

FLOWER POWER WINS THE DAY IN INTERFLORA TRADEMARK BATTLE

The use by internet advertisers of competitor names to draw traffic has been declared unlawful at the end of a high profile battle between Marks & Spencer and Interflora.

In the fast growing world of internet advertising, new online techniques are demanding new rules and the latest ruling from the Court of Justice of the European Union (ECJ) says that a trademark owner can stop a competitor from using their trademark as a keyword in a search engine such as Google.

But the judgement stopped short of a complete ban, saying the competitor would have to be taking unfair advantage of the trademark owner's reputation or devaluing the trademark itself.

Marks & Spencer had selected the word 'Interflora' as a keyword on Google's paid referencing service, AdWords. As a result, when a member of the public searched for Interflora on Google, a Marks & Spencer advertisement appeared at the top of the screen, as a 'sponsored link'.

Interflora objected to this and brought proceedings in the High Court on the basis that M&S was abusing its trademark. The English court referred the issue of whether a competitor could use a trademark as a keyword to the ECJ, who published their ruling last week (24th November).

The ECJ ruled that a trademark owner was entitled to prevent a competitor from using its trademark as a keyword in order to advertise identical goods or services, or where using the trademark as a keyword amounts to taking advantage of the reputation of the trademark owner or is likely to dilute or tarnish the trademark.

Geoffrey Sturgess, an intellectual property solicitor at Warner Goodman Commercial's Southampton office, explained: "Although this was a claim against Marks & Spencer by a franchise of small florists with a very well known brand it is usually smaller concerns that want to take advantage of bigger businesses' trademarks. Smaller businesses should take note of this case and check what key words they are using, either through Google or other search engines or on their own websites. A trademark case can be very costly, win or lose."

The ECJ did not, however, outlaw using another's trademark as a keyword completely: this would be allowed, the Court said, where the advertisement was for alternative goods and services and did not merely offer an imitation of the trademark owner's goods or services

and provided the advertisement did not dilute or tarnish the trademark. This could for example allow the use of the word “Ford” by a business offering second hand Ford cars, parts and servicing.

Geoffrey Sturgess added “I suspect Google and the other search engines will now adjust their business practices so that the ability to use other’s trademarks will become much more restricted. As a result the ruling will have most relevance to website designers who will also have to stop using trademarks as meta-data”.

ENDS

This information is not intended as legal advice

Interflora Inc and Another v Marks and Spencer plc Times Law Reports 24.11.2011
First Council Directive 89/104/EEC Articles 5(1) and (2)
Council Regulation (EC) no. 40/94 Article 9(1)A

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