

Australian court clears Google of hosting deceptive ads

6 February 2013, by Amy Coopes



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Australia's competition regulator had taken [Google](#) to court, alleging that adverts using keywords for Honda, Harvey World Travel, Alpha Dog Training and Just 4X4 Magazine published by Google had led consumers to [rival firms](#).

The Australian Competition and Consumer Commission (ACCC) lost the initial case but won an appeal in the Federal Court, which ruled that Google's technology created its search results.

Google had argued that it should not be held responsible for the content of ads on its platform because it was paid for and submitted by the advertisers under the highly profitable [Google](#)

[AdWords](#) programme.

AdWords allows firms to create their own ads and bid for keywords linked to their products. In the Australian case, travel, automotive and pet-care companies successfully bid on the names of their [rivals](#) as keywords.

The High Court of Australia overturned the appeal decision on Wednesday, agreeing that the advertisers, not Google, were responsible for the content of so-called sponsored links.

"Google did not create the sponsored links that it published or displayed," the court said.

"Ordinary and reasonable users of the [Google search engine](#) would have understood that the representations conveyed by the sponsored links were those of the advertisers, and would not have concluded that Google adopted or endorsed the representations," it added.

"Accordingly, Google did not engage in conduct that was misleading or deceptive."

The [Internet giant](#) welcomed the judgment, which brings to an end a six-year legal battle.

"We welcome the High Court's unanimous decision that Google cannot be held responsible for the ads that advertisers create for Google's search engine," Google said.

The ACCC had seen the case as an important precedent on the accountability of search engine providers as publishers of paid content, and said it will review the decision carefully for any broader ramifications.

"The ACCC took these proceedings to clarify the law relating to [advertising](#) practices in the Internet age," said ACCC chairman Rod Sims.

"Specifically, we considered that providers of online content should be accountable for misleading or deceptive conduct when they have significant control over what is delivered."

Sims said the High Court had focused solely "on Google's conduct" and it had not been disputed that the "representations made in the sponsored links by advertisers were misleading or deceptive".

"In the facts and circumstances of this case the High Court has determined that Google did not itself engage in misleading or deceptive conduct," he said.

"It remains the case that all businesses involved in placing advertisements on search engines must take care not to mislead or deceive consumers."

It is not the first time Google has landed in legal strife in Australia—the firm was ordered to pay US\$208,000 last year to an entertainment promoter after publishing material linking him to mobsters which was ruled to be defamatory.

Google also attracted the ire of authorities in 2010 after breaching privacy laws by collecting private wireless data with its "Street View" mapping cars.

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