

EIP

Keywords that infringe – Interflora v M&S

Interflora Inc & Anor v Marks and Spencer Plc & Anor [2013] EWHC 1291 (Ch)

On 21 May, Mr Justice Arnold handed down a lengthy judgment in the long running action between Interflora and M&S. This dispute had been running since 2008 after M&S purchased several keywords from the Google AdWords service (including “Interflora”) that read onto Interflora’s registered trade marks (UK Trade Mark No. 1329840 INTERFLORA and CTM No 909838 INTERFLORA). This purchase followed Google changing their policy in relation to keywords and trade marks, in the UK, whereby it ceased blocking the purchase of keywords after receipt of a notification that such a word had been registered as a trade mark.

M&S used such keywords in conjunction with advertisements for its own flower business. After a reference to the CJEU, interim hearings regarding the admissibility of evidence obtained from so-called witness gathering exercises and two associated appeals to the Court of Appeal, the judge found that M&S had infringed Interflora’s registered trade marks under Article 5(1)(a) of Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks and 9(1)(a) of Regulation 40/94/EC of 20 December 1993 on the Community trade mark.

While the judgment sets out a great deal of factual background to the matter, and presents a thorough overview of the law in this area, the points of practical interest for rights holders and indeed those considering the use of keywords for which there is a related registered trade mark, are to be found within the final few pages of the judgment where the law, in particular the answers from the CJEU to the several questions that had been posed of them in this case, is being applied to the facts.

In this regard, the key issue that the judge had to grapple with was whether M&S’s use of

the signs (the keywords complained of) adversely affected the origin function of the Interflora trade marks, and in this regard, whether the M&S advertisements did not “enable reasonably well-informed and reasonably observant internet users, or enable them only with difficulty, to ascertain whether M&S’s flower delivery service originates from Interflora, or an undertaking economically connected with Interflora, or originates from a third party”.

In answering this question, the judge considered three factors.

1 - Whether the reasonably well-informed and reasonably observant internet user is deemed to be aware, on the basis of their general knowledge of the market, that M&S’s flower delivery service is not part of the Interflora network, but is in competition with it?

On the facts the judge found that it would not be clear that this separation was generally known at any material time.

2 - Whether M&S’s advertisements enable the reasonably well-informed and reasonably observant internet user to tell that M&S’s flower delivery service is not part of the Interflora network?

The judge found, on the facts, that there was nothing in the relevant M&S advertisements that would alert the user of the search service to the fact that M&S’s flower service was not part of the Interflora network.

3 – The nature of the Interflora Network.

Referring to the ruling of the CJEU, the judge stated that “the Court expresses the view that, because Interflora’s network consists of a large number of retailers of varying size and profile, it may be particularly difficult for the reasonably well-informed and reasonably observant internet user to determine this in the absence of any indication from the advertiser. In my judgment, this confirms that the onus lies on the advertiser to ensure that the advertisement makes it clear that advertised goods or services do not originate from the trade mark proprietor.” The background facts made it “all the more plausible that there should be a connection between M&S’s flower delivery service and the Interflora network”.

As a result of these findings, and after a consideration of various other factors raised by the parties, the judge found that “a significant proportion of the consumers who searched for “Interflora” and the other Signs, and then clicked on M&S’s advertisements displayed in response to those searches, were led to believe, incorrectly, that M&S’s flower delivery service was part of the Interflora network. Thus M&S’s use of the Signs had an adverse effect on the origin function of the Trade Marks. Furthermore, I conclude that this is still the case even now. It follows that M&S has infringed the Trade Marks under Article 5(1)(a) of the Directive and Article 9(1)(a) of the Regulation.”

While the decision is a positive outcome for brand owners seeking to prevent competitors from using keywords associated with their trade marks, one wonders how wide a protection this decision actually affords. The decision turns on its facts and the nature of the Interflora business model and its tie-ins with other major retailers is clearly central to the finding of infringement. Reading between the lines of points 1-3 above, and the more detailed account of these matters in the judgment, one can see that a well worded advert with disclaimer, or indeed keyword use from a competitor who is going to be known to the reasonably well-informed and reasonably observant internet users as a competitor, could escape infringement under these principles.

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