

England and Wales: Use of Trademarks as Search Term Keywords

By [John Margiotta](#)

Cosmetic Warriors Ltd & Lush Limited v. Amazon.co.uk Ltd & Amazon EU SARL [2014] EWHC 181 (Ch) (10 February 2014)

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In February 2014, the High Court of England and Wales issued a ruling which provides some key guidance on permissible Google AdWords usage and usage of trademarks as search terms more generally. The claimants in the case, Cosmetic Warriors Ltd (“Cosmetic Warriors”), owner of the LUSH brand of cosmetics, had deliberately chosen not to sell its LUSH brand products on [Amazon.co.uk](#). Regardless of their availability on the website, Amazon had nonetheless been purchasing various trademarks, including LUSH, as Google Adwords. Amazon’s purchase of the keyword LUSH resulted in two different kinds of sponsored advertisements on a user’s Google search results page: some in which the sponsored ad included the keyword term LUSH and would forward the consumer to Amazon’s website to purchase equivalent products, and others which did not include the keyword LUSH but would link the consumer to equivalent products. Furthermore, typing “LU” into the search box on the Amazon.co.uk website caused an auto-complete drop-down menu to appear that included the brand LUSH.

Based on these facts, Cosmetic Warriors sued Amazon in the United Kingdom Chancery Court alleging trademark infringement. In its complaint, Cosmetic Warriors objected to both of Amazon's uses of the LUSH Google keyword, as well as to use of LUSH as a search term within Amazon's website (including the auto-population of the mark). Cosmetic Warriors objected also to the fact that when a user searched for LUSH products on Amazon's home page, the resulting page suggested that the sub-category of products produced by the search were LUSH brand products, even though they were not. Essentially, the complaint alleged infringement as to any use of the LUSH trademark on the Amazon website, many of which uses were automatically created by algorithms, simply as a reflection of prior consumers' search entries.

As held by the Court of Justice of the European Union ("ECJ") in Judgment of 23 March 2010, *Google France SARL and Google Inc. v. Louis Vuitton Malletier SA*, C-236/08 joined cases C-237/08 and C-238/08 ("*Google France*"), in and of itself, use of a keyword alone is not infringement, but certain uses of the mark required further scrutiny. Based on such further scrutiny, the court in this case concluded that Amazon had infringed the investment function of the LUSH trademark, both when 1) it auto-populated the mark in its internal search engine, and 2) LUSH appeared in the sponsored search results displayed in Google's search index, both of which suggested that LUSH brand goods were for sale on its site when in fact they were not. In so ruling, the court relied on the ECJ holding in *Google France* that six conditions must be met to establish infringement under Article 5(1)(a) of the Directive: i) use; (ii) in the course of trade; (iii) without the owner's consent; and (iv) of a sign identical to the trademark; (v) in relation to goods or services identical to those for which the trade mark is registered; (vi) such that it affects or is liable to affect the functions of the mark.

Based on this test, the court concluded that Amazon's use of the mark in the ways noted above amounted to use of the trademark in the course of trade, without the owner's consent, in relation to similar goods. With all of the first five conditions met, the case hinged on whether or not Amazon's use of the mark infringed the functions of a trademark.

In addressing this last part of the test, the judge found that Amazon's use of LUSH infringed the origin and advertising functions of the mark. First, the court found Amazon's use of the mark in the Google-sponsored results infringed the origin function, as such use linked consumers to alternative goods without in any way noting that LUSH brand products were not available in the offerings. The court also concluded that a consumer, when using the internal search engine on Amazon.co.uk, would be

confused by the suggestion that LUSH brand products were available, in the absence of a statement that they were not. In addition, the advertising function was infringed because Cosmetic Warriors had built substantial reputation in the LUSH mark for health and beauty products. Amazon's use of the mark to attract customers to buy "equivalent" products was thus infringing. In addressing the sponsored advertisement(s) that the search produced which did not include LUSH, the court did not find any infringement.