

Protect Your Company's Trademark on the Internet

What you need to know about AdWords online marketing



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Search engine advertising programs, such as Google AdWords, have triggered the widespread practice of companies buying the use of their competitors' trademarks to advertise their own services. This means when someone searches for your company on the Internet, they may see a "Sponsored Link" belonging to your competition to the right of the search results. In a market where Google earned more than \$23 billion in AdWords revenue in 2009, this is big news for businesses that invest hard-earned dollars in building a brand.

Let's say a hypothetical business, which we will call XYZ Consulting, learned that its competitor, Acme Consultants, was obtaining many new customers from the Internet. This prompts XYZ Consulting to start its own Internet advertising campaign. It enrolls in an advertising program, such as Google AdWords, and purchases its own brand name as a keyword. In addition, it buys the keyword of its competitor, "Acme Consultants." By buying the "Acme Consultants" keyword, XYZ Consulting's advertisement will appear whenever someone searches for "Acme Consultants."

Taking this further, XYZ Consulting might also have its webmaster include the mark "Acme Consultants" as a metatag, also known as hidden text, in the code behind XYZ Consulting's website. Doing so would increase the chance that XYZ Consulting's website is included in the results when a Google user searches the

term "Acme Consultants." Very tricky, indeed.

Other hijacking scenarios are equally alarming. XYZ Consulting might decide to include the name "Acme Consultants" in the text of its advertisement itself, as opposed to keeping it hidden. For example, XYZ Consulting's ad might read, "Call us! We are less expensive than Acme Consultants!"

These practices affect all kinds of businesses – from home maintenance companies to manufacturers to software firms. Businesspeople who see their brands being used by a competitor on the Internet typically and, justifiably, boil over in anger. Having a competitor leverage your goodwill, hard work and reputation creates an intense desire to seek justice.

Keep in mind, though, that despite the deceptive nature of these practices, some of them are perfectly legal – they violate no trademark or other intellectual property law. Companies owning very valuable brands such as Louis Vuitton, GEICO, Rosetta Stone and 1-800-Contacts, have sued Google to prevent it from selling their trademarks as keywords. Ultimately, Google prevailed.

RESCUECOM CORP. V. GOOGLE

Rescuecom Corp. had sued Google in 2006, claiming that Google was selling the RESCUECOM trademark to Rescuecom's competitors so that the competitors could poach Rescuecom's customers. Initially, the district court dismissed the lawsuit, ruling that selling the trademark was not using Rescuecom's trademark "in commerce" and, therefore, Google was not violating Rescuecom's trademark rights. The Court of Appeals for the Second Circuit, though, reversed this ruling, holding that Google's sale of RESCUECOM could constitute a "use in commerce" and, therefore, Rescuecom should have a right to pursue its trademark infringement claim against the search engine. (*Rescuecom Corp. v. Google, Inc.*, 562 F.3d 123 (2d Cir.2009)).

Before Rescuecom resumed its trademark infringement claim against Google, it

dismissed it. It stated publicly that it had "gotten what it wanted out of the litigation." However, some believe that the lawsuit was not pursued because Rescuecom was itself sued for its participation in Google's AdWord program. Best Buys, the owner of the GEEK SQUAD trademark, accused Rescuecom of purchasing the GEEK SQUAD trademark from Google to draw Best Buy's customers to Rescuecom. Whatever the reason, the Rescuecom v. Google AdWords litigation came to an end and the ad program continues to thrive.

VISIBLE AND NOT VISIBLE TRADEMARKS

Trademark owners have had the most success when challenging ads in which their trademarks are visible to the public. In fact, Google's policy is to investigate another's use of your trademark if that trademark is visible in another's ad. In most of these cases, Google will remove the ad if it belongs to a competitor of the trademark owner and prevent the advertiser from using it in ad text in the future. If your trademark is visible in an ad, but the ad does not belong to a competitor, you may not be able to gain Google's cooperation. For example, if the ad is by a reseller or is for an informational site – such as product reviews – the use of your trademark may not be infringing and, therefore, it is unlikely Google will intervene.

If your trademark is not visible, but is merely used as a hidden keyword, Google's policy is not to investigate. There is a caveat, though. The laws of certain countries hold that use of a keyword, even if it is hidden from view, can still amount to trademark infringement. So, trademark owners in those countries will be more likely to persuade Google to stop selling trademarks as keywords, even if the keyword is hidden. These countries include:

- Australia
- Brazil
- China
- Hong Kong
- Macau
- New Zealand
- North Korea
- South Korea
- Taiwan

If your trademark is being used as part of a domain name and that domain name is enrolled in Google's AdSense program, you might also be able to enlist Google's assistance. AdSense is a program that runs ads on an inactive website and returns to the site owner a portion of the ad revenue. You can file a complaint with Google, which will investigate and determine if the domain infringes your trademark rights. If

so, Google will likely expel that domain name from its AdSense program, but you would need to take additional action to gain control of the domain name, itself.

STEPS TO DEFEND YOUR MARKS

While there is no surefire way to avoid falling victim to these practices, there are steps you can take to help defend your marks.

- First, register your company's key brands with the United States Patent and Trademark Office. Once the mark registers, you will have broader trademark rights and a claim for greater monetary damages if it is infringed. It also tends to be easier to persuade a search engine, such as Google, to help prevent infringement of your mark if it is registered. This frequently overlooked legal step goes a long way in protecting your brand on a national basis, not just in your local area. A federal registration can also form the basis of foreign registrations, which is critical for international brand expansion.
- Second, review the search engines' trademark policies, some of which we have summarized above. Put the search engines and their trademark protection policies to work in your favor.
- Third, police your brands so that you can uncover acts of infringement. You should review your brands in search engines on a weekly basis and enter it in the free Google Alerts service so you will be notified by email when your company's name appears on the Web. Prompt detection of potential infringement is critical because the failure to defend your trademark against infringers could diminish the strength of your trademark and could result in abandonment.
- Finally, take action as soon as you discover infringement. Start by contacting the offending company and request that they cease using your company's name in their advertising campaigns. If they refuse, seek legal counsel from a qualified intellectual property attorney. But don't delay: If you are slow to respond and allow the infringer to build up the mark, you could be accused of laches (similar to statute of limitations), which may hurt your chances of obtaining relief. Once your trademark rights are diluted, it will be more difficult to defend them later.

The Internet has created countless opportunities by enabling businesses to connect with customers and prospects who were not reachable before. That is one of the major attractions of using the Internet for business. However, that same ease of accessibility can be detrimental to your business as others, either innocently or maliciously, take liberties with your trademarks. To defend your marks, be active and be alert.