

INTERFLORA OPINION GIVES BRAND OWNERS KEYWORD HOPE

25 March 2011

James Nurton, London

The Advocate General of the Court of Justice of the EU has suggested that keywords used in online advertisements can infringe trade marks in certain specific circumstances

Giving his opinion in a dispute between Interflora and Marks & Spencer, referred from the UK, Advocate General Jääskinen said that brand owners can prohibit the use of keywords containing their trade marks by competitors where consumers are likely to be confused as to the origin of the goods or services.

“An error concerning the origin of goods or services arises when the competitor’s sponsored link is liable to lead some members of the public to believe that the competitor is a member of the trade mark proprietor’s commercial network when it is not,” he explained.

But the circumstances of this case are unusual, meaning that it may not have a wide application.

Interflora’s business model is based on attracting online orders that are executed by a network of independent florists. The US company owns UK and Community trade marks for Interflora.

In this case, Marks & Spencer was accused of buying keywords comprising words and phrases in Google’s AdWords programme, including Interflora, to attract consumers to its own flower delivery service, which is not connected with Interflora.

Interflora claimed the ads, which ran in the days before Valentine’s Day, attracted customers searching for its network. They also forced up the price of the Interflora keywords under Google’s pricing policy.

It therefore sued Marks & Spencer for trade mark infringement.

In May 2009, Mr Justice Arnold asked the Court of Justice to clarify essentially whether Marks & Spencer’s action constituted use of Interflora’s trade marks and, if so, whether the use falls within the scope of Article 5(1)(a) or 5(2) of the EU Trade Marks Directive.

Article 5(1)(a) concerns the use of an identical sign for identical goods or services (double identity) and does not require a likelihood of confusion to be shown. Article 5(2), which is an optional provision, covers non-similar goods or services but only applies to marks with a reputation. It effectively provides protection against trade mark dilution.

Last year, the Court of Justice addressed the use of keywords in other cases, saying that Google as the referencing service provider does not use trade marks. But it also said that advertisers might be infringing trade marks where consumers are confused as to the origin of goods or services.

Following this the questions referred from the UK were simplified.

In his opinion, Jääskinen considered the protection available under Articles 5(1)(a) and 5(2) in turn.

Regarding 5(1)(a) he said that where there is a trade mark such as Interflora that identifies a well-known commercial network, then an association “is possible and even likely in the mind of an average consumer” if they are faced with an advert by Marks & Spencer.

He therefore said in such circumstances the trade mark owners can prohibit the use of the keyword.

In a blog post, Interflora said it is “very encouraged” by the findings: “Such a ruling will enable brand holders across Europe to deliver quality service and ensure that trade marks guarantee the origin of the goods bought by consumers online.”

But trade mark practitioners cautioned that the effect of the opinion could be quite limited. Kirsten Gilbert of Marks & Clerk Solicitors told Managing IP: “The Interflora situation is very unusual as consumers might believe that Marks & Spencer could be part of the Interflora network. It is difficult to think of many comparable situations.”

Addressing Article 5(2), the Advocate General discussed dilution protection at length. He concluded that the action of Marks & Spencer in this case would not lead to blurring but “degeneration”, or the risk of the trade mark becoming generic.

He added that although the choice of keywords by Marks & Spencer “implies a marketing message that they offer an alternative to Interflora” this does not amount to free-riding.

He said that use of a keyword can only be forbidden under Article 5(2) where the trade mark is displayed in the advertisement and either the mark is used as a generic term or the advertiser attempts to benefit from its reputation.

Simon Chapman of Lewis Silkin described the opinion as “surprising”, especially as in this case it would likely lead to a finding of infringement under Article 5(1)(a) but not under 5(2) because no unfair advantage has been taken. “I don’t think the opinion has added any clarity at all,” he said.

He said brand owners and advertisers should wait for the Court’s decision in the case, to see if it provides clearer guidance. In the meantime, he said: “I won’t be advising clients to change their strategies.”

The opinion is not binding on the Court, which is expected to give its decision in the case later this year.

Bookmarks

[Del.icio.us](#)

[Digg.com](#)

[Facebook](#)

[LinkedIn](#)

[Reddit.com](#)

[Stumbleupon.com](#)

[Twitter](#)

[Back to top](#)

MANAGING
INTELLECTUAL IP

THE MATERIAL ON THIS SITE IS FOR FINANCIAL INSTITUTIONS, PROFESSIONAL INVESTORS AND THEIR PROFESSIONAL ADVISERS. IT IS FOR INFORMATION ONLY. PLEASE READ OUR [TERMS AND CONDITIONS](#) AND [PRIVACY POLICY](#) BEFORE USING THE SITE. ALL MATERIAL SUBJECT TO STRICTLY ENFORCED COPYRIGHT LAWS.

© 2010 EUROMONEY INSTITUTIONAL INVESTOR PLC. FOR HELP PLEASE [SEE OUR FAQ](#).