

# Google's new trademark policy is going to hurt

By [Matthew Whiteway](#)

28 Sep 2010

LONDON, UK: Last week Google announced it would be rolling out a new trademark policy in the UK (to replicate that of the US). This will have severe implications for advertisers, user experience and brand owners. Not only do brand owners now risk losing sales to unauthorised sellers and counterfeiters, they will see spiralling costs in their pay per click (PPC) campaigns.



In one case, a well known brand has already seen its brand cost per click (CPC) increase 104% in one day alone, as a result of the sheer number of unauthorised and counterfeit sellers now bidding and using its trademarked terms in its ad copy.

Previously, Google had amended its trademark policy allowing any advertiser to "bid" on a company's trademarked terms. Whilst some advertisers initially saw this as an opportunity to pinch traffic from competitors, in reality, due to Quality Score implications, very few actively bid aggressively on competitor terms.



## Google distancing itself from complaints

Google's new trademark policy goes one step further. It allows advertisers to actually display the trademarked keyword in their ad copy (providing they are a reseller, provider of components or for informational purposes). The rationale behind the change in policy is a little unclear. However, Google appears to be distancing itself from any form of trademark owner complaints, stating it is simply a "provider of space for advertisements" and that any trademark complainants should be made directly with the advertiser.

The new trademark policy does therefore have some serious implications, not only for the advertiser, but for the user experience too. Google prides itself on delivering the most relevant, user friendly experience out of all the search engines in the UK and US. However, a search on Google for "UGG Boots" now delivers some very confusing adverts, as shown in the screen shot displayed below.



[click to enlarge](#)

Whilst it can be argued the user is now being delivered more results and therefore more choice, should brands owners have the right to choose which advertisers can and cannot use their brand terms in ad copy?

The matter becomes more interesting when reviewing the ads in more detail. Many of the advertisers in the "UGG Boots"

example above are actually selling counterfeit goods and not genuine UGG Boots. So, does the new trademark policy continue to help give the user the best possible experience, or has the search engine result page (SERP) now just moved beyond confusing to possibly misleading?

The impact to the advertiser / brand owner is equally as concerning. Not only do brand owners now risk losing sales to unauthorised sellers and counterfeiters, they are also likely to see spiralling costs in their PPC campaigns.

## **Google and counterfeiters will benefit, but brand owners won't**

Whilst advertisers have had the ability to "bid" on trademarked branded terms for some time, the fact they have historically not been allowed to display trademarked terms in ad copy has resulted in low click through rates (CTR's) and low sales numbers, therefore making it an unprofitable strategy. However, with Google's new policy, almost any advertiser can claim to be the official brand and therefore expect to see increased CTR's as well as a positive shift in the number of sales. These changes in the advertiser's results are likely to mean more aggressive bidding on previously unprofitable trademarked terms, thus resulting in increased CPC charges for many of the brand owners.

So, whatever the rationale for Google doing this, one thing is for sure. Google and counterfeiters will benefit from this change, but we are not sure anyone else will, least of all the brand owners themselves.

## **ABOUT THE AUTHOR**

Matthew Whiteway is client services director at Greenlight, a specialist search and social marketing consulting and technology firm based in the UK.

For more, visit: <https://www.bizcommunity.com>