

**TO USE OR NOT TO USE A TRADEMARK, THAT IS THE
QUESTION—KEYWORD ADVERTISING AND THE LEGAL RISK
OF TRADEMARK INFRINGEMENT**

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ABSTRACT

In keyword advertising disputes, “to be or not to be” may well be the question on which the life or death of a trademark hangs. The leading Taiwanese cases involving trademark disputes over keyword advertising are the cases of 2009-Ming-Shang-Sang-11 and 2010 Ming Shang Sang Geng (Yi) Zi No. 5 of the Taiwanese Intellectual Property Court, which outline why some instances of keyword advertising cannot constitute trademark infringement, but do constitute unfair competition. However, these case holdings not only ignore the legal risk for trademark-owning businesses and defendants, but also neglect to provide ways of managing them. This article attempts to fill the gaps left by the case holdings, and to go beyond the merely legal discussion of trademark by looking at their practical implications. In particular, this article focuses on the court’s judgment on trademark requirements as they relate to keyword advertising, the relevant Taiwanese Trademark Act articles, and foreign case law (e.g., the European Court of Justice’s *Louis Vuitton* case and the leading U.S. trademark case) to evaluate the legal risks of regulation and conflict and dispute resolution that affects businesses (trademark owners) and infringers. This article discusses managing the legal risk of trademark disputes regarding keyword advertising in two sections—one focusing on the public sector, examining the roles of legislative and judicial agencies; and the other focusing on the private sector, looking at the roles of businesses and Internet content providers. When both sectors play their roles well, the legal risk of keyword-advertising-driven trademark disputes are diminished.

Keywords: Keyword advertising, trademark, legal risk, public sector, private sector

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I. A Milestone Judgment on A Keyword Advertising and Trademark Dispute in Taiwan

A. What is Keyword Advertising?

Keyword advertising is no more than 20 years old. It is widely believed that Yahoo! Inc. pioneered keyword advertising in 1996.¹ This Internet marketing method is something completely new for businesses, including Taiwanese enterprises. There are many advantages to buying keyword advertising, especially for small corporations, including access to Internet marketing rate promotions and budget control. Buying keyword advertising allows businesses to expose more Internet users to their advertisements and to more widely sell their products.²

B. Trademark Disputes over Keyword Advertising

Despite their marketing advantages for businesses, keyword advertising will trigger trademark disputes if they are identical or similar to registered trademarks. Keyword advertising (used herein to mean the keywords used in the specialized Internet marketing technique of strategic use and linking of keywords, or keyword advertising) may or may not pose issues with regard to trademark infringement. In other words, issues of keyword advertising not only are relevant to marketing methods at the Internet, but also are related to legal issues (trademark disputes) at the Internet.

Keyword advertising existed in foreign countries earlier than it did in Taiwan. The development of international case law concerning trademark disputes over keyword advertising was complete prior to their development in Taiwan. For example, a well-known trademark litigation involving a dispute over keyword advertising, *Louis Vuitton Moët Hennessey (LVMH) v. Google*, was recently decided by the European Court of Justice (ECJ) in March 2010.³ In this case, LVMH had filed suit against Google for selling keyword advertising to LVMH's sponsors (rather than to LVMH exclusively). Google finally won the case, bringing this issue to the attention of the public.

In the cases of 2009-Ming-Shang-Sang-11 and 2010 Ming Shang Sang Geng (Yi) Zi No. 5, decided in 2010 and 2011 by the Taiwanese Intellectual

¹ Wikipedia – Keyword Advertising, *available at* http://en.wikipedia.org/wiki/Keyword_advertising (last visited May 25, 2013).

² Yahoo!, Inc.–Keyword Advertising : Our Four Advantages, *available at* <http://tw.emarketing.yahoo.com/ysm/aboutus/index.html> (last visited May 25, 2013).

³ Scribd Home, Google France Sarl, Google Inc. v. Louis Vuitton Malletier Sa (C-236/08), Google France Sarl v. Viaticum Sa, Luteciel Sarl (C-237/08), and Google France Sarl v. Centre National De Recherche En Relations Humaines (Cnrrh) Sarl, Pierre-Altixis Thonet, Bruno Raboin, Tiger Sarl (C-238/08), *available at* <http://www.scribd.com/doc/28803312/lvmh-vs-google-pdf> (last visited May 25, 2013).

Property Court,⁴ the Respondent used the Appellant's trademark, registered for use in restaurants and cafeterias from October 1, 2004, through October 31, 2014, in signboard and keyword advertising without the Appellant's permission. This led to disputes among the franchisees concerning the use of the Appellant's trademark on the signboard. Although there was no written "Franchisee Agreement" between the Respondent and the Appellant, the court held that the "Franchisee Agreement" need not be a literal document and that the "License Agreement" regarding the trademark was an effective substitute. Due to the rights transferred under the "License Agreement," no trademark infringement could be found in the Respondent's use of the Appellant's trademark in the signboard.⁵

This article discusses the legal risks in keyword advertising as demonstrated by the cases of 2009-Ming-Shang-Sang-11 and 2010 Ming Shang Sang Geng (Yi) Zi No.5 decided by the Taiwanese Intellectual Property Court. The judgments in these cases focused on: 1) whether or not buying keyword advertising itself constitutes the infringement of trademarks if the keywords used are identical or similar to registered trademarks; and 2) whether or not buying keyword advertising itself constitutes unfair competition if the keywords used in keyword advertising are identical or similar to registered trademarks. If buying keyword advertising is not itself use of trademarks, there can be no trademark infringement and no unfair competition when a business buys keyword advertising. Trademark infringements and unfair competitions do exist, however, if a business buys keyword advertising that are identical to or similar to registered trademarks.

Although the case of 2010 Ming Shang Sang Geng (Yi) Zi No. 5 was the relevant case of another, 2009-Ming-Shang-Sang-11, it was a case related to the Fair Trade Act,⁶ rather than being a trademark dispute. In reality, keyword advertising leads to more disputes over trademarks in other countries,⁷ and

⁴ The Judicial Yuan of the Republic of China—Law and Regulations Retrieving System: Search for Courts' Judgments, available at <http://jirs.judicial.gov.tw/Index.htm> (last visited May 25, 2013).

⁵ *Id.*

⁶ The Judicial Yuan of the Republic of China—Law and Regulations Retrieving System: Search for Courts' Judgments, *supra* note 4.

⁷ The case of *Playboy Enters., Inc. v. Welles*, Ninth Circuit, U.S. Court of Appeals, is a good example of keyword advertising leading to trademark dispute. Defendant Terri Welles was sued by Plaintiff, *Playboy Enterprises, Inc.* because the Defendant used the Plaintiff's trademarks, "PLAYBOY" and "PLAYMATE" as keywords on the Defendant's website. More detailed facts of the case are presented in section I.C.5 of this article. See Ching-Yang Lai & Yao-Shih Leng, *American Trademark Cases & Analysis* 47 (2008); Wikipedia, *Playboy Enterprises, Inc. v. Welles*, http://en.wikipedia.org/wiki/Playboy_Enterprises,_Inc._v._Welles (last visited Aug. 22, 2013); Finnegan, *Internet Trademark Case Summaries: Playboy Enters., Inc. v. Welles*,

unfair competition is one of the solution ways for Taiwanese courts to deal with the cases relevant to keyword advertising issues.⁸ This article argues that it is more worthwhile to conduct legal risk analyses for trademark disputes than for unfair competition issues.

As a result, this article discusses trademark disputes over keyword advertising in three important steps. First, we ask how to differentiate keyword advertising from trademarks. This section will emphasize Articles 2, 6, 29, and 61 of the Taiwanese Trademark Act and the legal issues expressed in the case of 2009-Ming-Shang-Sang-11. Second, we discuss the risks in the regulation mandated by the current Taiwanese Trademark Act and the case at hand. Third, we try to solve the problems arising from the previous two topics and examine how businesses manage or reduce the legal risks of trademark disputes over keyword advertising.

II. How to Differentiate between Keyword Advertising and Trademarks

If we want to discuss keyword advertising and trademarks, we have to distinguish one from the other as both terms are commonly used in business. Keyword advertising refers to specific words or phrases used for business advertising online.⁹ Trademarks are logos used in products or packaging to distinguish those products from others when they are being purchased.¹⁰ Trademarks, keyword advertising, and their relationships are complex, but we will try to introduce these issues step by step.

An understanding of trademark requirements and issues regarding the use of trademarks is important for grasping whether or not keyword advertising can constitute trademark infringement and the relationship between keyword advertising and trademarks. Thus, these issues form the main structure of this section and provide important foundations for understanding the legal risk issues regarding keyword advertising in trademark disputes.

A. Requirements of Trademarks

As we know, trademarks are of significant value to businesses, and

<http://www.finnegan.com/PlayboyEntersIncvWelles/> (last visited Aug. 22, 2013).

⁸ For example, the Taiwan Intellectual Property Court cases, 2009-Ming-Shang-Sang-11 and 2011-Ming-Shang-Sang-7, are relevant to keyword advertising giving rise to trademark disputes in which Respondents set Appellants' trademarks as keywords on the websites of their restaurant and corporation, without Appellants' permission. More detailed facts of the cases are provided in note 16 and section I.C.1.3 of this article. *See* The Judicial Yuan of the Republic of China – Law and Regulations Retrieving System: Search for Courts' Judgments, *supra* note 4.

⁹ Wikipedia–Keyword Advertising, *supra* note 1.

¹⁰ WEN-YIN CHEN, TRADEMARK LAW 51 (3rd ed. 2005).

trademark laws are important in countries all over the world. The definitions of trademarks are important regulations in the trademark laws. Article 18 of the Taiwanese Trademark Act says that “A trademark shall refer to any sign with distinctiveness The term “distinctiveness” used in the preceding paragraph refers to the character of a sign capable of being recognized by relevant consumers as an indication of the source of goods or services and distinguishing goods or services of one undertaking from those of other undertakings.”¹¹

In theory, there are “positive” and “negative” requirements of trademarkability in Taiwanese trademark law.¹² This article examines the “positive” requirements of trademarkability: “distinctiveness” and “secondary meaning.”¹³ The “negative” requirements include prohibition of trademarks that propose “descriptive or generic terms” that are not distinctive, as regulated by Article 29 of the Taiwanese Trademark Act.¹⁴ Article 30 of the Taiwanese Trademark Act forbids trademark applications that are identical or similar to a registered trademark, national symbol, or mark of a well-known foreign institution, or that violate public order or good morals.¹⁵

B. Is Keyword Advertising A Trademark?

1. Examination of the “Positive” Requirements of Trademarkability in the Context of Keyword Advertising

Once we understand the requirements of trademarkability, we turn first to examine how keyword advertising fits its “positive” requirement of “distinctiveness,” since consumers can identify the source of goods or services,

¹¹ Ministry of Justice – The Working Group of the R.O.C. Laws & Regulations Database: Trademark Act, *available at* <http://law.moj.gov.tw/LawClass/LawAll.aspx?PCode=J0070001> (last visited May 25, 2013). From the perspective of comparative law approach, section 1052 of the U.S. Lanham Act states, “no trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature [barring some listed exceptions].” In other words, the definitions of trademarks as regulated by the trademark laws of civil and common law countries do not vary greatly. *See* BitLaw–Lanham (Trademark) Act (15 U.S.C.) Index, *available at* <http://www.bitlaw.com/source/15usc/> (last visited May 25, 2013).

¹² CHOU-FU LIN, *CASES OF TRADEMARK LAW* 58 (2d ed. 2012).

¹³ “Secondary meaning” is a trademarkability requirement of “acquired distinctiveness.” It means that although a mark (logo, brand name, slogan, etc.) originally does not fit the requirement of “distinctiveness,” consumers can identify the source of goods or services and distinguish goods or services of one enterprise from those of another after its long-term use of that sign. *See id*; *see also* TU-TSUN WANG, *TRADEMARK LAW* 27 (3rd ed. 2012).

¹⁴ Ministry of Justice–he Working Group of the R.O.C. Laws & Regulations Database: Trademark Act, *supra* note 11.

¹⁵ *Id.*

and distinguish goods or services of one enterprise from those of another, through keyword advertising on the Internet. For example, it has been held that the names of celebrities (or other people) that are registered as trademarks may be used in keyword advertising on the Internet, because they do not fit within the trademark requirement of “distinctiveness”¹⁶

Another apparent contradiction arises when we examine the other “positive” requirement of trademarkability, “secondary meaning,”¹⁷ in the context of keyword advertising. When we consider the requirement of “secondary meaning” because trademarks of famous stage names of actress or people’s names are used as keyword advertising on the Internet, and do not meet the “distinctiveness” test. According to “Examination Guidelines on Distinctiveness of Trademarks” of the Taiwan Intellectual Property Office (TIPO),¹⁸ we should consider “the manner of the use of the trademark”¹⁹ and “the use by competitors in the same trade”²⁰ as evidence of “secondary meaning.”²¹ In this light, trademarked stage names (or other trademarked names) used as keyword advertising on the Internet are used for promoting the sales volume of buyers of keyword advertising, and they are used in the same way (with the same meaning), regardless of the trademark owners or their competitors.

2. Examination of the “Negative” Requirements of Trademarkability in the Context of Keyword Advertising

On the other hand, if we analyze the “negative” requirements of

¹⁶ These facts occurred in the case of 2011-Ming-Shang-Sang-7. A famous Taiwanese actor, Chuan-Chen Yeh, registered her stage name as a trademark. The corporation Cheng Yi Integrated Marketing Ltd. did not get her permission to use “Chuan-Chen Yeh” as keyword advertising for promoting its products. Appellant, Chuan-Chen Yeh, sued Appellee, Cheng Yi Integrated Marketing Ltd., for trademark infringement. The Taiwanese Intellectual Property Court argued that “Chuan-Chen Yeh” was used in keyword advertising on the Appellee’s webpage. Consumers only know “Chuan-Chen Yeh” as an actor’s name; thus, it cannot be considered as a trademark. As a result, using “Chuan-Chen Yeh” in keyword advertising on the Internet was found not to be using a trademark. *See* The Judicial Yuan of the Republic of China—Law and Regulations Retrieving System: Search for Courts’ Judgments, *supra* note 4.

¹⁷ Meanings of the “Secondary meaning” is defined in note 13 of this article. *See* LIN, *supra* note 12, at 58; TU-TSUN WANG, TRADEMARK LAW 27 (3rd ed. 2012).

¹⁸ Intellectual Property Office, Ministry of Economic Affairs R.O.C., Trademarks, Laws & Regulations: Examination Guidelines on Distinctiveness of Trademarks, *available at* <http://www.tipo.gov.tw/lp.asp?ctNode=6822&CtUnit=3316&BaseDSD=7&mp=2> (last visited May 29, 2013).

¹⁹ Article 5.1(1) of the Guidelines. *See id.*

²⁰ Article 5.1(1) of the Guidelines. *See* Intellectual Property Office, Ministry of Economic Affairs R.O.C., Trademarks: Laws & Regulations, *supra* note 16.

²¹ Wang, *supra* note 17, at 29.

trademarkability (prohibition of trademarkability for “descriptive or generic terms” in Article 29 of the Taiwanese Trademark Act and grounds for refusal of trademark registration in Article 30 of the Taiwanese Trademark Act), we see that keyword advertising can be viewed as a trademark.

So we can see, that in addition to famous stage names or other people’s names registered as trademarks that are used in keyword advertising on the Internet, keywords used in keyword advertising can generally be identified as a trademark, or not, by the examination of both “positive” and “negative” requirements of trademarkability.

C. Does Using Keyword Advertising Equal Using Trademarks?

When we identify keyword advertising as a trademark through the examination of requirements of trademarks, we must ask the question of whether use of keyword advertising is the equivalent of using trademarks. The answer lies in the fact that trademarks can be registered and are physical logos used by enterprises to distinguish and promote their goods and services.

The global Internet population will reach 2.2 billion in 2013,²² and search engines are becoming increasingly important as ways for businesses to promote goods and services. Thus, registered trademarks are used not only in physical packaging, but also in the keyword advertising of search engines (i.e., Google, Yahoo). From a legal perspective, keyword advertising that is “distinctive” and fits the criteria for the “negative” requirements of trademarkability in Articles 29 and 30 of the Taiwanese Trademark Act can thus be viewed as trademarks.

However, whether or not using keyword advertising equals to using trademark is a further question. This section will use keyword advertising and trademark dispute cases from Taiwan, the U.S., and Europe to examine this question.

1. The Judgment in the Case of 2009-Ming-Shang-Sang-11

The case of 2009-Ming-Shang-Sang-11 was the first Taiwanese court judgment regarding keywords used in keyword advertising as trademarks; the case of 2010 Ming Shang Sang Geng (Yi) Zi No. 5 involved the same case, but with the Appellant suing the Respondent for unfair competition under Article 24 of the Fair Trade Act.²³ The facts of both cases were simple: the Respondent used the Appellant’s trademark in its restaurant signboard without

²² Hsiao-Li Chen, *Internet Population will be 2.2 Billion People by 2013, of Which 43% will be in Asia*, FORREST (2009), available at http://news.cnet.com/8301-1023_3-10291796-93.html (last visited May 25, 2013).

²³ The Judicial Yuan of the Republic of China—Law and Regulations Retrieving System: Search for Courts’ Judgments, *supra* note 4.

permission, assuming that since she had paid franchisee fees of 1.05 million New Taiwan Dollars to the Appellant, she thus had a “Franchisee Agreement” with the Appellant. The Respondent argued that this agreement gave her the right to use the Appellant’s trademark for two years.²⁴

In addition to using the Appellant’s trademark in the restaurant signboard, the Respondent purchased keyword advertising from Google that were identical to the Appellant’s trademark without obtaining the Appellant’s permission. Consumers could link to the Respondent’s websites through these keyword advertising, mistakenly believing that the Respondent’s restaurant had a Franchisee Agreement with the Appellant and that it was a branch of the Appellant’s company.

The question was whether the Respondent’s actions constituted trademark infringement (trademark dilution) pursuant to Articles 29, 61, and 62 (and the 2011 amendments, 35, 69, and 70) of the Taiwanese Trademark Act.²⁵ In judgment of the case of 2009-Ming-Shang-Sang-11, the court found that the keyword advertising were not being used as trademarks to promote sales. The court also held that it is not a trademark infringement for a keyword advertising to be identical to a registered trademark.²⁶

2. The Judgment in the Case of 2010 Ming Shang Sang Geng (Yi) Zi No. 5

Although facts of 2009-Ming-Shang-Sang-11 were the same with those of 2010 Ming Shang Sang Geng (Yi) Zi No. 5, the former was a trademark infringement dispute and the latter was an unfair competition case related to keyword advertising.

The Intellectual Property Court argued in 2010 Ming Shang Sang Geng (Yi) Zi No. 5 that the Respondent continuously infringed the Appellant’s trademark right with the conduct of unfair competition regulated in Article 24 of the Fair Trade Act.²⁷ Under Articles 30 and 31 of the Act, the Appellant

²⁴ *Id.*

²⁵ The Judicial Yuan of the Republic of China–Law and Regulations Retrieving System: Search for Courts’ Judgments, *supra* note 4.

²⁶ *Id.*

²⁷ Although keyword advertising issues are relevant to trademark disputes, it is also possible for them to be involved with violation of the Fair Trade Act. Because the Defendants’ keyword advertising causes trademark dilution, consumers would be attracted from them to purchase goods at the Defendant’s websites. The exposure rates and visited rates of the Defendant’s websites would rise. In this case, the Respondent did not get permission from the Appellant to use its trademark (“just eat”) in its keyword advertising, which led consumers to the Respondent’s restaurant website. Consumers would mistakenly conclude that the restaurants of the Respondent and the Appellant were the same or had a “Franchisee” relation. This conduct amounted to a free ride for the Respondent at the expense of the trademark

may demand the removal of the Respondent's use of keyword advertising that is identical to the Appellant's trademark, and the Respondent is liable for damages.²⁸ The Appellant argued for damages for the Respondent's intentional violation of Article 32 of the Act, and the court found the two times the damages claimed was an appropriate remedy,²⁹ totaling 557,644 New Taiwan Dollars.

3. The Judgment of the Case of 2011-Ming-Shang-Sang-7

This case differed from the former case, which was a trademark infringement action. The facts of this case were that a famous Taiwanese actor, Chuan-Chen Yeh, registered her stage name as a trademark, and the corporation Cheng Yi Integrated Marketing Ltd. did not get her permission to use "Chuan-Chen Yeh" in its keyword advertising for promoting its products at its website. Appellant Chuan-Chen Yeh sued Appellee Cheng Yi Integrated Marketing Ltd. for trademark infringement.³⁰

The Taiwanese Intellectual Property Court concluded that the uses of "Chuan-Chen Yeh" in keyword advertising were not the uses of trademarks. This conclusion was reached because, although there were service fax

owners' efforts, resulting in unfair competition. The conduct violated Article 24 of the Fair Trade Act, which provides that "[I]n addition to what is provided for in this Law, no enterprise shall otherwise have any deceptive or obviously unfair conduct that is able to affect trading order." See The Judicial Yuan of the Republic of China—Law and Regulations Retrieving System: Search for Courts' Judgments, *supra* note 4; Ministry of Justice—The Working Group of the R.O.C. Laws & Regulations Database: Fair Trade Act, <http://law.moj.gov.tw/Eng/LawClass/LawAll.aspx?PCode=J0150002> (last visited May 25, 2013).

²⁸ These facts relate to Articles 30 and 31 of the Fair Trade Act. Article 30 of the Fair Trade Act states that "[I]f any enterprise violates any of the provisions of this Law and thereby infringes upon the rights and interests of another, the injured may demand the removal of such infringement; if there is a likelihood of infringement, prevention may also be claimed." Article 31 of the Fair Trade Act rules that "Any enterprise that violates any of the provisions of this Law and thereby infringes upon the rights and interests of another shall be liable the damages arising therefrom." See *id.*

²⁹ These facts relate to Articles 32 of the Fair Trade Act. Article 32 of the Fair Trade Act states that "[I]n response to the request of the person being injured as referred to in the preceding article, a court may, taking into consideration of the nature of the infringement, award damages more than actual damages if the violation is intentional; provided that no award shall exceed three times of the amount of damages that is proven. Where the infringing person gains from its act of infringement, the injured may request to assess the damages exclusively based on the monetary gain to such infringing person." See The Judicial Yuan of the Republic of China—Law and Regulations Retrieving System: Search for Courts' Judgments, *supra* note 4; Ministry of Justice—The Working Group of the R.O.C. Laws & Regulations Database: Fair Trade Act, *supra* note 27.

³⁰ *Id.*

numbers, e-mails, bank account names or numbers, and good prices that indicated that the keyword of “Chuan-Chen Yeh” was used for the purpose of sales, the Appellee only used “Chuan-Chen Yeh” in its keyword advertising, and consumers did not identify “Chuan-Chen Yeh” as a trademark of the product.³¹ In addition to “Chuan-Chen Yeh,” there were other additional keywords used in the advertising on the Appellee’s webpage, and “Chuan-Chen Yeh” was used for a stage name of an actor.³² Its character and typeface was the same with other seven keywords, so consumers did not pay too much attention when they browse the Appellee’s website.³³ Although the Appellant registered “Chuan-Chen Yeh” as a trademark, consumers only know “Chuan-Chen Yeh” as an actor’s name and cannot view it as a trademark.³⁴ As a result, using “Chuan-Chen Yeh” as keyword advertising on the Internet does not infringe on trademark rights under Article 5 of the Taiwanese Trademark Act.³⁵

4. The Judgment of Rescuecom Corp. versus Google

The facts of this case were that the search engine Google did not get Rescuecom’s permission to sell advertisers in keyword advertising. When Internet users search “Rescuecom” as a keyword, the advertisements of advertisers and relevant advertisements are shown in screens. Internet users could click the advertisements of advertisers, browse their information, and buy their products or services.³⁶

Rescuecom argued that Google violated Articles 1114 and 1125 of the Lanham Act for trademark infringement and dilution.³⁷ The U.S. Court of Appeals for the Second Circuit decided in April 3, 2009 that using keyword advertising amounted to using of trademarks, for the following reasons: 1) Google did promote and sell the trademark “Rescuecom;” 2) When Google sold keyword advertising, it actually displayed, provided, and sold the trademark “Rescuecom” to consumers; and 3) Google encouraged others to purchase the trademark “Rescuecom” by the use of a “Keyword Suggestion

³¹ The Judicial Yuan of the Republic of China–Law and Regulations Retrieving System: Search for Courts’ Judgments, *supra* note 4.

³² *Id.*

³³ The Judicial Yuan of the Republic of China–Law and Regulations Retrieving System: Search for Courts’ Judgments, *supra* note 4.

³⁴ *Id.*

³⁵ The Judicial Yuan of the Republic of China–Law and Regulations Retrieving System: Search for Courts’ Judgments, *supra* note 4.

³⁶ CHAO-HUA CHEN, TRADEMARK LAW: THEORIES AND PRACTICES 190-191 (2013); Wikipedia, Rescuecom Corp. v. Google, Inc., *available at* [http://en.wikipedia.org/wiki/Rescuecom Corp. v. Google Inc](http://en.wikipedia.org/wiki/Rescuecom_Corp._v._Google_Inc) (last visited May 29, 2013).

³⁷ *Id.*

Tool System.”³⁸ As a result, Google’s conduct was not only for internal use, and fit the “use in commerce” clause in Article 1127 of the Lanham Act. Then the Second Circuit subsequently dismissed the original judgment and retrial by the district court.³⁹

5. The Judgment of Playboy Enterprises, Inc. versus Terri Welles

In this case, Plaintiff Playboy Enterprises, Inc. sued Defendant Terri Welles, who used as keyword advertising at the Defendant’s website “Playboy” and “Playboy Playmate of the Year,” which were registered trademarks of the Plaintiff.⁴⁰

Defendant claims that the use of the trademarks “Playboy” and “Playboy Playmate of the Year” in keyword advertising are “indicative use” (nominative use),⁴¹ for three reasons. First, it is difficult to succinctly identify her products without the use of the Plaintiff’s trademark. Second, the use of the Plaintiff’s trademark was limited to identify the Defendant’s products. Third, the Defendant did not in any way express or imply the Plaintiff’s support or authorization for the use of its trademark.⁴²

The U.S. Court of Appeals for the Ninth Circuit decided in February 1, 2002 that the use of trademarks “Playboy” and “Playboy Playmate of the Year” in keyword advertising amounted to “indicative use.” Internet users enter these two keywords if they want to search Terri Welles.⁴³ As a result, the Defendant did not use the trademarks “Playboy” and “Playboy Playmate of the Year” as keywords at her website in violation of the Plaintiff’s trademark rights.⁴⁴

6. The European Court of Justice (ECJ) Case of Louis Vuitton versus Google

This article’s title, invoking the most famous line from *Hamlet*’s rhetorical soliloquy, “To be, or not to be, that is the question,”⁴⁵ points to the crucial

³⁸ CHEN, *supra* note 36, at 190; Wikipedia, Rescuecom Corp. v. Google, Inc., *supra* note 36.

³⁹ CHEN, *supra* note 36, at 191; *id.*

⁴⁰ LAI & LENG, *supra* note 7, at 49; Wikipedia, Playboy Enterprises, Inc. v. Welles, *supra* note 7; Finnegan, Internet Trademark Case Summaries: Playboy Enters., Inc. v. Wells, *supra* note 7.

⁴¹ *Id.*

⁴² LAI & LENG, *supra* note 7, at 49; Wikipedia, Playboy Enterprises, Inc. v. Welles, *supra* note 7; Finnegan, Internet Trademark Case Summaries: Playboy Enters., Inc. v. Wells, *supra* note 7.

⁴³ *Id.*, at 50.

⁴⁴ *Id.*

⁴⁵ WILLIAM SHAKESPEARE, THE TRAGEDY OF HAMLET, PRINCE OF DENMARK (1623).

legal question at issue in this article: whether keyword advertising are the uses of trademarks or not. This is the key question for the above courts' judgments that judging whether people or businesses who buy keyword advertising that are identical to registered trademarks from search engines are committing trademark infringements.

Although the criterion flowing from the "distinctiveness" requirement in Article 5 of the Taiwanese Trademark Act is not a new idea, it was the main element in the court's decision that the Respondent was not committing a trademark infringement in the case of 2009-Ming-Shang-Sang-11. Of course, this decision was handed down by a civil law court in Taiwan. The most important feature of civil courts is that they decide cases according to statutory law, not precedent. In this section, we will discuss another decision on the relationship between keyword advertising and trademarks disputes made by a court in the civil law tradition (the ECJ's *LMVH* decision) and examine its differences from the case of 2009-Ming-Shang-Sang-11. To describe the *LVMH* case, we will focus on three issues: the history of the case, the legal responsibilities of search engines, and the legal responsibilities of advertisers who purchase keyword advertising that are identical to trademarks.

In August of 2003, LVMH sued Google, Inc., because it found that some websites accessed by entering "LV" and other relevant keywords into the search engine were fake (sometimes belonging to rivals) and appeared prominently in Google searches because payments had been made by the websites to Google for that purpose. Since Google profits from these advertisements, LVMH contended that Google had not checked the legitimacy of the advertisers and had let them use LVMH's reputation and trademark to promote their products. Further, LVMH argued that Google had infringed its trademark rights. The French court hearing the case returned a primary judgment in 2006 in favor of LVMH, but Google appealed.⁴⁶

In the appeal judgment of September 2009, ECJ Advocate General Miguel Poiares Maduro expressed his legal opinion that "Google has not infringed trademark rights by allowing advertisers to buy keywords corresponding to registered trademarks." Although Poiares Maduro's legal opinions are not binding on the ECJ, judges will adopt his opinions in the majority of cases decided by the ECJ. On this basis, The Times of London reported that "Google wins latest round in Louis Vuitton battle."⁴⁷

⁴⁶ Scribd Home, *Google France Sarl, Google Inc. V Louis Vuitton Malletier Sa* (C-236/08), *Google France Sarl v Viaticum Sa, Luteciel Sarl* (C-237/08), and *Google France Sarl v Centre National De Recherche En Relations Humaines (Cnrrh) Sarl, Pierre-Altixis Thonet, Bruno Raboin, Tiger Sarl* (C-238/08) (2012), *supra* note 3.

⁴⁷ Michael Herman, *Google Wins Latest Round in Louis Vuitton Battle*, The Times (2009), available at http://business.timesonline.co.uk/tol/business/industry_sectors/technology/article6844929.ec

After a long-running, seven-year dispute, then, the ECJ favored Google regarding the use of LVMH's trademarked brand names in search-word advertising. The ECJ ruled that Google had not violated trademark law by allowing advertisers to buy keywords identical to their rivals' trademarks. However, the court also emphasized that companies that use trademarked brand keywords to push sales have to be more transparent about who the seller is.⁴⁸

We can summarize the ECJ's judgment in two points: 1) LVMH can prevent the use of its trademark as a keyword without the consent of Google, and 2) LVMH cannot directly prevent the use of its trademark as a keyword by Google unless Google has "played an active role of such a kind as to give [Google] knowledge of, or control over, the data stored."⁴⁹

It is very clear from the first point that LVMH can prevent trademark infringement through keyword advertising on Google. However, we cannot yet answer two key questions: 1) Are keywords equal to trademarks and, 2) if keywords become "generic terms" (e.g., aspirin, brassiere, escalator, Trampoline, and yo-yo),⁵⁰ are they protected by trademark law?

The second point also seems to allow Google and other search engines to sell keyword advertising to advertisers.⁵¹ The following section discusses issues ignored by the judgments of the Taiwanese court and the ECJ, to wit, whether advertisers commit trademark infringement when they purchase generic terms as keyword advertising, and whether these terms (names) denote certain types of products to customers, though they may also be so successful as to have lost their trademarkability.⁵²

7. The Case of L'Oreal SA and Others versus eBay International AG and Others

If traders of online marketplaces (e.g., eBay) use keyword advertising, do their actions constitute the use of trademark?⁵³ In fact, these traders do not

e (last visited May 25, 2013).

⁴⁸ Mark Sweney, *Google Wins Louis Vuitton Trademark Case*, THE GUARDIAN (2010), available at <http://www.guardian.co.uk/media/2010/mar/23/google-louis-vuitton-search-ads> (last visited May 25, 2013).

⁴⁹ Dai Davis, *Google vs Louis Vuitton: When Is A Trade Mark Not A Trade Mark?*, COMPUTERWEEKLY.COM (2010), <http://www.computerweekly.com/Articles/2010/03/23/240698/Google-vs-Louis-Vuitton-When-is-a-trade-mark-not-a-trade.htm> (last visited May 25, 2013).

⁵⁰ HANS ZEISEL & DAVID KAYE, PROVE IT WITH FIGURES: EMPIRICAL METHODS IN LAW AND LITIGATION 147 (1997).

⁵¹ *Id.*

⁵² ZEISEL & KAYE, *supra* note 50, at 147.

⁵³ CHEN, *supra* note 36, at 192.

assist sellers at their websites by promoting sales offers, but by their purchase of keyword advertising from search engines. After sales are made, the traders earn service fees from the sellers at their websites.⁵⁴

In this case, seven Defendants sold infringed products through eBay, and these products from fourteen U.K.-registered trademarks (including L’Oreal) and two European Union (EU) trademarks. The Plaintiffs sued three subsidiary companies of eBay and seven natural persons for joint and several liability.⁵⁵ On May 22, 2009, the High Court of England and Wales issued a decision of explanations that were not relevant to EU laws and regulations, and stayed proceedings that were related thereto. Thus, the court made a claim of explanations for the European Court of Justice (ECJ).⁵⁶

Where traders that operate online marketplaces purchase the use of marks that are identical to registered trademarks as keywords from search engines so that the marks are displayed to users by search engines in sponsored links to the websites of the operators of the online marketplaces, are displays of the signs in the sponsored links the “use” of the sign within the meaning of Article 5(1)(a) of [Directive 89/104] and Article 9(1)(a) of [Regulation No. 40/94]?⁵⁷

The ECJ made an initial judgment that the services of online marketplaces include showing offers of sellers. When such offers of sellers include marks that are identical or similar to registered trademarks, those marks are automatically shown at the websites of online marketplaces. Such marks are certainly “used” at the websites, but such “uses” are not the “use” of the mark within the regulations of Article 5(1)(a) of Directive 89/104 and Article 9(1)(a) of Regulation No. 40/94.⁵⁸ The “use” of the mark within the meaning of Article 5(1)(a) of Directive 89/104 and Article 9(1)(a) of Regulation No. 40/94 is limited to users’ marks that are identical or similar to registered trademarks in their own commercial actions.⁵⁹ If one of the services provided by others causes sellers to show marks in commercial actions on websites,

⁵⁴ *Id.*

⁵⁵ CHEN, *supra* note 36, at 193; InfoCuria-Case-law of the Court of Justice, List of results, available at <http://curia.europa.eu/juris/liste.jsf?pro=&lgrec=en&nat=&oqp=&dates=&lg=&language=en&jur=C%2CT%2CF&cit=none%252CC%252CCJ%252CR%252C2008E%252C%252C%252C%252C%252C%252C%252C%252Ctrue%252Cfalse%252Cfalse&num=324%252F09&td=ALL&pcs=O&avg=&page=1&mat=or&jge=&for=&cid=3635436> (last visited May 29, 2013).

⁵⁶ *Id.*

⁵⁷ CHEN, *supra* note 36, at 193; InfoCuria-Case-law of the Court of Justice, List of results, *supra* note 55.

⁵⁸ *Id.*

⁵⁹ CHEN, *supra* note 36, at 193; InfoCuria-Case-law of the Court of Justice, List of results, *supra* note 55.

such “uses” of service providers are not the “uses” of above regulations, as was concluded in the L’Oreal versus eBay case.⁶⁰

In view of the cases of Rescuecom Corp. versus Google and 2010 Ming Shang Sang Geng (Yi) Zi No. 5, we can see that using keyword advertising does not equal to the use of trademark no matter whether the infringers are search engines, traders of online marketplaces, or advertisers. Different courts represent different legal systems and cultures. Taiwanese courts focus on examining the requirements of the use of trademarks with regard to their use in keyword advertising, especially whether or not consumers could view keywords in advertising as trademarks. The U.S. courts emphasize whether or not search engines and advertisers take positive action in keyword advertising, including the sales of the Plaintiff’s trademarks and sponsor links,⁶¹ for judging the use of keyword advertising as the use of trademarks. The European courts judge the uses of keyword advertising as the uses of trademarks by questioning whether or not search engines and traders of online marketplaces use keyword advertising that is identical or similar to registered trademarks for the uses of their own products.

Section II has described the legal issues regarding trademark and keyword advertising in theory and case law, as well as the issues related to analysis of the statutes and case law on determining whether or not the uses of keyword advertising equal to the uses of trademarks. Section III will now discuss keyword advertising issues from the perspective of legal risk.

III. Legal Risk in Keyword Advertising and Trademark Disputes

A. Definition of Legal Risk

Defining legal risk requires an understanding of the meaning of risk and its relationship to the law. This section attempts to analyze the concept of legal risk, from the perspective of both law and risk management.

1. From the Perspective of Solution Models for Legal Problems

In theory, there exist models for solutions to legal problems. The first model resolves legal conflicts by judgments of authority agencies, such as court judgments based on law or case precedents.⁶² The second model solves legal conflicts by negotiation or mediation. Generally speaking, this model is an effective solution for the subject legal conflicts. In order to avoid complicated, costly, and protracted litigation, an increasing number of

⁶⁰ *Id.*

⁶¹ CHEN, *supra* note 36, at 194.

⁶² Su-Mei Tang, *Introduction: The Concepts of Legal Risk Management and Their Establishment*, in LEGAL RISK MANAGEMENT 1, 3 (Su-Mei Tang ed., 2011).

plaintiffs and defendants seek to address civil litigation through this model.⁶³

The third model is referred to as the “Preventive Law” model, and is based on the concepts of prevention, management, and control to effectively address potential risk by means of contracts, regulation, and legal education/training. This model is a legal risk management tool for future possible liability or legal responsibility.⁶⁴

“Preventive Law” was first proposed by lawyer Louis M. Brown, and stresses proposal and planning for professional legal knowledge of maintaining regular contact and meetings between lawyers and clients in order to lower risk.⁶⁵ Lawyers are not only defenders of litigation, but also professional legal counsel for planning and controlling legal responsibilities.⁶⁶

In traditional legal education, students are trained by studying the application of legal principles and conducting logical analyses of legal cases. Based upon principles of management and control, the direction of legal education should be opened to train students to solve legal problems using the second and third models, especially the model of “Preventive Law,” which is based on the concept of “Legal Risk Management.”⁶⁷

The concept of “Legal Risk Management” emphasizes legal responsibilities and cross-disciplinary integration.⁶⁸ Thus, future potential legal liability and compensation is prevented through various means. The purpose of “Legal Risk Management,” which is a developing concept, is to avoid risk before the occurrence of damages, in order to avoid long-term litigation.⁶⁹

2. From the Perspective of Risk Management

Because risk is an abstract concept, it is difficult to define.⁷⁰ The academic definition views risk as describing a possible future in ways that can be measured and managed.⁷¹ Such a definition indicates that risks are potential losses to individuals and businesses, uncertain probabilities, or scales of potential losses and benefits.⁷² Consequently, our understanding of risk should focus on two points: 1) uncertain future outcome, and 2) potential personal

⁶³ *Id.* at 3.

⁶⁴ Tang, *supra* note 62, at 3-4.

⁶⁵ *Id.* at 4.

⁶⁶ Tang, *supra* note 62, at 4.

⁶⁷ *Id.*

⁶⁸ Tang, *supra* note 62, at 5.

⁶⁹ *Id.* at 6.

⁷⁰ KU-CHU TENG, RISK MANAGEMENT 24 (2005).

⁷¹ *Id.* at 25.

⁷² Teng, *supra* note 70, at 25.

and property liability, damages, or benefits.⁷³

Under this definition, legal risk can be categorized as risk to states and governments,⁷⁴ but also as uncertain future outcome and property loss due to litigation (e.g., litigation fees and damage awards). Above all, legal risk is a critical factor for individuals and businesses, especially legal risk resulting from keyword advertising related not only to individuals' or businesses' trademark rights, but also to possible litigation.

B. Legal Risks Concerning Keyword Advertising Issues

Let us outline the two possible types of legal risks arising from these matters.

1. Risk of Regulation

These risks arise from the uncertainty, change, and shortage of legal regulations.⁷⁵ The major risks stemming from legal regulations include interpretation problems, which can imply complicated legal issues.⁷⁶

Although the keyword advertising issues discussed here are relevant to trademark rights, there are regulatory gaps in the current *Taiwanese Trademark Act* that could lead to such interpretation problems. In particular, there is no specific "computer law" or "information law" regulating keyword advertising in Taiwan. Thus, there are regulation risks regarding keyword advertising that could result in complex legal issues.

2. Risk of Conflict and Dispute Resolution

These risks arise from litigation or arbitration issues such as uncertainty related to the existence of evidence, retention of adequate legal support, and the ability to persuade judges or arbitrators.⁷⁷ Employing skilled, professional legal counsel helps to manage these "procedural risks."⁷⁸ In other words, because disputes over keyword advertising are resolved in courts, businesses need solid evidence to win litigation. It thus goes without saying that businesses should use professional legal counsel whereby specialists may collaborate whenever businesses encounter these legal risks.

C. Legal Risk Management for Keyword Advertising and Trademark Disputes

⁷³ *Id.*

⁷⁴ TENG, *supra* note 70, at 6.

⁷⁵ CHANG-FA LO ET AL., MANAGEMENT MANUAL OF LEGAL RISKS IN BUSINESSES 3 (2001).

⁷⁶ *Id.* at 4.

⁷⁷ LO ET AL., *supra* note 75, at 4-5.

⁷⁸ *Id.*

As mentioned in Sections II.C.1 and II.C.2, the legal cases of 2009-Ming-Shang-Sang-11, 2010 Ming Shang Sang Geng (Yi) Zi No. 5, 2011-Ming-Shang-Sang-7, Rescuecom, Playboy, *LVMH*, and L’Oreal SA all focus on the regulation risks, that is, those stemming from uncertainty in interpretation of statute or case law. For example, the Taiwanese Intellectual Property Court addressed the following legal risks arising under Articles 2 and 6 (the 2011 Amendment Article 5) of the Taiwanese Trademark Act in its decision of the 2009 case. First, the court addressed whether using keyword advertising is equal to using trademarks in promoting sales of products or services. It then turned to whether consumers will confuse the promoted products or services provided by the fake websites with the real ones (thus possibly constituting trademark infringement).

The ECJ decided the *LVMH* case based on whether *LVMH* could prevent use of its trademark as a keyword advertising by Google. The legal questions inherent in Google’s legal responsibilities in the *LVMH* judgment were uncertainty as to the definition of “active” and the degree of “knowledge of” or “control over” the search results that Google must have had to have played an “active” role.

Why do these legal risks occur? The simple reason is that current laws (including statutory and case law) lack appropriate regulation to mitigate this risk of uncertainty in meaning. Hence, courts have very wide latitude in interpreting statutory and case law because of the unresolved contemporary and future legal issues. Better legal risk management for possible keyword advertising and trademark disputes requires the enactment of clear and unambiguous laws. Professional legal counsel is also important for businesses; it is a human resource that can reduce both the risks of regulation and the risks of conflict and dispute resolution. The following section will discuss how keyword advertising and trademark disputes can be divided into public and private sectors.

IV. Possible Ways to Manage Keyword Advertising Trademark Disputes

The foregoing section discussed keyword advertising and trademark disputes from the perspective of legal risk management. Discussing legal risk management requires an understanding of risk management. Risk management includes the concept of risk management, the theory of risk management, risk management procedures, and risk management implementation strategies.⁷⁹

When applying issues of legal risk management, we wonder both which legal risks could be lowered to the greatest extent possible (the concept of

⁷⁹ TENG, *supra* note 70, at 9-11.

legal risk management) and which legal risks could be reduced through logic or mathematics (the theory of legal risk management).⁸⁰ In general, risk management focuses on a set of risk management procedures and implementation strategies⁸¹; so should legal risk management in particular. Of course, legal risk management implementation strategies for keyword advertising issues should be designed to avoid more general legal risks as well.⁸²

As different people, businesses, and sectors encounter different legal risks related to keyword advertising, they have to adopt various strategies to manage these legal risks. Sections IV.A and IV.B discuss two different sectors, public and private, and explore the strategies each should adopt.

A. Public Sector

Concerning the public sector, we will discuss how to manage the legal risks of keyword advertising from two perspectives, the roles of legislative agencies and the roles of judicial agencies, and determine which strategies they should adopt to manage these risks.

1. The Roles of Legislative Agencies

As we know, law is the final mechanism for dispute resolution in society, but it is also the outcome of democratic compromise between many emerging perspectives. In particular, intellectual property laws are enacted following technology trends and demonstrate a compromise among competing interests.

For example, smartphone patent disputes among multinational corporations show that patents not only protect broad categories of technology but also serve to enable market entry into industries like the technology industry.⁸³ Moreover, keyword advertising is a new kind of e-commerce, which can be considered in terms of online trademarks. Therefore, intellectual property laws should be frequently amended given the constant emergence of new technological innovations. However, majority rule is the byword of democracy - legislators must seek consensus and compromise when passing laws in a representative democracy.⁸⁴

From the perspective of legal risk management, the slow pace of the

⁸⁰ *Id.* at 9-10.

⁸¹ TENG, *supra* note 70, at 9-10.

⁸² *Id.*

⁸³ Patent Wars Change the Smartphone Markets, STPI, available at http://cdnet.stpi.org.tw/techroom/market/eetelecomm_mobile/2011/eetelecomm_mobile_11_030.htm (last visited May 25, 2013).

⁸⁴ Anthony J. McGann, *The Tyranny of the Super-Majority: How Majority Rule Protects Minorities*, ESCHOLARSHIP (2002), available at <http://escholarship.org/uc/item/18b448r6> (last visited May 25, 2013).

passage of new intellectual property laws by legislative agencies, especially in civil law countries, has resulted in higher legal regulation risk for businesses because competitors can hire more lawyers or consultants to persuade judges or arbitrators under the current statutes when they encounter litigation or arbitration. Most of the economic costs to business of winning litigation and arbitration are personnel costs (i.e., hiring lawyers or consultants), but this does not include other related costs, including litigation costs, damages, or compensation.⁸⁵

Thus, this article argues that laws enacted by legislative agencies are relevant to the legal risks and economic costs to business, and that those legislative agencies should play an important role in diminishing the legal risks and economic costs in the following ways.

a. Solutions to the Legal Regulation Risk Inherent in Interpreting “the use of a trademark” in Article 5 of the Taiwanese Trademark Act and Relevant Case Law

If we want to know whether using keyword advertising is equivalent to using trademarks, we must first determine the following: 1) “whether or not keyword advertising includes in infringement of the right of trademark in Article 68 of the Taiwanese Trademark Act;”⁸⁶ 2) “whether or not keyword advertising indicates ‘any other representation’ in Article 70 of the Taiwanese Trademark Act;” and 3) “whether or not Article 70 of the Taiwanese Trademark Act addresses keyword advertising cases that are not identical or similar to famous trademarks.”⁸⁷ These issues are relevant not only to the

⁸⁵ CHUNG ET AL., *ECONOMICS: THEORY AND PRACTICE* 27 (5th ed. 2004).

⁸⁶ Article 68 of the Taiwanese Trademark Act regulates that “Any of the following act, in the course of trade and without consent of the proprietor of a registered trademark, constitutes infringement of the right of such trademark: (1) using a trademark which is identical with the registered trademark in relation to goods or services which are identical with those for which it is registered; (2) using a trademark which is identical with the registered trademark and used in relation to goods or services similar to those for which the registered one is designated, and hence there exists a likelihood of confusion on relevant consumers; or (3) using a trademark which is similar to the registered trademark and used in relation to goods or services identical with or similar to those for which the registered one is designated, and hence there exists a likelihood of confusion on relevant consumers.” *See* Ministry of Justice–The Working Group of the R.O.C. Laws & Regulations Database: Trademark Act, *supra* note 11.

⁸⁷ Article 70 of the Taiwanese Trademark Act rules that “Any of the following acts, without consent of the proprietor of a registered trademark, shall be deemed infringement of the right of such trademark: (1) knowingly using a trademark which is identical with or similar to another person’s well-known registered trademark, and hence there exists a likelihood of dilution of the distinctiveness or reputation of the said well-known trademark; (2) knowingly using words contained in another person’s well-known registered trademark as the name of a company, business, group or domain or any other name that identifies a business entity, and

difference between keyword advertising and trademarks but also to the issue of whether use of identical keyword advertising constitutes trademark infringement.

Of course, the principle of the clarity and definiteness of the law (*Rechtsbestimmtheitsprinzip*) is important in guiding legislation. *Interpretation No. 491* of the Judicial Yuan states that “where the causes for a disciplinary decision are stipulated in abstract concepts by the law, their meaning shall be intelligible for and foreseeable by the regulated civil servants, and shall be verifiable by the courts in judicial review, in order to be in accordance with the principle of clarity and definiteness of law.”⁸⁸

Moreover, laws enacted by legislative bodies should be “intelligible,” with “foreseeable” consequences, and “shall be verifiable by the courts in judicial review.”⁸⁹ From the perspectives of Article 68 and Clause 2, Article 70 of the Taiwanese Trademark Act, these statutes must be intelligible, be foreseeable in its effects, and be verifiable by the courts in judicial review. Furthermore, keyword advertising fall within the regulations of Article 68 of the Taiwanese Trademark Act and the term “any other representation” of Clause 2, Article 70 of the Taiwanese Trademark Act⁹⁰ only if the use of keyword advertising is “distinctive” in order to promote the sale of products or services that are trademarked. The use of distinctive keyword advertising identical to other trademarks constitutes trademark infringement. Article 70 of the Taiwanese Trademark Act should be applied to handle keyword advertising cases that are not identical or similar to famous trademarks.

The new 2011 amendment contained in Article 5 of the Taiwanese Trademark Act is intelligible but does not have foreseeable consequences and is not verifiable by the courts in judicial review on keyword advertising issues. Regarding foreseeability of consequences, trademark owners cannot judge whether Internet users can identify the source of keyword advertising and cannot determine whether users know that the keyword advertising are trademarks. This will cause the kind of confusion mentioned in Article 5 of the

hence there exists a likelihood of confusion on relevant consumers or a likelihood of dilution of the distinctiveness or reputation of the said well-known trademark; or (3) manufacturing, possessing, displaying, selling, exporting or importing labels, tags, packaging or containers that have not been applied in relation to goods or services, or articles that have not been applied in relation to services, knowing that such articles would likely infringe trademark rights as prescribed in Article 68.” *See id.*

⁸⁸ Judicial Yuan—Justices of the Constitutional Court: J. Y. No. 491, *available at* http://www.judicial.gov.tw/constitutionalcourt/en/p03_01.asp?expno=491 (last visited May 25, 2013).

⁸⁹ *Id.*

⁹⁰ Ministry of Justice—the Working Group of the R.O.C. Laws & Regulations Database: Trademark Act, *supra* note 11.

Taiwanese Trademark Act. Thus, keyword advertising using trademarks would not be liable for infringement under Article 68 and Clause 2 of Article 70 of the Taiwanese Trademark Act.⁹¹

With regard to verification by the courts through judicial review, litigation in court and in administrative agencies will produce different judgments on the same keyword advertising issues. The Taiwanese Intellectual Property Court held in the case of 2009-Ming-Shang-Sang-11 that Internet users do not think online keywords are provided by the proprietors of the trademarks and that they are thus not confused. Contrariwise, Decision No. 098133 of the Fair Trade Committee (an administrative agency) held that companies that use keyword advertising identical to trademarks not only confuse Internet users but also falsely identify products or services to be those of their competitors, thus harming the proprietors' trademark rights.⁹²

In sum, these disparate holdings indicate different perspectives on the law and highlight the possible legal risks left open by the need to interpret "the use of a trademark" in Article 5 of the Taiwanese Trademark Act.⁹³ Thus, these examples indicate that legislative agencies must not only amend intellectual property laws (i.e., trademark laws) following current trends but must also follow the principle of the clarity and definiteness of the law in doing so.

b. Solutions to the Legal Regulation Risk Inherent in Interpreting the "Activeness" of the Role Played by Search Engines in Relation to Article 14 of Directive 2000/31/EC of the European Parliament and Council

The ECJ definition of "active" is significant to the question of whether search engines are liable under the given circumstances. The ECJ stressed that "active" is not "neutral," referring to "conduct [that] is merely technical, automatic and passive, pointing to a lack of knowledge or control of the data which [the search engine] stores."⁹⁴ However, this contradicted statements elsewhere in the same ECJ judgment that "Google processes the data entered by advertisers, and the resulting display of the data is made under conditions

⁹¹ *Id.*

⁹² Jui-Sen Tsai, *Keyword advertising Do Not Constitute Trademark Infringements*, BILMONTHLY OF LEE AND LI. (Sep. 2010), available at <http://www.leeandli.com/web/bulletin/artical.asp?id=4433> (last visited May 25, 2013).

⁹³ Ministry of Justice—The Working Group of the R.O.C. Laws & Regulations Database: Trademark Act, *supra* note 11.

⁹⁴ *Scribd Home, Google France Sarl, Google Inc. V Louis Vuitton Malletier Sa (C-236/08), Google France Sarl v Viaticum Sa, Luteciel Sarl (C-237/08), and Google France Sarl v Centre National De Recherche En Relations Humaines (Cnrrh) Sarl, Pierre-Altixis Thonet, Bruno Raboin, Tiger Sarl (C-238/08) (2012), supra* note 3.

which Google controls.”⁹⁵

Even though the ECJ judged that “concordance between the keyword selected and the search term entered by an internet user is not sufficient of itself to justify the view that Google has knowledge of, or control over, the data entered into its system by advertisers and stored in memory on its server,”⁹⁶ this article argues that the case law is not rational in that the courts have imposed subjective judgments over objective actions by search engine providers. Thus, damages against proprietors’ trademark rights have been caused no matter what the order of the search results.

The principle of equal protection states that public powers cannot allow unfair treatment without reasonable cause. As we know, this principle mainly restricts the operations of administrative powers, and legislative powers should not be bound by such due to the principle of “separation of powers.”⁹⁷ However, the principle of equal protection should be referenced by legislative agencies in treating each intellectual property law equally, no matter whether it is the copyright laws or trademark laws that are in question. For instance, Article 87, Section 1, Clause 7, and Section 2 of the Taiwanese Copyright Act are good examples for legislative agencies to imitate when enacting laws concerning keyword advertising. Article 87, Section 1, Clause 7 of the Copyright Act states that:

Any of the following circumstances, except as otherwise provided under this Act, shall be deemed an infringement of copyright or plate rights... 7. To provide to the public computer programs or other technology that can be used to publicly transmit or reproduce works, with the intent to allow the public to infringe economic rights by means of public transmission or reproduction by means of the Internet of the works of another, without the consent of or a license from the economic rights holder, and to receive benefit therefrom.⁹⁸

Section 2 of the same Article stipulates that “a person who undertakes the actions set out in subparagraph 7 above shall be deemed to have ‘intent’ pursuant to that subparagraph when the advertising or other active measures

⁹⁵ *Id.*

⁹⁶ *Scribd Home, Google France Sarl, Google Inc. V Louis Vuitton Malletier Sa (C-236/08), Google France Sarl v Viaticum Sa, Luteciel Sarl (C-237/08), and Google France Sarl v Centre National De Recherche En Relations Humaines (Cnrh) Sarl, Pierre-Altix Thonet, Bruno Raboin, Tiger Sarl (C-238/08) (2012), supra note 3.*

⁹⁷ GARY GOODPASTER, *LAW OUTLINES: CONSTITUTIONAL LAW 5-2* (2000).

⁹⁸ Ministry of Justice–The Working Group of the R.O.C. Laws & Regulations Database: Copyright Act, *available at* <http://law.moj.gov.tw/Eng/LawClass/LawContent.aspx?PCODE=J0070017> (last visited May 25, 2013).

employed by the person instigate, solicit, incite, or persuade the public to use the computer program or other technology provided by that person for the purpose of infringing upon the economic rights of others.”⁹⁹

In short, this article argues that it is not necessary to discuss whether or not search engines are “active” because the European Union (EU) legislation not only impacts proprietors’ trademark rights but also lets search engines escape their responsibilities. On the other hand, legislative agencies could imitate legislation such as Article 87, Section 1, Clause 7, and Section 2 of the Copyright Act by enacting relevant laws regarding keyword advertising. This would make it hard for search engines to escape their responsibilities and would not produce any new regulation risks.

2. The Roles of Judicial Agencies

If we want to understand the development of keyword advertising and trademark infringement in trials, looking at the number of court cases is a good way to do this.

The data shows that trademark cases have been increasing since the establishment of the Intellectual Property Court on July 1, 2008.¹⁰⁰ In addition, trademark infringement cases regarding use of representations confusing to consumers of goods or services as covered by Articles 68 and 70 of the Taiwanese Trademark Act have also increased, from 6 to 11 after the Intellectual Property Court was established.¹⁰¹

Most importantly, the number of keyword-advertising-as-trademark-infringement cases has not changed since the establishment of the Intellectual Property Court in 2008.¹⁰² No matter the number of keyword-advertising-as-trademark-infringement cases, judicial agencies (courts) play an important role by filling gaps in the contemporary statutory laws, though Taiwan is a civil law system. For instance, the case of 2009-Ming-Shang-Sang-11 was a good starting point for understanding that there are hidden regulation risks in keyword-advertising-as-trademark disputes.

B. Private Sector

We will now discuss how to manage the legal risks of keyword advertising in the private sector from two perspectives—the roles of businesses and the roles of Internet content providers—and determine the strategies they should

⁹⁹ *Id.*

¹⁰⁰ The Judicial Yuan of the Republic of China—Law and Regulations Retrieving System: Search for Courts’ Judgments, *supra* note 4.

¹⁰¹ *Id.*

¹⁰² The Judicial Yuan of the Republic of China—Law and Regulations Retrieving System: Search for Courts’ Judgments, *supra* note 4.

adopt to manage these risks.

1. The Roles of Businesses

Since the purpose of business is to pursue profit maximization,¹⁰³ it is very important for businesses to reasonably assess benefits and costs to control all kinds of legal risks, including keyword advertising issues. With regard to keyword-advertising-as-trademark disputes, businesses will encounter “risks of regulation” and “risks of conflict and dispute resolution.”¹⁰⁴ On the surface, the *LVMH* case is related to “whether or not an Internet referencing service provider’s storing a sign identical with a trademark and organizing the display of advertisements on the basis of that keyword constitute ‘use’ of that sign per Articles 5(1)(a) and (b) of Directive 89/104 and Article 9(1)(a) and (b) of Regulation No. 40/94” and “whether or not Google has played an ‘active’ role of such a kind as to give it knowledge of or control over data stored and can be liable for the data that it has stored at the request of an advertiser in the regulations of Article 14 of Directive 2000/31/EC of the European Parliament and of the Council.” These are relevant to regulation risks due to of problems of legal interpretation.¹⁰⁵

Article 68 of the Taiwanese Trademark Act defines conditions of trademark infringements for which there are no trademark owners’ permissions, whether these conditions are involved with famous trademarks or not. Although there is an ambiguous loophole in Article 70 of the Taiwanese Trademark Act, any other representation, to include keyword advertising trademark infringements. However, Article 70 of the Taiwanese Trademark Act governs conditions of trademark infringements in which infringers use marks that are identical or similar to “famous” trademarks.

We can find that keyword advertising issues are relevant to Article 68 of the Taiwanese Trademark Act addressing trademark infringements, but there is no regulation about types of infringements that might include keyword advertising. Besides, keyword advertising issues are also addressed in Article 70, but only with regard to infringements of famous trademarks. As a result, “whether or not keyword advertising is included in infringement types under Article 68,” “whether or not keyword advertising indicates ‘any other representation’ in Article 70 of the Taiwanese Trademark Act,” and “whether or not Article 70 of the Taiwanese Trademark Act could handle keyword

¹⁰³ CHING-SHENG MAO ET AL., BASIC ECONOMICS 84-85 (2007).

¹⁰⁴ LO ET AL., *supra* note 75, at 5.

¹⁰⁵ Scribd Home, Google France Sarl, Google Inc. V Louis Vuitton Malletier Sa (C-236/08), Google France Sarl v Viaticum Sa, Luteciel Sarl (C-237/08), and Google France Sarl v Centre National De Recherche En Relations Humaines (Cnrh) Sarl, Pierre-Altixis Thonet, Bruno Raboin, Tiger Sarl (C-238/08) (2012), *supra* note 3.

advertising issues that keywords are not identical or similar to famous trademarks.” Above all, because of loopholes in current statutory laws and their legal interpretations, these are relevant to discussion of the “risks of regulation.”

In addition, relevant case laws, such as the Taiwanese Intellectual Property Court decisions in 2009-Ming-Shang-Sang-11 (which found that the contents of keyword advertising were not ‘used’ for the sales of products or services)¹⁰⁶; 2010 Ming Shang Sang Geng (Yi) Zi No. 5 (which found that consumers are mistakenly directed by identical keyword advertising, in violation of the Fair Trade Act)¹⁰⁷; the case of 2011-Ming-Shang-Sang-7 (which found that using keyword advertising does not equate to using trademarks, because consumers only know the particular keywords as a name rather than a trademark of product, even though the keyword advertising was identical or similar to the stage name of an actor that is registered a trademark)¹⁰⁸; and Decision No. 098133 of the Fair Trade Committee (holding that consumers are falsely directed by identical keyword advertising, leading to business losses),¹⁰⁹ are also related to “risks of regulation” due to legal interpretation issues.

In fact, the major responsibility of business is not amending laws (including case law) but rather prevention of the legal risks related to keyword-advertising-as-trademark-infringement or keyword-advertising-unfair competition-infringement cases, thus preventing the “risks of conflict and dispute resolution.” The risks of conflict and dispute resolution are actually prevented or resolved by employing powerful legal support¹¹⁰ consisting of experts in trademark laws or fair trade laws. From the experience of Taiwanese case law, businesses will find it easier to seek relief for keyword advertising disputes through fair trade laws than through trademark laws.¹¹¹ Because Taiwan is a civil law system, courts follow statutory laws in reaching decisions, and the area of keyword advertising does

¹⁰⁶ The Judicial Yuan of the Republic of China—Law and Regulations Retrieving System: Search for Courts’ Judgments, *supra* note 4.

¹⁰⁷ *Id.*

¹⁰⁸ The Judicial Yuan of the Republic of China—Law and Regulations Retrieving System: Search for Courts’ Judgments, *supra* note 4.

¹⁰⁹ Tsai, *supra* note 92.

¹¹⁰ LO ET AL., *supra* note 75, at 12.

¹¹¹ In addition to Decision No. 098133 of the Fair Trade Committee that consumers are falsely directed by identical keyword advertising, which causes losses of business through unfair competition, the case 2010 Ming Shang Sang Geng (Yi) Zi No. 5 of the Intellectual Property Court involved the violation of Article 24 of the Fair Trade Act, because consumers were mistakenly directed by identical keyword advertising to browse the website of the competitor restaurant, and even eat at the competitor’s restaurant. *See*: The Judicial Yuan of the Republic of China—Law and Regulations Retrieving System: Search for Courts’ Judgments, *supra* note 4; Tsai, *supra* note 92.

not readily fit the strict requirements of trademark regulation under the Taiwanese Trademark Act.

Of course, persuading judges and arbitrators in keyword-advertising-as-trademark cases is an important task for businesses. In other words, the risks of conflict and dispute resolution are procedural risks, and the way to manage procedural risk is to find the professional legal counsel that is adept at managing it.

2. The Role of Internet Platform Providers (IPPs)

Article 2, Clause 2 of the “Internet Rating Regulation” stipulates that the term “Internet Service Providers (ISPs)” includes “Internet Access Providers (IAPs),” “Internet Platform Providers (IPPs),” and “Internet Content Providers (ICPs).”¹¹² The concept of ISPs, and the services of the Internet are so diverse, that the former “Government Information Office” has classified ISPs as IPPs. IPPs provide services for saving room in hardware, setting websites regarding information announcements, and hyperlinks.”¹¹³

Under this definition, keyword advertising is relevant to IPPs, since is a service related to online information, announcements, and hyperlinks provided by the IPPs.¹¹⁴ As a result, when addressing the role of ISPs, we should limit the discussion to IPPs,¹¹⁵ including the risk of regulation and conflict, as well as resolution of existing disputes involving the IPPs. In particular, this section focuses on discussing criminal, civil, and administrative liability of IPPs, liability of search engines, and analyses of risk concerning regulations and conflict related to IPPs.

a. Criminal Liability

As mentioned above, there is no specific “computer law” or “information law” addressing the liability of IPPs. However, we can rely upon the Criminal Code, the Civil Code, and other laws to deal with criminal liability.

There are two statutes in the Criminal Code that could be used to establish the liability of IPPs: 1) Article 29 states that “[a] person who solicits another to have committed an offense is a solicitor. A solicitor shall be punished according to the punishment prescribed for the solicited offense;”¹¹⁶ and 2) Article 30 rules that “[a] person who aids another in the commission of a crime

¹¹² CHIH-CHIEH YANG, INFORMATION LAW 301 (2011).

¹¹³ CHIH-CHIEH YANG, INFORMATION LAW 320 (2d ed. 2007).

¹¹⁴ *Id.*

¹¹⁵ YANG, *supra* note 113, at 320.

¹¹⁶ Ministry of Justice–The Working Group of the R.O.C. Laws & Regulations Database: Criminal Code of the Republic of China, available at <http://law.moj.gov.tw/Eng/LawClass/LawAll.aspx?PCode=C0000001> (last visited Aug. 22, 2013); YANG, *supra* note 113, at 321.

is an accessory notwithstanding that the person aided does not know of the assistance. The punishment prescribed for an accessory may be reduced from that prescribed for the principal offender.”¹¹⁷

In short, while these two Articles do not punish the IPPs themselves because they are not natural persons, they do punish representatives of the IPPs through the criminal offenses of soliciting and aiding another to commit crimes.

b. Civil Liability

Article 185 of the Civil Code is the statute that could be used for establishing civil liability of IPPs. This Article rules that “[i]f several persons have wrongfully damaged the rights of another jointly, they are jointly liable for the injury arising therefrom. The same rule shall be applied even if which one has actually caused the injury cannot be sure. Instigators and accomplices are deemed to be joint tortfeasors.”¹¹⁸

In this context, it is important to understand what “instigators” and “accomplices” are. In the case of 2010-Tai-Sang-Zi-1207 of the Taiwan Supreme Court, the court indicated that subjectively, instigators and accomplices have intention and negligence, and their objective conduct has causes and effects, and consequences, in soliciting or aiding another to perpetrate jointly tortious acts.¹¹⁹

In sum, civil liability regulated by Article 185 of the Civil Code is similar to the criminal liability defined in Articles 29 and 30 of the Criminal Code for criminal offenses that spring from soliciting and aiding another to commit crimes, with two major differences. First, the former are relevant to civil liability of IPPs, while the latter are related to criminal liability.

Second, criminal laws traditionally are applied following the “Modesty Principle”¹²⁰ and the “Principle of Crimes and Punishment Stipulated by Law.”¹²¹ Thus, criminal laws should be applied to punish someone’s offenses within the necessary, reasonable, and narrow scopes under the “Modesty Principle.”¹²² Most importantly, law enforcement cannot punish someone’s

¹¹⁷ *Id.*

¹¹⁸ Ministry of Justice–The Working Group of the R.O.C. Laws & Regulations Database: Civil Code, *available at* <http://law.moj.gov.tw/Eng/LawClass/LawAll.aspx?PCode=B0000001> (last visited Aug. 22, 2013); YANG, *supra* note 113, at 321-322.

¹¹⁹ The Judicial Yuan of the Republic of China–Law and Regulations Retrieving System: Search for Courts’ Judgments, *supra* note 4.

¹²⁰ Tien-Kuei Kan, *Modesty Principle of the Criminal Law*, <http://lawyer.get.com.tw/learning/subject/scm003.pdf> (last visited Aug. 22, 2013).

¹²¹ SHAN-TIEN LIN, *CRIMINAL LAW: GENERAL PROVISIONS* 67 (10th ed. 2008).

¹²² Tien-Kuei Kan, *Modesty Principle of the Criminal Law*, *supra* note 120.

offenses under criminal laws if the offenses are not prohibited by law, according to the “Principle of Crimes and Punishment Stipulated by Law.”¹²³ As a result, the liability of IPPs are practically regulated in and punished by civil law, rather than under criminal law, even though criminal liability provisions may have more effective deterrence than civil liability provisions do.

c. Administrative Liability

The current legal system has no complete and effective provisions for establishing and enforcing liability against IPPs.¹²⁴ However, three statutes concerning administrative liability of IPPs are enforceable, under the Consumer Protection Law, the Fair Trade Act, and the Child and Youth Sexual Transaction Prevention Act.

First, Section 1, Article 23 of the Consumer Protection Law rules that “[I]f a media business operator engaged in publishing or reporting advertisements knows or should have known that the contents of the advertisements are inconsistent with the facts, it shall be jointly and severally liable to consumers for their reliance upon such advertisements.”¹²⁵

Second, Section 4, Article 21 of the Fair Trade Act states that “[w]here any advertising medium communicates or publishes any advertisement that it knows or should have known to be likely to mislead the public, it shall be jointly and severally liable with the principal of such advertisement for the damages arising therefrom. Where any endorser provides any testimonials that he knows or should have known to be likely to mislead the public, he shall be jointly and severally liable with the principal of such advertisement for damages arising therefrom.”¹²⁶

Third, Article 33 of the Child and Youth Sexual Transaction Prevention Act holds that “[I]f advertisements, publications, broadcasting, television, electronic signals, computer network or any other media spreads, broadcasts or issues the news and information which may seduces, makes a match of, suggests or by any other ways has a person to engage in sexual transaction, the competent authority of the respective target enterprises shall fine them not less than 50,000 but not more than NT\$600,000. The competent authority of the news industry shall issue the news and declare the news to the public for those

¹²³ LIN, *supra* note 121, at 67.

¹²⁴ YANG, *supra* note 113, at 322.

¹²⁵ Ministry of Justice–The Working Group of the R.O.C. Laws & Regulations Database: Consumer Protection Law, *available at* <http://law.moj.gov.tw/Eng/LawClass/LawAll.aspx?PCode=J0170001> (last visited Aug. 22, 2013); *id.*

¹²⁶ Ministry of Justice–The Working Group of the R.O.C. Laws & Regulations Database: Fair Trade Act, *supra* note 27; YANG, *supra* note 113, at 322.

medium violated the provisions of the preceding paragraph.”¹²⁷

One legal scholar classifies the first and the second statutes on administrative liability as “knows or should have known” liability.¹²⁸ Only the IPPs “know or should have known” whether keyword advertising is identical or similar to other registered trademarks causing consumers to be misled. In this way, IPPs, their representatives, and advertisers are liable under Section 1, Article 23 of the Consumer Protection Law and Section 4, Article 21 of the Fair Trade Act.¹²⁹ On the other hand, IPPs or their representatives are punished through the regulations under Article 33 of the Child and Youth Sexual Transaction Prevention Act no matter whether they “know or should have known”¹³⁰ that keyword advertising is identical or similar to other registered trademarks.

d. Liability of Search Engines

From the previous statutory interpretations of the liability of IPPs, we see that their focus is on liability related to indirect infringements of IPPs (or search engines). We sometimes overlook the role of search engines, which are important since keyword advertising is displayed by and bought from them in the private sector. Thus, the question “How do search engines prevent the contents of keyword advertising from constituting trademark infringements?” is significant for further research about the liability of IPPs. For example, whether an “active” role was played by the search engines is crucial to determining legal responsibility in the ECJ’s *LVMH* case.

Moreover, search engines can usually control Internet content in advance, by deciding whether to let advertisers purchase keyword advertising.¹³¹ American law places a heavy legal burden on these search engines in the form of “strict liability” for their actions.¹³² Search engines only have a lower legal burden if they cannot control Internet content or do not have “know or should have known” liability,¹³³ which means that they are held responsible for anything they know or should have known.¹³⁴

¹²⁷ Ministry of Justice–The Working Group of the R.O.C. Laws & Regulations Database: Child and Youth Sexual Transaction Prevention Act, *available at* <http://law.moj.gov.tw/Eng/LawClass/LawAll.aspx?PCode=D0050023> (last visited Aug. 22, 2013); *id.* at 322-323.

¹²⁸ YANG, *supra* note 113, at 322.

¹²⁹ *Id.*

¹³⁰ *Id.* at 323.

¹³¹ YANG, *supra* note 112, at 304.

¹³² *Id.* at 306-307.

¹³³ *Id.* at 306-307.

¹³⁴ *Id.*

e. Analyses of Legal Risk Related to Regulation and Conflict of IPPs

Of course, it is not difficult to solve the purely legal issues, but it is a challenge to manage the legal risks of keyword advertising relating to IPPs (or search engines), when there are no unified and certain legal regulations on keyword advertising or the legal responsibilities of search engines.

This article argues that legislative agencies should enact statutory laws as soon as possible, according to the principle of clarity and definiteness of the law as stated in the *Interpretation No. 491* of the Judicial Yuan.¹³⁵ In particular, search engines have no choice but to face possible trademark lawsuits concerning keyword advertising. Thus, this article not only indicates the importance of conflict and dispute resolution, but also concretely argues that search engines should hire more legal experts (e.g., lawyers, attorneys, consultants) and develop human resources familiar with the currently fragmented legal regulations. This would help search engines to argue persuasively through litigation for clearer interpretations of the existing laws, and would increase the probability of winning related lawsuits.

V. Conclusion

When William Shakespeare wrote *Hamlet* in the 16th century, conveying the young prince's inner turmoil with such an elegant turn of phrase, he could hardly predict that the now-famous words "To be, or not to be, that is the question" would be widely quoted and used to discuss keyword advertising and trademark disputes. Since keyword advertising has been broadly used by enterprises for cost and benefit reasons, discussions about the relationship between keyword advertising and trademark infringement are important and useful in the Internet era.

In 2009-Ming-Shang-Sang-11 of the Taiwanese Intellectual Property Court, the use of keyword advertising was found to be unlike the use of trademarks; it was also found that consumers would not mistakenly identify identical keyword advertising as those of the trademark owners. In the ECJ's *LVMH* case, the question of whether Google "played an active role of such a kind as to give [Google] knowledge of, or control over, the data stored" was answered, determining whether LVMH could directly prevent use of its trademark as a keyword by Google. The foregoing cases not only fail to help us decide whether generic terms used as keyword advertising constitute trademark infringement, but also are unhelpful in discussions of the legal risk involved in using keyword advertising.

Keyword advertising and trademark disputes are related to "risk of regulation" from the uncertainty, change, and shortage of regulations and "risk

¹³⁵ Judicial Yuan—Justices of the Constitutional Court: J. Y. No. 491, *supra* note 88.

of conflict and dispute resolution” from litigations or arbitrations of uncertainty regarding the existence of evidence, retention of adequate legal support, and the ability to persuade judges or arbitrators. Therefore, managing these risks is important to individuals and businesses. This article has attempted to separate the public sector from the private sector in order to discuss ways of managing keyword advertising and trademark disputes.

In the public sector, legislative agencies should enact clear and specific laws following the principle of the clarity and definiteness of the law. Future legislation would ideally consider four possible directions: 1) use of keyword advertising should be considered to be equivalent to use of trademarks, which should be clearly and definitely regulated under Article 5 of the Taiwanese Trademark Act; 2) trademark infringements occurring through keyword advertising should be included in Article 68 of the Taiwanese Trademark Act; 3) Article 70 of the Taiwanese Trademark Act should not stop short of governing “famous” trademark infringement types, and keyword advertising that is not identical or similar to “famous” trademarks should also be included; and 4) trademark infringement should not focus solely on the subjective considerations of trademark infringers. In addition, judicial agencies can play the important role of filling loopholes in current legislation, even though Taiwan is a civil litigation system.

In the private sector, businesses and IPPs (or search engines) should focus on avoiding the risks of conflict and dispute resolution. Businesses should hire experts (e.g., attorneys, consultants) and develop human resource personnel who are familiar with the relevant statutory laws. For instance, search engines are subject to criminal, civil, and administrative (knows or should have known) liability, although there is no unified law for such liability. Of course, search engines or their representatives should also hire professional experts and develop human resources to ensure their knowledge of this subject matter is sufficient to persuade judges, in order to win relevant cases. In this way, businesses, search engines, their representatives, and advertisers would be better protected in the event of legal action.

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