some familiarity with basic advertising practices should be assumed and the emphasis should be on competition not excessive protection of competitors from each other.

**How have the courts in the us and the United Kingdom dealt with these issues?**

## A. United States

Plaintiffs in the United States have relied largely on trademark infringement provisions in the *Lanham (Trademark) Act* (15 U.S.C) to bring cases alleging unfair competition where competitors purchase keyword advertising in their name. Under the *Lanham Act* a plaintiff alleging trademark infringement must prove:

- (1) *that is possesses a mark;*
- (2) *that the defendant ‘used’ the mark;*
- (3) *that the defendant’s use of the mark occurred “in commerce”;*
- (4) *that the defendant used the mark “in connection with the sale, offering for sale, distribution, or advertising” of goods and/or services; and*
- (5) *that the defendant used the mark in a manner likely to confuse customers.*<sup>17</sup>

The plaintiff must satisfy the court that all of the five elements noted above have occurred before a finding of trademark infringement will be made out.<sup>18</sup> When deciding whether infringement of a trade mark has occurred in the purchasing of keyword advertising, some courts have placed emphasis on the argument that the marks have not been used “in commerce” so as to avoid a breach of the mark. Other courts place greater emphasis on the confusion that the use of the mark creates, relying on the “initial interest confusion” principle. In these cases “use” of the mark gets no special attention, it being assumed. Either way, there is no discernable precedent as to whether the purchasing of keyword advertising of a trade mark owned by a competitor is a breach of trade mark rights. At best, the law around this area could be seen as ad hoc.

In deciding whether the defendant has used the mark in a manner likely to cause confusion, some US courts have developed a theory relating to “initial interest confusion”. In the *Brookfield* decision<sup>19</sup>, “MOVIEBUFF”, a mark owned by Brookfield, appeared in meta tags on a website owned by West Coast Entertainment Corp and were used to make the defendant’s website rank higher than the plaintiff’s in general search engines. The Court considered that confusion was unlikely but the “momentary misdirection” could cause diversion of consumers from Brookfield’s subscription database to search for movie classics in West Coast’s free movie information database. The Court used the now oft-quoted analogy to describe this ‘misdirection’; that it was like driving down a highway where a driver is diverted off the highway by a sign advertising a product. The driver then finds himself at a competitor’s business who sells an equivalent product. With the advertiser’s business nowhere is sight, given the time and petrol invested in travelling off the highway, the driver decides to purchase the product from the competitor. The Court, using the initial interest confusion principle, held that, West Coast was liable for the misappropriation of Brookfield’s goodwill.

It is clear to see that a circumstance such as the highway metaphor above is misleading and deceptive or comprises use of a trade mark in commerce and should result in a remedy for the advertiser. However, if the *Brookfield* case is considered on its facts, actual deception as to the origin of any goods and services appears to have been absent. What occurred was simply a diversion of trade; a smart marketing mechanism. A criticism of this “initial interest confusion” doctrine as applied in this case is that it lost sight of the distinction between attempts to divert trade, which are lawful competitive practices, and attempts to divert trade through deception.<sup>20</sup>

Even so, the US courts have used the ‘highway metaphor’ and applied it to keyword advertising. In the case of *Playboy v Netscape*<sup>21</sup>, where keyword advertising for adult-orientated sites was sold for PLAYBOY and PLAYMATE, the court said;

*Even if they realise “immediately upon accessing” the competitor’s site that they have reached a site “wholly unrelated to” [Playboy’s] the damage has been done.*

*Through initial interest confusion, the competitor ‘will have gained a customer by appropriating the goodwill that [Playboy] has developed in its mark.’<sup>22</sup>*

In the Playboy case the banners which popped up on entry of a keyword search were “unlabeled” and did not identify the source of the “pop up”. This increased the chances of a consumer being confused into thinking that the “pop up” or link related to Playboy. Often in the AdWord cases the “Sponsored Link” identifies the competitor by name.

There have been a number of recent legal challenges to the Google AdWords service in the US.

1. In the case of *Merck & Co v MediPlan Health Consulting Inc.*<sup>23</sup> the defendants paid Google and Yahoo! for keyword advertising for the mark ZOCOR in relation to the pharmaceutical products of a competitor. The court held that using the mark ‘ZOCOR’ as a keyword in advertising was a use of a mark ‘in commerce’ and held that the defendant had breached the plaintiff’s trade mark. Google was not a defendant in that case.
2. In *Government Employment Insurance Company (“GEICO”) v Google Inc*<sup>24</sup>, the Plaintiff argued that Google’s sale of ‘GEICO’ and its derivatives as keywords for advertising violated the *Lanham Act* and Virginian Law. GEICO argued that by selling this option to advertisers, Google;

“(1) *directly violates the Lanham Act by using “GEICO” as a keyword to place related Sponsored Links alongside organic results in a manner that is likely to confuse consumers as to the source, affiliation or sponsorship of those links, and*

“(2) *contributes to third parties’ violations of the Act by knowingly encouraging advertisers to use GEICO’s marks in the heading or text of their ads in a manner that is likely to confuse consumers.”<sup>25</sup>*

GEICO provided evidence to the Court of a survey completed in preparation for the trial regarding the effectiveness of sponsored links as an advertising tool, and how they were distinguished from organic search results. The survey results showed that 67.6% of the test group respondents expected that they would reach GEICO’s web site if they clicked on the sponsored links, with 69.5% of respondents thinking that the sponsored links were links to GEICO’s site, or in some way affiliated with the company.

The Court held that the uses complained of by GEICO were ‘in commerce’ as required by the *Lanham Act*. However, the Court granted Google Judgment as a Matter of Law (the equivalent of a ‘no case to answer’ in Australia) with regard to (1) above; finding that GEICO did not produce sufficient evidence to establish a likelihood of confusion. However, with regard to (2), the Court held that, despite the fact the survey results were ‘flawed’, they may have been sufficient to establish a likelihood of confusion regarding sponsored links in which the trademark appeared either in the heading or text of the ad. The court reserved a final decision pending further information from the parties. In the interim, the parties reached a confidential settlement.

3. In *Google Inc v American Blind & Wallpaper Factory Inc*<sup>26</sup>, American Blind & Wallpaper Factory (“ABWF”) argued that its trade marks, *AMERICAN BLIND*, *AMERICAN BLINDS*, *AMERICAN BLIND FACTORY*, *AMERICAN BLIND & WALLPAPER FACTORY* and *DECORATETODAY* were being used in contravention of the *Lanham Act* as keywords sold by Google. Initially, the Court denied Google’s motion to dismiss the trade mark infringement claims asserted by ABWF. The Court noted the precedent of *Playboy* and *GEICO* and the uncertainty of this area of law and found that prospects for success were not ‘beyond doubt’ so as to have the claims dismissed. On 18 April 2007, the Court held that *AMERICAN*

BLIND and AMERICAN BLINDS were not recognisable marks, given that the words alleged to be marks were not registered trade marks and were descriptive words rather than marks. The remaining alleged marks were held to be marks ‘used in commerce’ and the court allowed ABWF to proceed with infringement claims.<sup>27</sup> Even so, an out of court settlement was reached between the parties in September 2007.

4. In *Rescuecom Corporation v Google*<sup>28</sup>, the court granted Google’s motion to dismiss the claim of trademark infringement and unfair competition brought by Rescuecom because the use of the mark was not a ‘trademark use’ within the meaning of the *Lanham Act*<sup>29</sup>, as the mark was not used to identify the source of any goods or services. Rescuecom, a well known computer service franchise business in the US, had a registered trade mark in its company name since 1998. Rescuecom completed much of its business over the internet, with an average of 17,000 to 30,000 visitors to its site each month. Google sold the word ‘Rescuecom’ as an advertising keyword to Rescuecom’s competitors, and also recommended Rescuecom as a keyword to potential advertisers through Google’s ‘Keyword Suggestion Tools.’ The Court held:

*“Defendant’s internal use of plaintiff’s trade mark to trigger sponsored links is not a use of a trademark within the meaning of the Lanham Act, either, because there is no allegation that defendant places plaintiff’s trademark on any goods, containers, displays or advertisements, or that its internal use is visible to the public.”*<sup>30</sup>

In the US the position of “invisible” use of trade marks such as in their purchase as AdWords is the subject of inconsistent and conflicting legal decisions. We concur with one US Commentator who has concluded that: *“many such secret trade mark uses will undoubtedly be deemed permissible fair uses or appropriate forms of comparative advertising under existing legal rules.”*<sup>31</sup>

## **B. United Kingdom**

In the United Kingdom, Jacob J has given a judgment which comments on many issues relevant to this paper in the matter of *Reed Executive Plc v Reed Business Information Limited*<sup>32</sup>. In relation to Yahoo’s banner use, Jacob J made the following comments:

*“As anyone who uses internet searches knows, in addition to the results of a search under a particular name or phrase, one often gets unasked for ‘banner’ advertisements. Most of the time they are nothing but an irritation and are ignored. But you can, if you wish, ‘click-through’, ie click on the banner and be taken to the advertiser’s site. ... The web-using member of the public knows that all sorts of banners appear when he or she does a search and they are or may be triggered by something in the search. He or she also knows that searches produce fuzzy results – results with much rubbish thrown in. The idea that a search under the name Reed would make anyone think there was a trade connection between a totaljobs banner making no reference to the word ‘Reed’ and Reed Employment is fanciful. No likelihood of confusion was established.”*<sup>33</sup>

Justice Jacob has provided a well reasoned judgment in relation to the importance of identifying the presence or absence of misrepresentation or misleading and deceptive conduct measured against a background of reasonable sophistication of internet users.

On 20 March 2008, Morgan J handed down a judgment in the High Court in London<sup>34</sup> striking out a claim by the owner of a trade mark “Mr Spicy” in which he sued Yahoo UK Limited for making available his trade mark to Sainsbury and Pricegrabber.com who had used keywords to generate sponsored links on search pages with Yahoo. The Judge found that:

*“Mr Wilson is not able to prohibit the use of the words ‘Mr Spicy’ even when they are being applied to goods identical to those for which the mark is registered if that use cannot affect his own interest as a proprietor of the mark having regard to its functions. ... I do not begin to see how what it is described in the search response with reference to Sainsbury has any impact of an adverse character on Mr Wilson’s rights as a proprietor of the trade mark.”*

*“The real problem, as I see it, with this allegation is that Mr Wilson’s trade mark is not a mark which entitles him to stop people using the words ‘Mr Spicy’ but it is a trade mark in relation to certain goods or services.”<sup>35</sup>*

*“It seems to me that it is a million miles away from Yahoo using Mr Wilson’s mark in relation to goods or services which are identical to those protected by the mark or which are similar to those protected by the mark.”<sup>36</sup>*

The claim for trade mark infringement was struck out on the basis that it was totally without merit. The UK courts seem to be adopting more pragmatic and predictable approaches to AdWord cases and other internet advertising practices. There seems no notable application of idiosyncratic notions of fairness to issues which require the careful application of existing well defined legal principles to new technologies.

### **Google Policy**

Google’s trademark policy is:

*“Google takes allegations of trademark infringement very seriously and, as a courtesy, we’re happy to investigate matters raised by trademark owners. Also, our Terms and Conditions with advertisers prohibit intellectual property infringement by advertisers and make it clear that advertisers are responsible for the keywords they choose to generate advertisements and the text that they choose to use in those advertisements.”<sup>37</sup>*

Google has two separate policies in relation to trade mark complaints arising out of Adwords; one for the US, UK, Canada and Ireland, and secondly for the rest of the world. Google’s present policy is to make available competitors’ trade marks as AdWords worldwide, unless a complaint is received. This seems surprising given the findings against Google in Europe.<sup>38</sup> Complainants outside the US, Canada, UK and Ireland are able to complain should their trademarks be used as AdWords, or if it appears in the text of a competitor’s advertising. Complainants from the the US, UK, Canada and Ireland are only able to complain should their mark appear in the text of a competitor’s advertising.<sup>39</sup> Google actively encourages the aggrieved to contact the other party directly and attempt to resolve any complaints.

### **Conclusion**

Australia does not have any tort of unfair competition and does not have legal principles which prevent misappropriation of a trader’s goodwill in circumstances absent some misrepresentation. Trade mark law requires some “use” by an advertiser of a competitor’s mark “as a trade mark” in relation to similar goods or services. The approaches of courts in the UK and USA will have difficulty being directly applied in Australia due to differing legislative backgrounds. The messages which follow from the UK and US cases however suggest that the law will recognise an increasingly sophisticated consumer in an increasingly complex on-line world. It is for these reasons that we predict that practices such as Google AdWords being purchased by competitors for diversion of consumer attention will generally be seen to be lawful conduct in Australia. It is an entirely different matter as to whether traders view such conduct as acceptable conduct in the marketplace having regard to their views as to how to best promote their businesses. It is the ACCC’s perspective that purchasing a competitor’s AdWord within a Google AdWord program can lead to confusion amongst

consumers and that it is an inappropriate advertising practice. The forthcoming decision in the Australian Federal Court involving ACCC and Google is likely to provide some further guidance in this area.

Mark Vincent

Partner

[mvincent@trumanhoyle.com.au](mailto:mvincent@trumanhoyle.com.au)

Megan Edwards

Lawyer

[medwards@trumanhoyle.com.au](mailto:medwards@trumanhoyle.com.au)

Truman Hoyle Lawyers

Tel: (02) 9226 9888

Fax: (02) 9226 9899

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<sup>1</sup> Google's total revenue in 2007 was US\$16.6 billion and of this US\$16.4 billion was derived from advertising. To appreciate the growth of Google, in 2003 Google's total revenue was US\$1.46 billion with advertising revenue representing US\$1.42 billion. [http://investor.google.com/fin\\_data.html](http://investor.google.com/fin_data.html) last visited 11 September 2008

<sup>2</sup> Summary of case against Second Respondent 24 September 2007 Federal Court case NSD 1323 of 2007  
<sup>3</sup> *ibid*

<sup>4</sup> Tung, *Google in ACCC sights, Sensis wriggles*, ZDNet Australia, <http://www.zdnet.com.au/news/business/soa/Google-in-ACCC-sights-Sensis-wriggles/0.139023166.339283905.00.htm> last visited 15 September 2008

<sup>5</sup> *Coca Cola Co v All-Fect Distributors Limited* (1999) 96 FCR 107 [1999] FCA 1721 at 20.

<sup>6</sup> See section 122 of the *Trade Marks Act* (1995) (Cth) which says "(1) In spite of section 120, a person does not infringe a registered trade mark when: ... (d) the person uses the trade mark for the purposes of comparative advertising"

<sup>7</sup> *Moorgate Tobacco Co Ltd v Philip Morris Ltd* (No. 2) (1984) 156 CLR 414

<sup>8</sup> *ibid* at 445-6

<sup>9</sup> (2001) 53 IPR 481

<sup>10</sup> (1989) 87 ALR 14

<sup>11</sup> *ibid* at [47]

<sup>12</sup> *Red Bull Australia Pty Limited v Sydneywide Distributors Pty Ltd* (2001) 53 IPR 481 at 515

<sup>13</sup> *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 42 ALR 1

<sup>14</sup> *ibid* at 6-7

<sup>15</sup> *ibid* at 4-16

<sup>16</sup> *ibid* at 15, 16

<sup>17</sup> Brinkema J, Memorandum Opinion, *Government Employees Insurance Company v Google Inc. et al*, United States District Court Virginia, 8 August 2005 (formatting added).

<sup>18</sup> *Rescuecom Corporations v Google Inc.* 456 F.Supp.2d 393 (N.D.N.Y., September 28, 2006)

<sup>19</sup> *Brookfield Communications Incorporated v West Coast Entertainment Corporation*, 174 F.3d 1062 (9<sup>th</sup> Cir 1999)

<sup>20</sup> Swann, *Likelihood of Confusion Studies and the Straitened Scope of Squirt* Vol 98 No 3 *The Trademark Reporter*, 764-765

<sup>21</sup> *Playboy Enterprises, Inc v Netscape Communications Corporation* 354 F.3d 1020 (9<sup>th</sup> Cir. 2004).

- 22 354 F.3d at 1025 quoting *Brookfield* 174 F.3d at 1057.  
 23 425 F.Supp.2d 402 (S.D.N.Y. 2006)  
 24 77 U.S.P.Q.2d (BNA) 1841 (E.D. Va 2005)  
 25 77 U.S.P.Q.2d (BNA) 1841 (E.D. Va 2005)  
 26 2007 WL 1159950 (N.D Cal. 2007)  
 27 *Samson, Google Inc v American Blind and Window Factory Case No 03-5340 JF(RS) (N.D. Cal., April 18, 2007) Use of Trademark in Keyword Advertising Constitutes a use in Commerce*,  
[http://www.internetlibrary.com/cases/lib\\_cases475.cfm](http://www.internetlibrary.com/cases/lib_cases475.cfm), last accessed 15 September 2008.  
 28 456 F.Supp.2d 393 (N.D.N.Y., September 28, 2006)  
 29 15 U.S.C § 1051.  
 30 456 F.Supp.2d 393 (N.D.N.Y., September 28, 2006)  
 31 Moskin, *Virtual Trademark Use – The Parallel World of Keyword Ads*, Vol 98 No 3 The Trademark  
 Reporter, 906  
 32 [2004] EWCA CIV 159  
 33 *ibid* at [137] to [140]  
 34 [2008] EWHC 361 (CH) Case No. 1HC 701/07  
 35 *ibid* at paragraph 77  
 36 *ibid* at paragraph 82  
 37 *What is Google's trademark policy?* <http://adwords.google.com/support/bin/answer.py?hl=en&answer=6118>,  
 last accessed 19 September 2008.  
 38 Google AdWord practices have been found unlawful in France, with damages and injunctions with regard to  
 Google's sale of their trade marks as AdWords being awarded to plaintiffs such as Luteciel and Viaticum  
 (*Société Google France v. Société Viaticum et Société Luteciel*, CA Versailles, 12e ch., March 10, 2005,  
 N°RG 03/00051 referred to in Sayer, *Google France loses appeal in AdWords trademark dispute*, Infoworld,  
[http://www.infoworld.com/article/05/03/17/HNgooglefranceadwords\\_1.html](http://www.infoworld.com/article/05/03/17/HNgooglefranceadwords_1.html), last accessed 15 September  
 2008), *Louis Vuitton Malletier SA (S.A. Louis Vuitton Malletier v. Société Google, Inc. et S.A.R.L. Google  
 France*, T.G.I. Paris, 3e ch., Feb. 4, 2005, N°RG 04/05745 referred to in Sayer, *Google France loses appeal  
 in AdWords trademark dispute*, Infoworld,  
[http://www.infoworld.com/article/05/03/17/HNgooglefranceadwords\\_1.html](http://www.infoworld.com/article/05/03/17/HNgooglefranceadwords_1.html), last accessed 15 September  
 2008) and *Le Meridien Hotels and Resorts (Société des Hotels Méridien v. S.A.R.L. Google France*, T.G.I.  
 Nanterre, Dec. 16, 2004, N°RG 04/03772 referred to in Sayer, *Google France loses appeal in AdWords  
 trademark dispute*, Infoworld, [http://www.infoworld.com/article/05/03/17/HNgooglefranceadwords\\_1.html](http://www.infoworld.com/article/05/03/17/HNgooglefranceadwords_1.html),  
 last accessed 15 September 2008.) It is of note that Google has appealed the Louis Vuitton Malletier SA  
 decision, which, should it again be found against Google, could have overarching effects on internet  
 advertising in the EU (Sterling, *Louis Vuitton Offers Google More Trademark Trouble In Europe*,  
<http://searchengineland.com/080604-122019.php>, last accessed 19 September 2008 ).  
 39 *Google Trademark complaint procedures*, [http://www.google.com/tm\\_complaint\\_adwords.html#2](http://www.google.com/tm_complaint_adwords.html#2), last  
 accessed 19 September 2008