

## *Trending type of Violation in Today's World: Using the Competitor's Trademark as Keyword\**

### **A. INTRODUCTION & KEYWORD ADVERTISING**

In today's world where Internet usage is quite intense, competition between enterprises inevitably manifests itself on the Internet environment. The need to market goods and services to larger masses necessitates the use of the Internet, which opens the door to almost all regions of the world, for enterprises. On the other hand, marketing activity on the Internet environment is not merely about publishing advertisements in visual and written forms. Enterprises also aim to increase the recognition of their brands and goods and services by directing Internet users to their own websites through search engines. This activity is called “keyword advertising”.

Google, the widely used search engine today, offers keyword advertising services with the Google Ads application. Through this service, when a word or phrase determined by the advertiser as keyword is searched by users on Google, the advertiser's website link (URL) is listed as an advertisement in the search results, the advertiser is charged with a certain amount of fee for each click on the relevant ad included in those search results and the number of views of the ad is determined according to the pre-agreed upper limit of the fee.<sup>1</sup> For instance, when a search for "second-hand vehicle" is made through the Google search engine, the website links of companies that use this phrase within the scope of keyword advertising activities will appear as advertisements in the search results list. Also, by paying more than the fee requested per click, the relevant advertisement can be ensured to appear in higher ranks.

There is no illegality in determining the keywords as descriptive and qualifying expressions as "second-hand vehicle" or "desktop computer".<sup>2</sup> The problem occurs as some search engines do not restrict the advertisers while designating words or phrases as keywords even though the others trademarks are used<sup>3</sup> as the advertisers can obtain economic benefit by steering the

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\* This study has been conducted based on the relevant legislations and judicial decisions in Turkey.

<sup>1</sup> Zeynep Yasaman Kökçü, “Adwords Reklamlarda Bir Başkasına Ait Markanın Aynısının veya Benzerinin “Anahtar Sözcük” Olarak Kullanımı Tecavüz Teşkil Eder mi? AB Adalet Divanı Kararları Işığında Tecavüz Kriterleri”, *A Tribute to Prof. Dr. Hamdi Yasaman*, On İki Levha Publishing (January 2017): 796.

<sup>2</sup> Yasaman Kökçü, “Adwords Reklamlar”, 798.

<sup>3</sup> Savaş Bozbel, *Fikri Mülkiyet Hukuku* (On İki Levha Publishing, September 2015), 481.

Internet users to their own websites through the use of other trademarks as keywords. Here, the act of using the competitors' trademarks as keywords without any right or legitimate association with the trademark and directing Internet users to their own website in this way so as to obtain commercial benefits leads to the violation of the trademark right.

In this study, the legal consequences of using a sign identical with or similar to the trademark of the competitor as a keyword to create a commercial effect will be dwelled upon. In this context, first, relevant regulations in the Industrial Property Law No. 6769 ("IPL") and the Turkish Commercial Code No. 6102 ("TCC") will be evaluated. Then, judicial decisions on the matter will be examined, and finally, the responsibility of the search engine will be analyzed.

## **B. REVIEW UNDER INDUSTRIAL PROPERTY LAW**

### **B.1. Conditions Required for Keyword Advertising to Infringe Trademark Rights**

The definition of the concept of trademark is included in the IPL in an indirect manner. In order for a sign to be qualified as a trademark, three elements must be present together. According to the IPL, any sign comprising of words, including personal names, figures, colors, letters, numbers, sounds and the shape of goods or their packaging (i) that belongs to enterprises, (ii) that is capable of distinguishing the goods or services of one enterprise from those of other enterprises and (iii) that is capable of being represented on the register in a manner to determine the clear and precise subject matter of the protection afforded to its proprietor may be deemed a trademark.

The trademark grants its proprietor both the exclusive right to benefit and the power of disposition, as well as opportunities that ensure the protection of this right and power against third parties.<sup>4</sup> These options can be capitalized on in the presence of acts that constitute an infringement of the trademark right. It should be underlined that there is a distinction between registered and unregistered trademarks regarding the protection of trademark rights. The protection within the scope of the IPL, which is explained under this heading, can be acquired, in principle<sup>5</sup>, through registration<sup>6</sup>. Protection of the rights arising from an unregistered trademark will be examined under the heading "C" below.

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<sup>4</sup> Bozbel, *Fikri Mülkiyet Hukuku*, 348.

<sup>5</sup> Save for the well-known trademarks within the scope of the Paris Convention for the Protection of Industrial Property and the trademarks that have acquired distinctive character before the application for registration.

<sup>6</sup> IPL Par.1 of Art. 7: "Trademark protection provided by this Law shall be acquired by registration."

The use of a sign identical with or similar to the trademark, the proprietor of which is someone else, as a keyword does not always necessarily lead to the violation of a trademark right. Certain conditions must be met in order for this use to be deemed illegal. These conditions are provided under paragraph 2 and sub-paragraph d of paragraph 3 of Article 7 of the IPL. According to these provisions, for the **purpose of creating a commercial effect**, the use of a sign;

- (i) identical with a registered trademark in relation to goods and services that are identical with those for which the trademark is registered,
- (ii) identical with or similar to a registered trademark in relation to **goods or services that are identical with or similar to those for which the trademark is registered** and therefore, in a manner to create **confusion** regarding different trademarks,
- (iii) identical with or similar to a registered and well-known trademark, irrespective of the scope of the goods or services, in a manner to gain benefit unfairly through its reputation or to damage its reputation,

as a keyword on the Internet environment constitute trademark infringement. Furthermore, for the use of the trademark as a keyword to be regarded as a trademark infringement, the person using the trademark **should not have any right or legitimate association** as to this use. In the presence of a right or legitimate association, there will be no violation.

The aforementioned conditions must be met together for the use of the trademark as a keyword to be deemed trademark infringement. These conditions are discussed below.

### **B.1.1. Using the Keyword Should Create Commercial Effect**

In order for the proprietor to benefit from the protections arising from the trademark rights, the use of the trademark sign by others must constitute a *trademark use*.<sup>7</sup> A trademark use exists when the particular trademark sign is used to name a commercial enterprise or to distinguish goods or services from those of others.<sup>8</sup> On the other hand, since keywords are not eligible to be placed on the goods and enterprises do not carry out their commercial activities under these words, it is not possible to consider keywords as signs in the classical sense.<sup>9</sup> Therefore, the

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<sup>7</sup> İrfan Akın, “Adwords Reklam Sistemi”, *Ankara Bar Association Intellectual Property and Competition Law Journal* 9, Vol. 1 (January 2009): 39.

<sup>8</sup> Akın, “Adwords Reklam Sistemi”, 39.

<sup>9</sup> Yasaman Kökçü, “Adwords Reklamlar”, 806.

concept of trademark use should be interpreted as broadly as possible.<sup>10</sup> In this context, the equivalent of trademark use in keyword advertising is the use of the designated keyword or keyword phrase in a manner that the user gains economic benefit, in other word this usage creates a commercial effect in favor of the user.

In fact, the main purpose of keyword advertising is to create a commercial effect. In *Google France and Google*<sup>11</sup> case, the Court of Justice of the European Union (“CJEU”) made the remark that the purpose of determining someone else's trademark as a keyword on the Internet can only be to create a commercial effect as the persons using this trademark aim to gain economic benefit by directing internet users to the website where they market their products.<sup>12</sup> Therefore, with regard to the use of other’s trademarks in keyword advertising activity, the condition of creating a commercial effect will be met in all cases.

### **B.1.2. Violation Should be related to the Identical or Similar Goods or Services**

As per the IPL, in principle, only registered trademarks are protected against the violations regarding the provision of identical or similar goods and services for which the trademark is registered. The exception to this principle is registered well-known trademarks. As mentioned above under the heading “B.1” and paragraph (iii), protection for the well-known trademarks is irrespective of the scope of the goods or services for which this well-known trademark is registered.

### **B.1.3. There Should be a Likelihood of Confusion between the Sign and the Trademark**

As can be seen under the heading "D", where judicial decisions are examined, the likelihood of confusion between the sign and the trademark should arise in order for the keyword advertising activity to be considered as a trademark infringement. The use of a sign identical with or similar to a registered trademark in relation to goods or services that are identical with or similar to those for which the trademark is registered creates the likelihood of confusion between the sign and the trademark for Internet users with *mediocre attention, intelligence and knowledge*. CJEU

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<sup>10</sup> Akın, “Adwords Reklam Sistemi”, 39-40.

<sup>11</sup> Joined Cases: Google France SARL, Google Inc. v. Louis Vuitton Malletier (C-236/08); Google France SARL v. Viaticum SA, Luteciel SARL (C-238/07); Google France SARL v. CNRRH SARL, Pierre-Alexis Thonet, Bruno Raboin, Tiger SARL (C-238/08).

<sup>12</sup> C-236/08 – C-238/08, “Google France and Google” (23 Mart 2010), par. 52, accessed on 10.04.2021, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:62008CJ0236&qid=1610719820601&from=EN>

asserted in *Google France and Google*, in case the use of a sign identical with or similar to a registered trademark in relation to goods or services that are identical with or similar to those for which the trademark is registered poses the likelihood of creating confusion for the Internet users, the proprietor shall be entitled to prevent this use.<sup>13</sup>

In our opinion, the likelihood of creating confusion within the context of keyword advertising should be interpreted broadly. Since the companies using the keyword advertising service aim to steer the Internet users to their own websites, the nature of this purpose affecting the will of the user should be taken into consideration. In other words, unfair intervention to the Internet user's power to decide on the purchase of a good or service in this way should be considered as an action that will create confusion for the user in any case.

#### **B.1.4. The Person Using the Trademark Should Not Have any Right to Use or Legitimate Association with the Trademark**

According to the IPL, within the ordinary course of commercial life, honest use of a trademark shall not be deemed trademark infringement as such use is to be regarded as a justified use of the particular trademark. For instance, the person who uses his/her own name as the title of his/her commercial enterprise would be entitled to use that name as a keyword on search engines on the Internet as s/he has the right to use his/her own name or the same person would be entitled to use the address of his/her commercial enterprise as a keyword phrase.<sup>14</sup>

In cases where there are agreements such as distributorship agreements, exclusive distributorship agreements or agency agreements, the use of a sign as a keyword on the Internet will constitute a righteous use as the advertiser will have a legitimate association with the concerning trademark.<sup>15</sup> For this reason, for example, an exclusive seller selling a product of a trademark in a certain region will have a legitimate interest in using the relevant trademark as a keyword and directing the Internet users to his/her own website. In this case there will be no trademark infringement.

## **B.2. Rights of Those Whose Trademark Rights are Infringed**

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<sup>13</sup> C-236/08 – C-238/08, “Google France and Google” (23 March 2010), par. 78.

<sup>14</sup> Eser Rüzgar, *Marka Hakkının İnternet Reklamcılığı Yoluyla İhlali ve Sorumluluk Rejimi* (On İki Levha Publishing, June 2013), 166-168.

<sup>15</sup> Bozbel, *Fikri Mülkiyet Hukuku*, 487.

If the aforementioned four conditions under the heading “B.1” are met all together, then keyword advertising activity will constitute a trademark infringement. In this case there are certain protective measures regulated in favor of the trademark proprietor.

Criminal sanctions are stipulated under Article 30 of the IPL against trademark infringement. Here, the crime of trademark infringement has been embodied in a way to be committed merely against registered trademarks in Turkey. Article 30 of the IPL provides that the person who puts on the market or sells, imports or exports, buys for commercial purposes, possesses, transports or stores products or services by using a sign identical with or similar to another proprietor’s trademark in a manner to create confusion, following the complaint of the sufferer, shall be sentenced from one year to three years of imprisonment and punished with judicial fine up to twenty thousand days.

Further, as per Article 159 of the IPL, the proprietor is entitled to request from the court to decide for an interim injunction by proving either the currently existing act of or a possible infringement of the rights arising from the trademark ownership.

Moreover, the trademark proprietor is entitled, under Article 149 of the IPL, to claim from the court (i) to ascertain whether the act constitutes infringement, (ii) the prevention of a possible infringement, (iii) to estop the acts of infringement or (iv) to remedy the infringement and to decide for the compensation, if any, of pecuniary and non-pecuniary damages.

Since Article 157 of the IPL refers to the provisions of tort within the ambit of the Turkish Law of Obligations numbered 6098, the statute of limitations for the trademark infringement claims pertaining to civil law is 2 years from the moment the plaintiff becomes aware of the damage or 10 years, in any case, from the date of infringement.

### **C. REVIEW UNDER THE UNFAIR COMPETITION PROVISIONS**

As mentioned above, protection under the IPL can be acquired through registration. Considering that the liability arising from trademark infringement is based on tortious acts when interpreted broadly and unfair competition when interpreted narrowly<sup>16</sup>, the unfair competition provisions of the TCC will be applied for trademark infringements against unregistered trademarks.

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<sup>16</sup> Rıza Ayhan ve Hayrettin Çağlar, *Ticari İşletme Hukuku Genel Esaslar* (Ankara: Yetkin Publishing, Issue 11, 2018), 340.

Unfair competition is defined under the second paragraph of Article 54 of the TCC. According to this provision, deceptive or other kind of acts contrary to the rules of good faith and commercial practices that affect the relations between competitors and customers are unfair and illegal. Under Article 55 of the TCC, acts that may constitute unfair competition are listed by analogy. Although a clear example of a trademark infringement is not included within this provision, actions that *cause confusion with someone else's goods, products, activities or business practices* can be evaluated within the framework of trademark right infringement.

According to the minority opinion in the doctrine, it would be excessive to consider keyword advertising activities within the scope of unfair competition. As a justification for this view, it was asserted that platforms such as Google are not actually the final platforms where the Internet users take their decisions on which product to buy and only referrals are made through these platforms. It was contended that the idea of deceiving the average Internet user through these referrals is an exaggerated approach.<sup>17</sup> In our opinion, here, the definition of unfair competition in Article 54 of the TCC should be taken into account. Even if we accept for a moment that it is not possible for the average Internet user to be deceived through keyword advertising, the relevant provision also includes the phrase, *other kind of acts contrary to the rules of good faith*, within the definition of unfair competition. Illegal use of a proprietor's trademark by third parties as a keyword ought to be considered in connection with this phrase. Therefore, considering unlawful keyword advertising activities as acts leading to unfair competition would be convenient to the regulations under the TCC. The Supreme Court is also of the opinion that these acts constitute unfair competition.

Proprietor of an unregistered trademark seeking protection under unfair competition provisions, will be entitled to claim, under Article 56 of the TCC, from the court (i) to ascertain whether the concerning act constitutes unfair competition, (ii) the prevention of unfair competition, (iii) to remedy the results of unfair competition or (iv) compensation of damages if the breached persons is at fault. As can be seen, the protective measures regulated for persons whose trademark rights are violated within the scope of the IPL and the TCC are parallel.

#### **D. JUDICIAL DECISIONS**

As can be seen in the following decisions, illegal use of signs identical with or similar to the trademarks of competitors as keywords is considered as an act that is capable of creating the

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<sup>17</sup> Akin, "Adwords Reklam Sistemi", 47.

likelihood of confusion among Internet users. In the disputes pertaining to keyword advertising, judicial authorities are of the opinion that acts constituting trademark infringement as the conditions under the heading “B.1” are met should be prevented.

11th Civil Chamber of the Supreme Court examined in a dispute the use of the registered trademark *Promena* as a keyword by the defendant. The defendant was claimed to be using the trademark in question as a keyword on Google Ads and to directing Internet users to its own website. In this dispute, the Supreme Court upheld the decision of the court of first instance, which ruled that the trademark right was violated, on the grounds that the acts of the defendant operating in the same sector as the plaintiff constituted an action capable of causing confusion among the Internet users.<sup>18</sup>

Also, in its another decision the Supreme Court asserted the following and upheld the decision of the court of first instance on the elimination of trademark infringement constituting unfair competition and the compensation of pecuniary and non-pecuniary damages of the proprietor.

*“... by the defendant party .... the plaintiff's trademark, ‘...’, is used as a key word in a way to create commercial effect for advertising purposes, as a result of which, through the search of the plaintiff's trademark words... Internet users are referred to the defendant's website... the defendant's use constitutes trademark infringement and unfair competition”*<sup>19</sup>

Once again, in another decision, the Supreme Court upheld the decision of the court of first instance on the prevention of the defendant's use of the plaintiff's trademark as a keyword in search engines for steering the Internet users to the defendant's websites. In this dispute, it was determined that by searching the relevant keyword, the defendant's website appeared even before the plaintiff's website as an *Advertisement*, and that this situation could create confusion among Internet users with mediocre attention, intelligence, and knowledge, who searched the relevant keywords in the search engine. It was also contended that unfair exploitation of a merchant's reputation by using its trademark is a typical of unfair competition.<sup>20</sup>

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<sup>18</sup> 11th Civil Chamber of the Supreme Court, Docket No. 2012/12304, Date. 03.07.2013.

<sup>19</sup> 11th Civil Chamber of the Supreme Court, Docket No. 2014/18838, Date. 06.03.2015.

<sup>20</sup> 11th Civil Chamber of the Supreme Court, Docket No. 2015/12152, Date. 12.12.2016.

In a case brought before the Civil Court for Intellectual and Industrial Property Rights, recently, the court made the following evaluation:

*“... it was determined that other proprietors’ commercial titles and trademarks are used as keywords in a completely uncontrolled environment... other than the situations where the person who uses those signs has a right to do so or has legitimate association with the trademark, the use of a sign as keywords, meta tags or in a similar manner, identical with or similar to another proprietor’s trademark in a way to create commercial effect shall constitute infringement... Internet users who do not have detailed technical knowledge about the Internet or who are not aware of the AdWords advertising application are likely to confuse these trademarks... As it is understood that when the phrase, ‘...’, is searched on Google search engine, defendant’s website also appears with other trademark proprietors’ websites, the court had to decide that the conditions for trademark infringement and unfair competition are met and the relevant acts shall be prevented...”<sup>21</sup>*

## **E. LIABILITY OF THE SEARCH ENGINE**

In principle, the search engine, which provides services within the scope of keyword advertising activities, has no responsibility for trademark infringement. Pursuant to paragraph 4 of Article 58 of the TCC regulating this issue, if the activities constituting unfair competition have not been started by the service provider, the service provider has not chosen the content or changed the content in a way to constitute an infringing act, lawsuits regarding unfair competition cannot be filed against the service provider. In our opinion, due to the nature of trademark infringement constituting unfair competition, this provision shall also be applied in case of trademark infringement.<sup>22</sup>

CJEU, in *Google France and Google*, delivered its opinion on the matter and asserted that Google gaining economic benefit by providing the keyword advertising service, *per se*, would not arise its liability for trademark infringement as it is not the one committing trademark

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<sup>21</sup> Istanbul 1<sup>st</sup> Civil Court for Intellectual and Industrial Property Rights, Docket No. 2018/249, Date. 7.5.2019.

<sup>22</sup> Same opinion See., Rüzgar, *Marka Hakkının İnternet Reklamcılığı Yoluyla İhlali ve Sorumluluk Rejimi*, 196, 197.

infringement by using others' trademarks as keywords.<sup>23</sup> In other words, the reasoning behind this decision is that Google's mere service provision does not fulfil the *trademark use* criterion for the trademarks subject to infringement. On the other hand, it should be noted that it would not be an accurate approach to accept that Google, or any other search engine for that matter, shall not be liable if the concerning search engine remains passive and does not take any measures even though it is warned about the illegal use of a trademark or if the trademark's function is damaged. In such cases, search engines should be expected to take necessary measures to ensure the protection of trademark rights.<sup>24</sup> Likewise, CJEU has stated that passive behavior could lead to liability for the search engine.<sup>25</sup>

At this point, it would be beneficial to briefly touch upon Google's *broad matching service*. In broad matching service, various variations of the designated keywords can be reflected in the search results as advertisements, even if these variations had not been selected. In such cases, it would not a reasonable approach to evaluate Google's activity as *neutral* as per trademark infringement.<sup>26</sup> Hence, examining in each case whether the advertiser is also provided with the broad matching service would be appropriate.

## F. CONCLUSION

Today, we see that the trademark infringement on the Internet environment occurs in various ways. All kinds of opportunities offered by the Internet for marketing activities are exploited by the commercial enterprises. Keyword advertising is one of these marketing opportunities. On the other hand, as the number of the marketing ways increase, the variety of trademark infringement that will constitute unfair competition also increases. In this context, the act of using the competitors' trademarks as keywords without any right or legitimate association with the trademark and directing Internet users to their own website in this way so as to obtain commercial benefits leads to the violation of the trademark rights arising from trademark proprietorship. In such a case, the concerning proprietors will be able to demand the prevention of infringement and, if any, compensation of damages against trademark infringement under the provisions of the IPL for registered trademarks and under the provisions of the TCC for unregistered trademarks. In judicial decisions, the courts settle the disputes in this way. It is

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<sup>23</sup> C-236/08 – C-238/08, “Google France and Google” (23 March 2010), par. 55.

<sup>24</sup> Tamer Soysal, “Marka Hukuku Perspektifinden İnternet Ortamında Anahtar Kelime (meta-tagging) ve Adwords Reklamcılık Uygulamaları”, *Journal of the Court of Jurisdictional Disputes* Year 6, Vol. 12 (December 2018): 717.

<sup>25</sup> C-236/08 – C-238/08, “Google France and Google” (23 March 2010), par. 113-114, 120.

<sup>26</sup> Yasaman Kökçü, “Adwords Reklamlar”, 808-809.

also argued in the doctrine and by CJEU that, search engines that remain passive and refrain from taking any preventive measures despite they were notified of a trademark infringement should be held liable for the damages the concerning trademark proprietors incur. Finally, it is significant to mark that using descriptive and qualifying expressions in keyword advertising activities will prevent occurrence of any trademark infringement.

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