

EIP

Foreign websites which target UK consumers in the court's sights

Lifestyle Equities CV & Anor v Amazon UK Services Ltd & Ors [2024] UKSC 8

The Supreme Court has recently handed down judgment in a dispute between the owner of the “Beverly Hills Polo Club” trademark, Lifestyle Equities, and internet giant Amazon. The Supreme Court has found that Amazon’s US website “amazon.com” did target UK consumers and so Amazon did infringe the Beverly Hills Polo Club trademark. In doing so the Supreme Court has set out the relevant test for whether sales on websites do or do not target UK consumers and therefore whether there can be infringement of a UK trademark.

Background

Trademarks are territorial rights and so a UK trademark only protects the owner’s rights within the UK^[1]. Therefore, for a trademark to be infringed in the UK there must be use of an infringing sign within the UK by the alleged infringer. Before the rise of e-commerce this was relatively easy to work out, with it being obvious whether advertisements or sales were in the UK. However the rise of internet shopping has complicated this issue, as websites can be accessed from anywhere. It might be said that a single UK consumer accessing a website constitutes use of a sign within the UK. To protect the ability of companies to sell online without infringing trademarks in other countries case law has developed that for a website to infringe a trademark in the UK it must “target” UK consumers. The question for the Supreme Court was whether Amazon’s US website, amazon.com, did or did not “target” UK consumers.

In January 2021 the Judge at first instance had found that Amazon’s US website was targeted at US consumers and did not target consumers in the UK and so Amazon did not

infringe the UK trademarks. In making this finding at first instance the Judge relied in part on his finding that Lifestyles Equities' interest in the lawsuit was to prevent UK consumers who saw the US website from learning of the relatively low prices for the goods in the USA. The Court of Appeal overturned that decision, saying that the first instance Judge made various errors, and instead found that Amazon's US website did target UK consumers and so Amazon did infringe the "Beverley Hills Polo Club" trademark.

Appeal

Amazon brought an appeal to the Supreme Court arguing that the decision of the Court of Appeal should be overturned and the first instance Judge's finding that Amazon's US website did not target the UK re-instated.

The Supreme Court first decided the correct legal test on targeting, noting that it is to be considered objectively from the perspective of average consumers in the UK and providing detail on the meaning of "the average consumer", saying also that a judge when coming to their decision can consider facts outside of the pages of the website, and that the subjective intention of a company to sell in the UK may be taken into account when considering if there is targeting of UK consumers. The Supreme Court, whilst reminding itself of the limited role of an appellate court in an evaluative exercise such as whether a website does or does not target the UK, considered that both the first instance Judge and the Court of Appeal fell into error in their evaluations. In particular the Supreme Court thought that both the first instance Judge and the Court of Appeal erroneously placed too great a weight on certain factors, such as the final order page on amazon.com and the existence of an amazon.co.uk website, and therefore did not evaluate whether there was or was not targeting correctly.

The Supreme Court therefore proceeded to carry out its own assessment of whether or not Amazon's US website did target UK consumers. The Supreme Court considered various aspects of the Amazon US website in their assessment of whether there was targeting and found that in their view factors indicating that UK consumers were targeted greatly outweighed those that pointed in the opposite direction. Of particular importance was the fact that Amazon's US website said that it would "Deliver to United Kingdom", that Amazon's US website indicated which goods could be shipped to the UK, that Amazon's US website offered specific delivery times and prices to the UK as well as the option to pay in pounds. The contrary indications that there was a separate amazon.co.uk website, that delivery times were longer and costs were higher on the Amazon US website, and that relatively few sales had taken place were not seen as strong factors. The Supreme Court disagreed with the first instance Judge's view that Lifestyle Equities'

motives in the litigation were a relevant factor. The Supreme Court also disagreed with the Court of Appeal's approach of considering the issue backwards through the website from the place your order page to the front page but agreed with the Court of Appeal's conclusion.

The Supreme Court therefore dismissed Amazon's appeal leaving in place the Court of Appeal's decision that Amazon's US website did target UK consumers and therefore there was infringement of the UK Beverley Hills Polo Club trademark.

As the Supreme Court found that Amazon's website was targeting UK consumers the Supreme Court declined to decide the issue of whether a single sale direct to a consumer in the UK was sufficient to mean that there was infringement of a UK trademark, leaving such a decision for a case where it matters.

Takeaway points

It is obviously in the interests of companies that sell to consumers through websites to make that process as easy and painless as possible. The less friction there is in a purchase the more likely a consumer is to make the purchase. For a company based outside the UK this may well entail changing the currency to pounds, showing which items can be sold to the UK and arranging delivery for the customer in the UK. However, the Supreme Court's decision makes it clear that such actions are likely to mean that such a website targets the UK.

Selling companies should therefore consider whether the advantages of targeting the UK consumer through their website does justify the risk of infringement of UK-registered trademarks which that potentially exposes them to. Rightsholders should be aware that their rights can be used to stop companies abroad which are targeting UK consumers and should feel reasonably confident that a website offering sales in pounds and organising delivery to the UK is targeting the UK.

Decision is [here](#).

[1] The dispute related to events that occurred before the UK left the EU and so related to both UK trademarks and EU trademarks governed by EU law, but this is not relevant to the Supreme Court's decision.