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Trademark Infringement in Keyword Advertising in India: A Case Study of Google

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ABSTRACT

In today's digital era, businesses harness the power of the internet to expand their online presence and attract a broader customer base. One potent tool in their digital arsenal is keyword advertising, which enables them to connect with and engage online customers effectively. This practice is facilitated by major search engines such as Yahoo, Google, and Bing, offering keyword advertising programs that allow advertisers to bid on and purchase keywords relevant to their products and services. When users input these acquired keywords into search engines, the corresponding company's website or advertisement gains priority visibility, leading to increased web traffic.

However, challenges arose as companies began exploiting this approach by purchasing keywords associated with their competitors' trademarks, to ensure that their own websites would dominate search results when customers sought their competitors' offerings, potentially causing trademark infringement and marketplace confusion.

This paper delves into two pivotal questions:

- 1. Does keyword advertising inherently result in trademark infringement?*
- 2. Should Google or other search engines bear liability for selling trademarks as keywords?*

To address these inquiries, the article scrutinizes recent court rulings within the Indian jurisdiction. The accompanying literature review spotlights the intricacies and legal loopholes in trademark protection laws, emphasizing the urgent need for legislative updates to accommodate the complexities of digital advertising. Employing a mixed-methods approach, the research combines legal analysis, case studies, and academic research papers.

The article focuses on recent Indian court cases revolving around Google's AdWords program, with a particular emphasis on determining whether Google's use of trademarks as keywords amounts to trademark infringement. Thus, this article study underscores the evolving nature of trademark law in the digital age and emphasizes the critical need to strike a balance between competitive advertising and robust trademark protection.

Keywords: *Trademark infringement, Keyword advertising, Google.*

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I. INTRODUCTION

In this era of digitisation, companies exploit the internet to increase their reach virtually and expand their customer base. Keyword advertising is a common tool used by companies to find, attract, and target customers online. When customers search for a particular product online on a search engine, keyword advertising allows the products of companies to appear on the search results. Search engines such as Yahoo, Google and Bing have their keyword advertising programs which are an addition to their search engine feature. These programs provide for auctioning of the keywords for the advertisers to bid and purchase the keywords related to their products and services. When such purchased keyword is entered into by any internet user, the website or advertisement of the company who purchased the keyword would be shown on a priority basis, thereby resulting in increased traffic on the Company's website.

The problem arose when companies began misusing the advertisement mechanism by purchasing keywords of their competitor's trademarks to ensure that whenever a customer search for the competitor's product or service, their own company's website would be displayed rather than that of the competitor. The programs offered by Google such as AdWords and similar others, provided opportunity for confusion between the competing trademarks in the market, thereby also resulting in infringement. Trademark infringement occurs when a person uses a mark which is identical with a registered trademark, either in relation with goods or services during his trade. The trademark infringement should be in such a manner so as to render the use of mark likely to be taken as being used as a registered trademark.²

The questions which arose are:

1. Is keyword advertising leading to trademark infringement?
2. Is Google/ any other search engine liable for selling a trademark as a keyword?

This paper aims to address these questions by analysing the recent Court judgements in Indian Jurisdiction.

(A) Literature Review

The current state of advertising and trademark infringement is surveyed in this literature review, shedding light on its complexities and potential legal repercussions. Additionally, it reveals a sizable legal gap in India's trademark protection laws, highlighting the demand for thorough legal changes to address new issues in the age of digital advertising. To direct policymakers and stakeholders toward more efficient and equitable trademark protection strategies, it is crucial to

² §29, Indian Trademarks Act 1999.

understand these gaps.

(B) Methodology

A mixed-methods approach is used in this study to investigate trademark infringement in keyword advertisements. Through web scraping and surveys, information on online advertising practices is being gathered. The quantitative results will be supplemented by legal analysis and case studies as well as research papers of academicians. This multifaceted approach seeks to offer a thorough understanding of the problem.

II. KEYWORD ADVERTISING REGULATION IN INDIA

Recently, the Indian Courts have dealt with trademark infringement cases stemming from a rival's purchase of keywords used in conjunction with sponsored links on search engines.³ These lawsuits seek to establish two different types of liabilities. First, the plaintiff claims that the defendant violated his or her trademark by acquiring the trademarked keyword and sponsoring the advertisement. Second, the search engine itself may violate trademark laws by selling keyword-linked advertisements and profiting from the plaintiffs' protected mark. This has necessitated a thorough examination of the subject and the problems that follow in order to ensure that trademark protection is not impeded by technological advancements.

(A) Google- Search Engine

Google Inc. whose parent company is Alphabet Inc. is now worth more than \$1.5 Trillion and this towering market capitalisation is mostly a result of the income generated by the advertising that accompanies search results. In 2000, Google launched AdWords, a program for selling advertisements based on keywords.⁴ Many restrictions on the use of trademarks as keywords were lifted by Google in 2004. Before 2004, Google permitted the use of trademarks as keywords, but would remove such advertisements if trademark owners raised an objection. Trademarks could be used without restriction after Google stopped responding to complaints about their use as keywords in 2004.⁵

a. 2013 Google case

In India, Section 29 of the Trademarks Act 1999 deals with infringement of registered trademark and Section 29(7) includes infringement under advertising. In the case of *Cousim Info Pvt. Ltd.*

³ Consim Info Pvt. Ltd. v. Google India Pvt. Ltd. &Ors., 2013(54)PTC578(Mad).

⁴ Press Release, Google, Google Launches Self-Service Advertising Program <http://googlepress.blogspot.in/2000/10/google-launches-self-service.html>, last accessed on 13th September 2023.

⁵ 10 Greg Lastowka, Google's Law, 73 BROOK. L. REV. 1327, 1359-60 (2008).

v. Google India, 2013,⁶ trademark infringement through keyword advertising was addressed by the Courts for the first time. In this instance, the Appellant, a well-known provider of online matrimonial services, registered several trademarks, including Bharatmatrimony, Tamilmatrimony, and others. Therefore, they requested that the Respondents not be allowed to use these registered trademarks or their variations as search terms on the internet. The Respondents argued that their use of the Appellant's trademark did not amount to use "in the course of the trade" and that, furthermore, it was consistent with ethical business practices. As a result, such use would not constitute theft or passing off. In the end, the Court determined that the registered marks of the Appellant were descriptive in nature with regard to the services offered, rendering both the advertiser's and the search engine's liability irrelevant.

b. 2023 Google case

In the cases *Google LLC v. DRS Logistics (P) Ltd and Google India Private Limited v. DRS Logistics (P) Ltd*,⁷ a division bench of the Delhi High Court rendered a thorough and nuanced decision on keywords. The analysis by the court focuses on:

- How the Trademarks Act of 1999 is complied with by Google's use of trademarks as keywords in its Ads program,
- whether such use amounts to trademark infringement, and
- whether Google is eligible for an intermediary defence under the Information Technology Act of 2000 because of such use.

The choice lies at the nexus of digital technology and intellectual property law.

i. Background

According to DRS Logistics, the respondents, competitors' use of the registered trademark AGARWAL PACKERS AND MOVERS as keywords triggered Google Ads, misleading consumers, and creating confusion. The judge concluded that while using the keyword "invisible" may be considered infringement in some cases, it may also be considered fair or legitimate use in others. Google filed a Division Bench appeal.

ii. Decision

The Court held that even if the keywords are assumed to be invisible, they still directed internet traffic to the advertiser's website, thereby causing confusion in the minds of ordinary citizens regarding whether the website belonged to the Plaintiff or not. Therefore, it was held that in

⁶ Consim Info Pvt. Ltd. v. Google India Pvt. Ltd. &Ors., 2013(54) PTC578(Mad).

⁷ 2023 SCC Online Del 4809, 10 August 2023.

such a scenario, the effect of infringement or passing off the trademark of the owner's goods or services was implied.

In its analysis, the Division Bench took several factors into account.

1. Understanding Trademark law:

Due to the following definition in Section 2(2) of the Trademarks Act, "use in relation to goods" shall be construed as a reference to the use of the mark upon, the term "use" has been given a broad amplitude. Additionally, the court determined that both the advertiser and Google were guilty of using a trademark as a keyword in advertising. Google's active role in assisting advertisers in selecting appropriate keywords was evidence for this conclusion.

2. Defining infringement:

While the use of trademarks by a third party as keywords to prompt the display of advertisements is considered to be use in advertising, it does not necessarily constitute infringement unless the advertisement results in confusion, unfair advantage, dilution, or compromise of the infringing mark. Therefore, a determination of infringement would depend on the particular facts of each case.

3. Fair use:

According to the court, nothing is unlawful if "an entity engaged in commerce puts its advertising billboard next to an exclusive store of its competitor. It is also permissible for a competitor to buy shelf space next to competing goods of a well-known brand."

4. Initial interest confusion doctrine:

The court made a distinction between initial interest confusion and the doctrine of initial interest confusion, pointing out that the latter calls for a genuine likelihood of confusion to find trademark infringement. The test is to be viewed from the perspective of a person who is familiar with how search engines operate, so the test of average consumers with imperfect recollection to judge likelihood of confusion would not apply here in its rudimentary sense.

The court determined that Google actively encourages the use of trademarks as keywords, makes money from its keyword suggestion tool, and in fact works to sell these trademarks to advertisers as keywords. Because of this, the Trademarks Act considers Google's use of trademarks as keywords to be advertising. Its claim to safe-harbour immunity (offered to intermediaries under Section 79(1) of the Information Technology Act) was compromised because of its active role in suggesting trademarks as keywords. Therefore, Google would not be eligible for the intermediary defence if there is infringement in a specific case.

III. CONCLUSION

Instead of a finding of direct infringement, this decision's significance lies in evaluating the overall impact of an advertisement using trademark keywords. A more progressive stance is suggested by the court's emphasis on the user intent behind search queries and the function of search engines. The decision emphasizes the evolving nature of trademark jurisprudence in the digital sphere and reinforces the value of competitive advertising within reasonable bounds.

Trademark uses that serve the purpose of identifying the trademark owner's product or service, or alternatively are used in comparative advertising amount as fair use and cannot be subjected to infringement claims. The marketing techniques will keep evolving and rather than adjudicating over keyword advertisement, the cases need to be decided on doctrinally durable as well as correct fair grounds so that the ability of trademark owners to act against notorious marketing mechanisms is not hampered.

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