

Google™ wins partial victory against plaintiff Geico™ in high profile trademark infringement case

By Dr. Michael Factor

In addition to generating and displaying search results based on objective criteria of relevance to the search term and importance of the website, Google, Yahoo and other search engines allow advertisers to display adverts and links to web sites on the user's screen in response to keywords. This service generates hundreds of millions of dollars a year to search engine providers.

The acceptability of such practices is questionable where the keywords sold to paying advertisers are registered trademarks of other organizations.

Playboy Enterprises sued Netscape for allowing competitors to use "playboy" and "playmate" in keyword advertising, where typing these registered trademarks of Playboy Enterprises generated pop up adverts for web content not endorsed by Playboy Enterprises. The original trial judge considered this practice as constituting fair use, but an appeal court disagreed and reopened the case. In February 2003, Netscape and Playboy reached an out-of-court settlement, and there has been no definitive ruling on the subject.

More recently, US insurance giant Geico sued Google for selling their name and other registered trademarks as such keywords to competitors. Essentially, if you type Geico as a keyword into Google, competitors' adverts linking to competitors' websites are displayed.

Geico claims that this use of their trademarks generates confusion and damages sales. Google on the other hand, maintains that such use of the trademark does not constitute trademark infringement and does not go beyond "fair use" in that it does not falsely suggest an affiliation with the true owners' goods and services. In the US, freedom of speech is a constitutional right.

In early December, US Judge Leonie Brinkema issued an intermediate ruling in favour of defendants, that where the pop-up adverts do not display the trademark, using trademarked words to trigger adverts does not constitute infringement. It is likely that Geico will appeal.

Other contentious practices include embedding trademarks owned by other entities into the metafile links that hold a website together, or writing such words in

white print on a white background, such that the words do not show up on the screen but do affect search engine results.

To the best of our knowledge, these issues have not been considered by the Israeli courts. Since property rights are defended in Clause 3 of Basic Law "Human Dignity and Freedom", whereas freedom of speech though upheld by the courts, is not explicitly mentioned in the Basic Laws, and in view of the Law of Unjust Enrichment, one would anticipate that if such an issue comes to trial locally, Israeli courts will rule in favour of the trademark owner. No doubt time will tell.

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