

Keyword-Based Searches in Trademarks Law

In a recent decision, the Federal Court of Germany ruled that the platforms displaying third party products as search results for the searches based on keywords that are identical to a trademark on e-commerce web sites shall be liable for breaches in the trademarks rights, in the event that these platforms use an algorithm with an active role in determining the products to be displayed. The Court has also decided that AdWords ads directed to these lists also constitute a separate trademark breach.

In *Ortlieb* decision dated 15.02.2018 and numbered I ZR 138/16 of the Federal Court of Germany, it has been ruled that the platforms displaying third party products as search results for keyword-based searches could be liable due to the lists presenting these products.

Ortlieb Sportartikel GmbH (“Ortlieb”), a midsize company manufacturing sports equipment, has filed claims against Amazon, on grounds that displaying third party products as search results for the searches made on Amazon.de based on the identical expression with “*ortlieb*” trademarks violates the trademarks rights.

Amazon’s search engine operates with an algorithm that considers prior user behaviour, along with the results matching the words in the product definition.

When a prospective client types “*ortlieb*” into the Amazon’s system, a list consisting of both “*ortlieb*” branded products and third party products appear, with no distinction amongst them.

Although the Higher Regional Court of Munich has regarded search results on e-commerce platforms as different than keyword search ads in the decision it rendered, the Federal Court has held that the product lists displayed as search results for the searches made with a word that is identical to a trademark must be subjugated to two criteria applied for keyword advertising by the Regional Court. In this respect, the Federal Court has examined the present case in regard to two matters:

- Can consumers distinguish third party ads from the branded word that is searched, based on general knowledge?
- Are designs of the third party products clear enough to set forth that such products are not related to the relevant branded term that is searched?

The Regional Court has also specified that the commercial users of the relevant trademark are those who choose which lists to be displayed. As a result, it has been held that, in the event where such choice is made by an algorithm that is subject to the platform’s operation and control, the liability regarding the trademark breach will be on this platform.

The Federal Court, on the other hand, has clarified that the breach will only occur if the consumers opine that the trademark and relevant products that are searched will appear, in the *Ortlieb* decision dated 25.07.2019 and numbered I ZR 29/18.

The second case concerning the matter pertained to AdWords ads of Amazon.de, which invited the consumers to search “*ortlieb*” branded purses and other clothing on Amazon.

By clicking AdWords, the users are directed to the lists containing third party products, which were referred in the former *Ortileb* decision. *Ortileb* has claimed that, in parallel to their cases regarding the listed search results, the use of “*ortlieb*” products by AdWords constitutes an additional trademark breach. In AdWords, advertisers select the keywords that will show the results pertaining to their own products bidding for them in an auction together with other interested advertisers.

The Federal Court has ruled that AdWords ads form an expectation at the consumer’s side as to displaying only of *Ortileb* branded products when clicking, since AdWords ads refers exclusively to the expression “*ortlieb*”, and hereby approved the decision of Higher Regional Court of Munich. It has also stated that such expectation at the consumer’s side turns out wrong when facing the result list containing both *Ortileb* and third party products on Amazon.de.

The granted decisions lead to a discussion on whether Google’s Product Listing Ads would have a liability, or not. At this point, it is advised that both the content providers, service providers hosting these contents, and the platforms directing the users to them act by considering trademarks regulations, in practice.