

A LOOK AT KEYWORD ADVERTISING DECISIONS IN SPAIN

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This article looks at whether advertisers and referencing service providers, such as Google or Bing, involved in keyword advertising can be held liable in Spain on grounds of trademark infringement on the basis of case-law from the past three years. In short, referencing services in general will not be liable, while advertisers, essentially, have to be careful to avoid the (wrong) impression of an economic link with the trademark owner in the ad displayed.

What is keyword advertising? It is a type of online advertising that uses keywords to trigger ads when users are searching on the internet for products or services. There have been a number of cases in Spain concerned with how keyword advertisers used registered trade marks. For example, if a company sells shoes and selects as keyword not only the generic words (i.e. shoes, footwear...) but also the competitor's registered trade mark.

Can advertisers be prevented from using a competitor's trade mark as a keyword in Spain?

Spanish courts have held that advertisers can be responsible for the use of registered trade marks as keywords where the ad does not enable an average internet user, or enables that user only with difficulty, to ascertain whether the goods or services originate from the proprietor of the trade mark or an undertaking economically connected to it. However, the mere selection of a competitor's registered trade mark in AdWords should not constitute trade mark infringement.

For example, decision 114/2014 of 29 July 2014 issued by the Barcelona Commercial Court, relating to the use of the registered trade mark FOTOLIBRO (FOTOPRIX v. VISTAPRINT) echoing the CJEU judgment in the Louis Vuitton v. Google case, concluded that the function of the trade mark is adversely affected when the ad suggests that there is an economic link with the trade mark owner which was not the case.

Can referencing service providers be liable?

Referencing service providers have not been held liable in Spain because they benefit from the exemption of liability set out in the E-Commerce Directive for intermediary service providers. It has also been held that it is not Google, but rather the advertisers, that use the brand in the wording of the ads.

In light of the CJEU decision in Louis Vuitton v. Google case, the Spanish courts ruled that Google was not liable for trade mark infringement for advertisers' use of keywords which coincide with registered trade marks in its ads on AdWords (Judgment 625/2012 of 23 September 2013 La Tienda del Espía vs. Google Ireland, LTD and Judgment 94/2015 of 23 March 2015 Fotoprix vs. Google).

As stated in the E-Commerce Directive, Spanish law provides an exemption from liability if the intermediary, including referencing service providers, has neither actual knowledge nor control of the information. In those cases the intermediary will be exempted from liability, provided that:

1. they do not have *actual knowledge* that the activity or information they are hosting is unlawful;
2. if they do have such *actual knowledge*, they act diligently to remove the illegal content or to disable access to it.

In addition, Article 15 of the E-Commerce Directive provides that Member States shall not impose a general obligation on internet intermediaries to monitor the information, nor a general obligation to actively seek facts indicating illegal activity. This provision reaffirms the EU legislator's intention to free internet intermediaries from excessive liability for these services which are crucial for the future of Internet.