



THE LEGAL INSIDER

of Mr. Alain P. Lecours

INTELLECTUAL PROPERTY LAW:

Protecting your business' goodwill: *Google Adwords*

Are you aware of the possibility for a third party to steal whole or part of your clientele on the Internet? Indeed, a website owner may divert a third party's goodwill to his website through the intervention of *Google Adwords*. How does *Google Adwords* work? This Internet tool allows the user to buy a keyword that will be incorporated in his website's description, thereby permitting the Internet user to find this website readily through a search done on the *Google* search engine. Thus, it is possible to buy a keyword similar or identical to a third party's commonly known trademark in order to usurp such trademark's goodwill.

In the present Newsletter, after having established the importance of the *Google* search engine, we will expose the major issues resulting from the use of *Google Adwords* with regard to the protection of one's trademark and goodwill.

The *Google* search engine

In May 2007, approximately 50% of the Internet users worldwide were using the *Google* search engine in their online daily activities. This is five (5) times more users than *MSN* and twice that of its closest competitor *Yahoo*, which is quite enormous!

Have you ever controlled the origin of your website's traffic? The odds are that the great majority of visitors comes from the Internet search engines, more particularly from the *Google* search engine. Thus, *Google* has become indispensable. Good referencing on the *Google* search engine could result in the enhancement of your clientele and bring important economical repercussions.

Google Adwords

In order to improve your website's goodwill, you may use the *Google Adwords* tool. How does it work?

Google Adwords is a tool that allows the user to buy one or more keywords which will be linked to your website's description on the *Google* search engine (sponsored link). When these keywords are inserted in the *Google* search bar, your website will then appear in the search results. Such keywords may be placed in evidence in the sponsored link or kept hidden. In facilitating your website's research, this method enables you to augment your visibility on the Internet easily and efficiently.

With *Google Adwords*, you may buy any keyword you want, including those of your competitor's trademarks and commonly known trademarks such as *Toshiba*, *Canon* or *Sony*. No verification nor monitoring is performed by *Google* on your keywords' choice. Thereby, one may readily take advantage of a third party's trademark goodwill in order to increase his own product's sales. Is this approach lawful?

When a keyword corresponding to a third party's trademark is mentioned in the sponsored link without this third party's authorization, there is clearly an infringement to the *Trade-mark Act* (Canada). Incidentally, this activity is forbidden by *Google*. However, *Google* allows a user to buy such keywords when they are kept concealed in the sponsored link. Is this operation permitted according to the *Trade-mark Act*? We believe that this is not permitted for the following reasons.

According to the *Trade-mark Act*, no person shall direct public attention to his wares, services or business in such a way as to cause or be likely to cause confusion, in Canada, between his wares, services or business

and the wares, services or business of another. Considering this statement, one could validly posit that using a third party's business name or trademark in order to capture this third party's clientele on the Internet constitutes a violation of the *Trade-mark Act*. In fact, this argument is invoked in several suits regarding violation of the laws protecting trademarks and instituted against *Google* by important and commonly known trademarks' owners, such as American Airlines and Phillips. However, no judgment has yet been rendered on these suits and the argumentation remains open. Nevertheless, it will be interesting to see what argument will be followed by the American courts of justice regarding the utilization of the *Google Adwords* tool.

In addition, note that in many European countries, the Courts have prevented *Google* from selling keywords that refer to a competitor's trademark, regardless of whether they are hidden or not in the sponsored link.

In any event, regardless of whether buying keywords that correspond to a third party's trademark does or does not constitute a violation of the *Trade-mark Act*, any company should perform periodic controls on *Google* in order to assure that its trademarks are not ill-advisedly used. In fact, it would be strongly regrettable that one's image be jeopardized by a competitor when considerable efforts have been invested for the promotion of such image on the Internet.

Conclusion

Whereas the environment of new technologies is evolving rapidly, the Courts of justice are hardly able to follow these changes and to adapt the jurisprudence consequently. Therefore, the pattern of buying keywords corresponding to a competitor's trademark with *Google Adword* in order to divert its goodwill is more and more frequent. Although it has been strictly forbidden in many European countries, buying such keywords is still permitted in North America, but for how long? Thus, it will be interesting to see in the near future how American and Canadian Courts will resolve this issue. Nevertheless, in the meantime, it would be advisable for a website owner to perform periodic monitoring on the *Google* search engine in order to prevent the hijacking of his trademark's goodwill.

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