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BATTLE® On-Line Trademarks News Release

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Headline: GOOGLE v LVM - trademarks and adwords case ECJ preliminary judgment

GOOGLE v Louis Vuitton Mattellier SA ("Vuitton") Judgment of European Court of Justice dated 23 March 2010

Background

Vuitton markets luxury bags and other goods. It owns the VUITTON registered trade mark covering the EU, in addition to other registered trademarks.

In 2003, Vuitton noticed that when internet users entered its trade mark into Google's search engine, the results showed links to other sites offering imitations of Vuitton's goods. Such links could be sponsored by competitors to Vuitton, through use of adwords (using keywords) corresponding to Vuitton's registered trade marks.

Vuitton sued Google in the French courts. Google was found guilty of infringing Vuitton's registered trade marks in 2005. An appeal by Google was also unsuccessful to over-turn the ruling. Google has brought an appeal on a point of law to the highest court in France (Court de cassation), against the latter judgment.

Questions for a preliminary ruling

The French supreme court referred 3 questions on EU laws to the European Court of Justice, pending its consideration of the points of law. The 3 questions sought to clarify certain legal points concerning: -

1. the rights of the owner of a registered trademark to prevent a provider of a paid referencing service from storing information or providing links to infringing sites, such that the ISP cannot incur a liability until it has been notified of the unlawful use of the sign by the advertiser;
2. whether the owner of the registered trade mark can oppose use of the marks where they have a reputation under the laws;
3. If the use in adwords cannot be prevented by the trade mark owner directly with the search engine, does the search engine incur liability prior to it being notified by the registered trademark owner of the unlawful use of the sign by the advertiser.

Similar questions were referred to the ECJ in two other cases, while staying the cassation appeals. In those cases Google had been found guilty of infringement of registered trade mark rights, and in one of the cases, the court upheld an appeal and found Google guilty in that it had acted as an accessory to infringement of the trade mark rights. The ECJ was asked for preliminary rulings on similar questions, pending the supreme French court's decision on the cassation appeals by Google.



Registered trade mark issues

The ECJ agreed that use by an advertiser of a sign identical with a registered trade mark as a keyword falls within the concept of "use" under the trade mark laws. Therefore, it is true the proprietor of the mark is entitled to prohibit that use, where it adversely affects the functions of the trade mark.

Advertisers on the internet can be made liable for infringement of registered trademarks. The ECJ found the proprietor of the registered trademark must be entitled to prohibit the display of third-party ads.

Search engine use

However, the ECJ concluded that use of a sign by a search engine per se identical with another person's trade mark is not, of itself, liable to have an adverse effect on the advertising function of the trade mark, in certain circumstances.

Search engine liability for trademark infringement

A search engine, as an information society information provider, can have exemptions from liability only in cases where the search engine "has neither knowledge of nor control over the information which is transmitted or stored". So, when the search engine or information society service provider's activity is "of a mere technical, automatic and passive nature", without knowing of the infringement, it may be exempt from liability.

This implies that the search engine may be held liable, **after** it has been made aware of infringement, should it continue to allow such infringement. This is because Google can have knowledge of, or control over, the data entered into its system by advertisers and stored in memory on its server.

The court's judgment was that a search engine can be exempt from liability where it has not played an active role of such a kind as to give it knowledge of, or control over, the data stored.

But, the ECJ judgment indicates the search engine can be held liable for the data, which it has stored at the request of an advertiser. If having obtained knowledge of the unlawful nature of those data or of that advertiser's activities, the search engine fails to act expeditiously to remove or to disable access to the data concerned, it can be held liable for infringement of registered trade marks.

Google and Vuitton claim victory in the ruling.

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