

Google wins Australian advert case

September 22 2011



Global Internet giant Google won a court case against Australia's competition regulator Thursday over claims that sponsored links at the top of its search results were misleading to consumers.

Global Internet giant Google won a court case against Australia's competition regulator Thursday over claims that sponsored links at the top of its search results were misleading to consumers.

While noting that the word "advertisement" could have been less confusing for Internet users than "sponsored links", Federal Court judge Antony Nicholas ruled that Google had not breached consumer law in its search presentation.

"I am not satisfied that Google contravened (trade practices laws) by failing to sufficiently distinguish advertisements from organic [search results](#) on its search results pages," Nicholas said.

Most consumers would have appreciated that "sponsored links" were adverts, he found, ending a lengthy court battle which started in 2007.

The ruling came after Google chief [Eric Schmidt](#) faced a Senate grilling in Washington on Wednesday where he rejected charges that the [Internet giant](#) has "cooked" search results to favour its own products and services.

Google is also involved in a copyright infringement case in New York over its controversial book-scanning project, and faces anti-competition complaints over mobile phone operating systems in [South Korea](#).

Since it launched the case the Australian Competition and Consumer Commission (ACCC) said Google had "changed the description of its advertisements on its search results pages from 'sponsored links' to 'ads'."

It had also rolled out a business names policy to ensure advertiser links accurately reflected what they were selling and did not seek to associate themselves with unrelated businesses or products.

"This case is important in relation to clarifying advertising practices in the [Internet age](#)," said ACCC chairman Rod Sims.

"All businesses involved in placing advertisements on search engines must take care not to mislead or deceive consumers."

Though it was unsuccessful, the ACCC noted that Google had also been "scrutinised over trademark use in the United States, France and Belgium".

"Google has also faced scrutiny overseas, particularly in the EU, in relation to competition issues concerning its search results business," it said.

A [Google](#) spokeswoman said the company was pleased that the Australian case had been resolved in their favour.

"Our guiding principle has always been that advertising should benefit both advertisers and users, and our aim is to ensure that ads are relevant and useful," the spokeswoman told AFP.

(c) 2011 AFP

Citation: Google wins Australian advert case (2011, September 22) retrieved 20 September 2024 from <https://phys.org/news/2011-09-google-australian-advert-case.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.