

Interflora: a victory against the use of trademarks as AdWords?

The High Court of England and Wales has ruled in the long-running dispute between Interflora Inc and Marks & Spencer (M&S) over the latter's use of the mark INTERFLORA as an AdWord. In *Interflora Inc v Marks and Spencer Plc* ([2013] EWHC 1291 (Ch)), the court found that M&S's use of the INTERFLORA mark as an AdWord to advertise its Flowers & Gifts website constituted trademark infringement – but the circumstances of the case will limit the application of the decision.

In 2008, following a change in Google's policy in relation to trademarks and keywords in the United Kingdom, M&S purchased several keywords as AdWords, including 'Interflora'. M&S used these keywords in conjunction with advertisements for its own flower business.

The case was referred to the European Court of Justice (ECJ), which held as follows: "The proprietor of a trademark is entitled to prevent a competitor from advertising – on the basis of a keyword which is identical with the trademark and which has been selected in

an internet referencing service by the competitor without the proprietor's consent – goods or services identical with those for which that mark is registered, where that use is liable to have an adverse effect on one of the functions of the trademark."

Following the ECJ's decision, the High Court found that M&S had infringed Interflora's registered trademarks under Article 5(1)(a) of the EU First Trademarks Directive (89/104/EEC) and Article 9(1)a of the EU Community Trademark Regulation (40/94).

The key issue in this case was whether M&S's use of the keyword adversely affected the origin function of the INTERFLORA marks – in particular, whether the M&S advertisements did not "enable reasonably well-informed and reasonably observant internet users, or enabled 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". The court found that they did not. In particular, it noted: "A

significant proportion of the consumers who searched for 'Interflora'..., 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 [INTERFLORA] had an adverse effect on the origin function of the trademarks."

The court further held: "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 [that M&S's flower delivery service is not part of the Interflora network] in the absence of any indication from the advertiser." The circumstances of the case made it "all the more plausible that there should be a connection between M&S's flower delivery service and the Interflora network".

EIP's Robert Lundie-Smith notes that while the decision is positive for brand owners seeking to prevent competitors

from using their trademarks as keywords, one wonders how wide a protection the decision will actually afford: "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 the judgment, Lundie-Smith believes 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".

Nick Rose of Field Fisher Waterhouse told *WTR* that he does not expect the floodgates to open with new disputes: "The facts of this case are at one end of the spectrum, and it will not necessarily lead to many more challenges from trademark owners. In most instances, most businesses continue to comply with the guidelines laid down by the ECJ that there needs to be an indication from the advertiser which enables the reasonably well-informed and reasonably observant internet user to determine whether the advertisement... is connected to the business of the trademark owner."