

Google AdWords Litigation Update - Trademark Holders Denied Class Certification in U.S. Lawsuits

October 05, 2011 | Blog | By Jamison Arterton

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In the latest [Google AdWords](#) decision, a U.S. Federal District Court judge in Texas refused to certify two classes of advertisers who filed separate infringement suits against Google Inc. The complaints, filed in 2009, each claim that Google sold search terms that included registered trademarks to advertisers who were not affiliated with or sponsored by the trademark holder. The purchaser's advertisements were then displayed on the top or right side of the corresponding results page as "sponsored" advertising.

According to the complaints, the sale of such keywords to competitors infringes on the trademark owner's rights, particularly since Google does not remove sponsored advertisements upon notice of trademark rights. It only removes or disables such links if the advertisement itself contains another's trademark. The purported classes, led by [FPX LLC](#) and John Beck Amazing Profits LLC respectively, claim that they had met all the prerequisites for class certification under Fed.R.Civ.Pro. 23(a)(2). FPX sought certification of a Texas-only class of owners of registered marks that were sold by the defendant as a keyword and/or an AdWord from May 11, 2005 to the present. In contrast, John Beck sought class certification for a nationwide class of trademark holders.

U.S. District Court Judge T. John Ward adopted the magistrate judge's recommendation in denying the class certification because the plaintiffs could not meet the commonality requirement given the individualized nature of each class member's claims. The court reasoned that such claims also required a determination of the validity of each plaintiff's mark, weighing against class certification.

The purchase of keyword Internet advertising is a key component of marketing programs for businesses as Internet users frequently rely on search engines, such as Google, to find and purchase products. It remains to be seen whether the United States will follow the European Union's Court of Justice's recent determination that the purchase of a keyword or AdWord that is identical to the trademark of another and is used to promote goods or services in competition with the trademark owner may constitute trademark infringement under certain circumstances. However, last week's decision is a blow to trademark holders seeking to enforce their trademark rights in a class action setting. While search engines and their online advertising programs continue to create common problems for trademark holders, last week's decision calls into doubt whether joint remedies are available to trademark holders for such violations. For the time being, it looks like it is back to the Whac-A-Mole approach to trademark enforcement in the AdWords context.

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