LIABILITY FOR ADVERTISER AND INTERNET SEARCH ENGINE SERVICE PROVIDER: A CASE STUDY OF GOOGLE ADWORDS[*]

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ABSTRACT

At the age of technology, people tend to search for hotel to stay on vacation on an internet search engine more often than looking it up in the guide book and search for plumber on a search engine more often than looking it up in the yellow pages like in the past. Once consumer behavior changes, the business operator and advertiser have to chase. Search engine operators came up with an idea to sell an advertisement on its pages. Once an internet user searches for any keyword, *e.g.* coffee shop, the advertisements of certain coffee shops who purchased such keyword will appear on the search engine page result alongside the natural search results.

However, since the dominant search engine, Google, began offering trademarks for use as keywords on an unrestricted basis, trademark proprietors responded to Google by filing more than one hundred claims throughout the world, especially in the United States and European. Courts have varied in their approach to the case. It is argued whether search engine operators are entitle to sell the keyword or not, whether it should be liable for trademark infringement, any other laws, if the use of trademark as keyword causes confusion in the origin of products or services, or if it is misleading the consumer that products offered by advertiser are related to proprietor's products.

Although no cases of liability of search engine service providers have not been brought before Thai Court, the study of law in foreign countries will provide an important lesson for Thailand.

Keywords: misleading or deceptive conduct, Google AdWords, internet search engine, competition law, consumer protection, trademark infringement

บทคัดย่อ

ในยุคของเทคโนโลยีปัจจุบัน เราเลือกที่จะค้นหาโรงแรมสำหรับพักผ่อนในช่วงวันหยุดทางอินเตอร์เน็ตมากกว่าจะเปิดหนังสือท่องเที่ยวในแบบเดิมๆ รวมถึงเลือกที่จะค้นหาเบอร์โทรศัพท์ช่างหรือหน่วยงานต่างๆ ทางอินเตอร์เน็ตมากกว่าจะค้นหาในสมุดหน้าเหลืองตามแบบเดิมๆ เมื่อพฤติกรรมของผู้บริโภคเปลี่ยน ผู้โฆษณาก็ต้องพัฒนารูปแบบในการโฆษณาตาม ดังนั้น ผู้ให้บริการค้นหาข้อมูลบนอินเตอร์เน็ต (internet search engine service provider) จึงเริ่มขายพื้นที่บนระบบของตนเองให้เป็นพื้นที่สำหรับโฆษณา ซึ่งง่ายสำหรับผู้ใช้อินเตอร์เน็ตซึ่งเมื่อพิมพ์คำว่า "ร้านกาแฟ" ก็จะพบเว็ปไซต์ (website) ร้านกาแฟต่างๆ รวมถึงเว็ปไซต์โฆษณาร้านกาแฟซึ่งซื้อคำโฆษณาจากผู้ให้บริการค้นหาข้อมูลบนอินเตอร์เน็ต ต่อมาภายหลังรูปแบบการซื้อคำโฆษณาได้เปลี่ยนแปลงไปจาก "คำคีย์

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เวิร์ด” หรือ “คำสำคัญ” (keyword) ที่มีลักษณะทั่วๆ ไปเริ่มมีความเฉพาะเจาะจงมากขึ้นโดยรวมไปถึง คำคีย์เวิร์ด หรือคำโฆษณา ที่เป็นชื่อหรือเครื่องหมายทางการค้าของบุคคลอื่น โดยเฉพาะคู่แข่งทางการค้าของตน โดยกูเกิ้ล (Google) ในฐานะผู้ให้บริการค้นหาข้อมูลบนอินเตอร์เน็ตรายใหญ่ได้เปลี่ยนนโยบายโดยกำหนดว่าการใช้เครื่องหมายการค้าของบุคคลเป็นคำคีย์เวิร์ดหรือคำสำคัญไม่ต้องห้ามอีกต่อไป ซึ่งการเปลี่ยนนโยบายนี้ทำให้เกิดคดีฟ้องร้องกูเกิ้ล (Google) เป็นจำนวนมาก โดยเฉพาะอย่างยิ่งในสหรัฐอเมริกาและยุโรป แต่คำพิพากษาของศาลนั้นก็แตกต่างกันไปตามข้อเท็จจริงในแต่ละคดี ดังนั้น จึงยังคงเป็นประเด็นที่ต้องพิจารณาว่า ผู้ให้บริการค้นข้อมูลบนอินเตอร์เน็ตซึ่งอนุญาตให้ผู้โฆษณาซื้อคำสำคัญซึ่งเป็นเครื่องหมายการค้าของบุคคลอื่นหรือคู่แข่งทางการค้านั้น จะมีความรับผิดในการละเมิดเครื่องหมายการค้าของบุคคลอื่นหรือความรับผิดตามกฎหมายอื่นๆ หรือไม่ แม้ว่าในปัจจุบันประเทศไทยยังคงไม่มีคดีข้อพิพาทดังกล่าวเกิดขึ้น แต่การศึกษาบทกฎหมายหรือคำพิพากษาที่ตัดสินในต่างประเทศก็น่าจะเป็นแนวทางที่ดีสำหรับศาลไทยต่อไป

คำสำคัญ: พฤติกรรมที่หลอกลวงหรือทำให้เข้าใจผิด, กูเกิ้ล แอดเวิร์ด, ผู้ให้บริการค้นหาข้อมูลบนอินเตอร์เน็ต, กฎหมายแข่งขันทางการค้า, คุ้มครองผู้บริโภค, ละเมิดเครื่องหมายการค้า

Introduction

Today, “Google” has become the most influential online information resource and is easily accessed. Regardless of the magnitude of records, Google capable of providing researchers as much information as has stored. Technically, Google plays a role of the largest online library that Internet users can access from anywhere at anytime. The users only have to input a “keyword” on the small search box on the Google page to find all the linked information and resources that they need through linking websites. Consequently, this smart tool became a great channel for sponsors to promote their products and services online by paying a high price to get on the top line of the page, which lately became a separate platform on the screen called “sponsored link”. Those sponsored links are basically operating by “Google AdWords” program, which adds the terms and phrases to the regular ones.[1] However, the coin always has two sides, this benefit has led to legal issues when the rivals begin to take on the sponsored links by misleading the keyword to a different site. For example, one particular keyword would lead to a specific product that has an associated name to the keyword, but the result turns into another misleading way around to different product, which is owed by a direct competitors. Additionally, the sponsored link also violates trademarks, which recently became the legal issues in many countries. Especially after Google changed its policy and offered trademarks for use as keyword on an unrestricted basis in 2004, trademark owners responded by filing more than 100 lawsuits in the United States and Europe[2].

[1] Ashley Tan, “Google AdWords: Trademark Infringer or trade liberalizer”, *available at* http://www.mttlr.org/volsixteen/tan.pdf.

[2] David A. Hyman and David J. Franklyn, Trademarks as Search-Engine Keywords: Who, What, When?

The misleading keyword on search engine has never been a consideration in Thailand. However, previous issues in other countries, as mentioned above, could be a significant force to encourage an awareness of online trademark legal issue that may arise in Thailand.[3]

1. Google Adwords and How it works

1.1 Search Engine Output Architecture and Result Page

1.1.1 Natural Search Results or Organic Search Results

One of the types of search response is a list of what is termed "natural search results" or "organic search results". Natural search results are the webpages that naturally match the user's search query ranking by most relevance and popularity without charging. In other word, the website owners have paid nothing to Google for displaying their websites in response to search result. The relevance, importance and popularity of each website will be determined by various algorithms. Even though the way algorithm's work remains unknown, it is known that the natural search result rankings cannot be purchased.[4]

1.1.2 Sponsored Search Results or Sponsored Links

Another type of responses is termed "sponsored links" (Google), 'sponsored results' (Yahoo!) or 'sponsored sites' (Microsoft Bing) and sometimes is referred to as "paid results"[5], the marketing method that ascertains the business owners that their website will be placed on the ideal location in order to attract the greatest attention of internet users. The advertisers or website owners agree to pay Google to have their webpages preferential display in response to certain keywords. Google has developed the program called "AdWords Program" to generate the sponsored links. AdWords program will enter terms or phrases selected by advertisers with approval of Google into sponsored links. The paid results will appear in two different locations which are in a shaded color marked 'Ad' or 'Ads related to…'[6] at the top of list of result and on the right hand side of the natural search results. For instance, the online hotel booking website purchases the keywords 'hotel' which he wants his website and AdWords ads to be associated.[7] He can choose several ad formats, *e.g.* simple text ad,[8] this ad will be internally linked to the purchased keywords.[9] Whenever the internet users search for the keyword 'hotel', the ad will appear alongside other organic search

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[3] วุฒิ ศรีธีระวิศาล และเอกรินทร์ วิริโย, *ผลลัพท์ที่ได้จากการค้นหาข้อมูลบนอินเตอร์เน็ต: กรณี "Google Adwords" ในประเด็นการแข่งขันทางการค้าและเครื่องหมายการค้า*, บทบัณฑิต เล่ม 70 ตอน 2 (2013) (Wut Sriterawisarn and Aggarin Viriyo, *Search Results provided by Internet Search Engine: "Google AdWords" Case on the Issue of Trade Competition and Trademark*, Bot Bundit Volume 70 Part 2 (2013)

[4] Amanda Scardamaglia, *"Keywords, Trademarks, and Search Engine Liability", available at* http://networkcultures.org/query/wp-content/uploads/sites/4/2014/06/12.Amanda_Scardamaglia.pdf.

[5] For Dummies' a Wiley Brand, *The Difference between Organic and Paid Search Engine Results, available at* http://www.dummies.com/how-to/content/the-difference-between-organic-and-paid-search-eng.html.

[6] Bing labels its paid links using the same terminology ('Ads') while Yahoo labels paid links with the term 'Sponsored Results' but both use the same search page architecture as Google

[7] AdWords Help, *What is Google AdWords?, available at* http://adwords.google.com/support/aw/bin/answer.py?hl=en&answer=6084.

[8] AdWords Help, *Ad types, available at* http://adwords.google.com/support/aw/bin/topic.py?hl=en&topic=16078.

[9] AdWords Help, *supra* note 7

results.[10] The order or ranking among sponsored links is determined by Google AdWords program, instead of the Google web search algorithm.[11]

1.2 Sponsored Search and Trademarks of Others

Trademark use in sponsored search can be categorized into three types which are associated use, competitive use, and opportunistic use.[12] If a trademark is used by a reseller or dealer of product or service or someone who offers associated products or services, then such use is called associated use.[13] If the advertiser's products are not associated to the trademarked products or services, and the advertiser is a direct competitor of the trademark's proprietor, then such use is called competitive use.[14] If the advertiser does not offer the associated products, services, or is not a direct competitor of the proprietor of used trademark but by any chance used such trademark to advertise their products or services, then such use is called opportunistic use.[15]

1.3 Significance of Problems

The business operators and advertisers are now changing the form of advertisements from newspaper, television, billboard or whatever to the online advertising which is more direct. There might not be any trouble if every advertiser used proper purchased keywords to trigger his or her ads. It becomes a problem when some advertisers use tricky keyword to trigger their ads by using the trade name or trademark of their rivals as a keyword, *e.g.* STA Travel[16] purchased the term 'Harvey Travel' which is the name of its competitor, when the internet user searched for Harvey Travel, the hyperlink headline to STA Travel's website appeared in the top of listing. In addition, some advertisers used other trade names or trademarks as a keyword to advertise their counterfeit goods.

The online advertising business experienced rapid growth up, consequently, the standard should be set among the online advertising players. According to the fact given above, once the online ads were misused by using other trade names, trademarks or catchwords, these lead to the legal problems which will be thoroughly studied in the next Chapter, as follows:

1.3.1 Trademark Infringement

The legal issue to be considered is whether using other proprietors' trademarks as keyword, on one of a part of keyword, to advertise the advertisers' websites is deemed trademark infringement. In addition, as a search engine service provider, should Google be liable for encouraging or supporting such misconduct.

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[10] AdWords account holders can set their ads to appear in the search results of other Google programs, such as Gmail. (AdWords Help, *Where will my ads appear?, available at* http://adwords.google.com/support/aw/bin/answer.py?hl=en&answer=6119.)

[11] Amanda Scardamaglia, *supra* note 4

[12] BJ Jansen and MA Rossa, *Smart Marketing or Bait & Switch: Competitors' Brands as Keyword in Online Advertising'* (WICOW'10 Proceedings of the 4th workshop on Information credibility 2010)

13 Stefan Kulk, "Search Engines Searching for Trouble?", available at http://www.stefankulk.nl/publications/search_engines_searching_for_trouble.pdf

[14] *Id*

[15] *Id*.

[16] Rosanne Sands, "Google v ACCC: The Hight Court considers misleading and deceptive conduct",15 **UNDALR** 152 (2013)

1.3.2 Misleading consumer for the most relevant results

The value of AdWords for advertisers lies in the fact that Google allows its keyword-linked ads to circumvent Google's usual page ranking system for non-sponsored links. Although ads are subject to "ranking" among themselves, they maintain priority over non-sponsored links in Google's search results display. Furthermore, since the ads appear beside search results that have been subjected to the normal page ranking algorithms and often do not explicitly indicate that they are sponsored links, Internet users may be misled to assume that the ads which ranked at the top of pages are the most relevant results.

1.3.3 Misleading that the goods or services are relevant to the rival's goods or services while they are not

In the first scenario where an advertiser uses the registered trademark or well-recognized term or phrase of its competitor, the consumers can be misled that the products or information appearing on the 'sponsored link' of an advertiser are relevant to the well-known mark or keyword they are searching for. The proprietor might put its effort in advertising their products by other means, *e.g.* television commercial, and might maintain a good reputation. The advertisers just purchase the famous trade name or phrase to advertise their business. No one wants others to steal the fruit of their hardworking. This is misleading or deceptive conduct and definitely causes damage to the proprietor, *e.g.* loss of profit.

2. Liability for an Internet Search Engine Service Provider under the Laws of Foreign Countries

2.1 Liability for Trademark Infringement

2.1.1 Trademark Use

In the EU, use in course of trade is a hard requirement for imposing trademark infringement. The ECJ ruled that Google was operating in the course of trade.[17] However operating in the course of trade does not imply that the sign is used in the course of trade. Consequently, the Court rendered the judgment in favor of search engine operator. On the other hand, under the US Law, use is not strict requirement and the judge in the Second Circuit Court analyzed the fact that trade on the value of the plaintiff's mark as mark made it the basis of the commercial transaction.[18]

2.1.2 Likelihood of Confusion

Under EU Law, ECJ focused on the time the consumer views an advertisement. ECJ does not take into consideration whether the advertisement lead to decision to buy goods.[19] Under the US Law, US has the concept of initial interest confusion. According to this concept, a search engine user that is confused about the origin of goods the first time they see the advertisement, but during the time he makes the decision to buy, he correctly understand that facts. This is called 'initially confused'[20].

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[17] Case C-206/01 Arsenal Football Club plc v. Matthew Reed [2002] ECR I-10273

[18] 1-800 Contacts, Inc. v. WhenU.com, 414 F.3d 400 (2d Cir. 2005)

[19] Case C-342/97 Lloyd Schuhfabrik Meyer v Klijsen Handel [1999] ECR I-03819

[20] This doctrine was developed in *Grotrian, Helfferich, Schults., Th. Steinweg Nachf. v. Steinway & Sons* 523 F.2d 1331 (1975) (2nd Circuit Court of Appeals); *Mobil Oil Corp. v Pegasus Petroleum Corp* 818 F.2d 254 (1987) (2nd Circuit Court of Appeals). It was applied to an Internet case in:

2.1.3 Secondary Liability for Trademark Infringement

Secondary liability in EU trademark consists of diverging national general liability and unfair competition rules. In contrast, US trademark law does provide for US wide secondary liability rules.

2.1.4 Safe Harbors

This is the limitation of liability for intermediaries and both legal systems apply this regime. EU provides the general safe harbor that applies to the hosting service provider[21], while US has a specific regime to apply to trademark infringement. The key principle for US trademark safe harbor is 'innocent infringer'[22] who lacks knowledge about the infringement.

2.2 Liability under Other Laws

Saunders opines that keyword banner advertising does not amount to trademark infringement or dilution but such instances may be better remedied by the other laws *e.g.* false or misleading advertising.[23] The issues of misleading and deceptive conduct have been raised to consideration of High Court. The High Court of Australia's unanimously determined that Google as an online publisher did not engage in misleading or deceptive conduct by merely publishing or managing the display of the sponsored links. This was because "Google did not author the sponsored links; it merely published or displayed, without adoption or endorsement, misleading representations made by advertisers." The High Court of Australia was of the view that Google as an intermediary or advertising channel, should not be treated differently from other intermediaries, *e.g.* print or online newspaper publishers or other broadcasters who broadcast the advertisements of others.[24]

3. Legal Problems from Search Engine

Competition, consumer, and trademark laws in foreign countries provide various lessons for Thailand. This chapter will focus on how misleading and deceptive conduct are protected under the context of Thai legal system mainly through on the Trademark Act B.E.2534 (1991), the Trade Competition Act B.E.2542 (1999), the Consumer Protection Act B.E. 2522 (1979), and the Civil and Commercial Code and the Criminal Code.

3.1 Liability under Trademark Law

Trademark Act B.E. 2534 (1991) ("Trademark Act") does not specify whether any acts will be considered 'infringement' which is different from the trademark law under other jurisdiction namely the United States of America and United Kingdom that specifically provide the acts of trademark infringement.[25] Hence, it is responsibility of court of justice to determine an act of trademark infringement when the cases are brought to lawsuit. The court must be careful in application of any rules of laws to the case.[26]

Brookfield Communications, Inc. v. West Coast Entertainment Corp. 174 F.3d 1036 (1999) (9th Circuit Court of Appeals).

[21] E-Commerce Directive, Recital 17

[22] The Lanham Act, sec. 32

[23] Kurt M. Saunders, Confusion is the Key: A Trademark Law Analysis of Keyword Banner Advertising, Fordham Law Review Volume 71 Issue 2 (2002)

[24] *Id.*

[25] วัส ติงสมิตร, คำอธิบายกฎหมายเครื่องหมายการค้า (พิมพ์ครั้งที่ 1 2545), น. 95 (Vas Tingsmith, Trademark (1st ed. 2002)

[26] *Id*.

3.1.1. Exclusive Right

Thai Trademark Act simply regulated an exclusive right of trademark's proprietor in Section 44 but failed to provide the detailed description. Thus, an application and interpretation of trademark law normally relies on the court judgments and academic views. In the case of word trademark, although such word trademarks are registered under the Trademark Act, this does not mean that the trademark's proprietor shall have the exclusive rights over the 'word' in every cases. The proprietor can prohibit others from using the word which is substantially identical or deceptively similar to the registered word in case that it is used as trademark. This includes both made-up words and ordinary words.

For instant, in the Supreme Court Judgment No. 433/2518, the plaintiff's trademark was registered in Roman italic letter 'TASTE' together with phrase 'Modern from U.S.A' in subsequent line and the fish-shaped symbol. By the mean of registration, this does not mean that the plaintiff was granted an exclusive right to use Roman word 'TASTE' regardless of including or excluding the fish-shaped symbol. Thus, the defendant's use of the same word but in different form is not considered infringement of the plaintiff's mark. Furthermore, the Thai Trademark Act does not provide either definition or description of term 'use'. The elements used to be consider whether the right of proprietor is infringed or not are (1) the offender uses a sign which is identical or similar to the trademark, (2) without proprietor's consent, and (3) use in relation to goods or services is identical to the goods or services for which the trademark was registered.[27] The most common type of suit for trademark infringement is when the business operator affixes trademark, registered to someone else, on his/her packaging and offers the products contained in the packaging for sale. There is no precedent case regarding the use of a competitor's keyword to advertise on the advertiser's website.

3.1.2. Bona Fide Use of Personal Name

Section 47 allows any person to use his own personal name, surname, the name of his place of business or description of the character or quality of the goods. However, such use or description is subject to 'bona fide' use. In case the registered mark is dishonestly used to describe the character or quality of one's goods or services, even though the proprietor of such registered mark cannot use his exclusive right under Section 44 to prohibit that person from using his trademark since the mark is not used as 'mark', the proprietor can hold the user liable under Section 47 because it would not be considered bona fide use.

As a result, I am of the view that Section 47 can be applied to cases where the trademark is used as a keyword to advertise one's business. The advertiser acknowledges that his competitor's trademark might be better known by users or consumers and the advertisers try to take advantage of that fame and draw consumers' attention to their products instead. Therefore, this is not considered 'bona fide use' and the advertiser shall be liable under Section 47.

3.1.3. Passing Off

Passing off is the course of action referring to the deceptive representation or the action, which misleads the public to believe that the goods or services offered by a defendant are relevant or in connection with the goods or services of a plaintiff. The

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[27] *Id.*

provision of passing off also appears in Thai Trademark Act, under Section 46 and reads as follows:

Passing off is not limited to only registered marks, the goods or services in the same class, or identical to the goods or services for which the trademark was registered. Unlike the exclusive right under Section 44, the doctrine of passing off also extends to misleading in origin or owner of goods or services,[28] as ruled by classic Supreme Court Judgment No.343/2503. The plaintiff has sold powered detergent under the mark 'FAB' for a certain period of time, the defendant's product was toothpick sold under a significantly identical mark named 'FAB'. The court held the defendant liable for passing off even though the goods offered for sale by parties were different. This is because it was clear that the defendant tried to mislead consumers to believe that the two products were from the same origin or economically related.

According to the study, I consequently opine that the passing off doctrine can be widely used since it does not stick with the term 'use of trademark' or 'use as a trademark'. The key element of passing off is deceptive misrepresentation. Thus, the use of competitor's trademark in an advertisement which aims to mislead consumer to understanding that the goods or services offered by the advertiser are relevant to the goods or services under the trademark the consumers are searching for can be deemed as 'passing off', and the advertiser shall be held liable under Section 46 para 2 of the Trademark Act.

3.1.4. Counterfeiting of Trademark

According to Section 108 of the Trademark Act, counterfeiting of trademark means making or creating the mark which is identical to the registered trademark. The defendant commits substantive offense upon completion of counterfeiting of trademark even if the mark has not been used. In order to analyze whether use of trademark as an advertised keyword should be deemed counterfeiting of trademark or not, it is important to understand the following criteria. First, the definition of trademark. According to Section 4 mentioned above, trademarks can be in the various forms, *e.g.* photograph, drawing, shape, word or letter, while the 'keyword' can only be in form of word, letter or number. Thus, trademarks which are used as keywords shall be limited to the word, letter or number since the photograph or combination of shapes and color cannot be inserted into the search engine box. Second, the character of a distinctive trademark which can help consumers in distinguishing between those trademarked goods and all other goods. Although the word trademark is distinctive because of specific font and format, once it is used as a keyword, it appears in normal text style. Thus, I opine that the advertiser who used competitor's or other's trademark as keyword has no intention of counterfeiting the trademark pursuant to Section 108.

3.2 Liability under Other Laws

In addition to trademark law, this section will analyze whether any existing law can be imposed on the internet search engine operator.

[28] Vas Tingsmith, *supra* note 25, page 108

3.2.1 Liability of Advertiser and Internet Search Engine Service Provider under the Trade Competition Act B.E. 2542 (1999)

Unlike the laws of Australia, Thai competition law and consumer protection law are legislated in separated regulations which are the Trade Competition Act B.E. 2542 (1999) and the Consumer Protection Act B.E. 2522 (1979).

Thai Trade Competition Act B.E.2542 (1999) ("**Trade Competition Act**") contains the major substantive provisions that can be found in most other competition laws.[29] The Trade Competition Act mainly focuses on an act of a business operator with market domination. Even though Google is deemed a business operator with market domination as it ranked the first most popular search engine in Thailand holding more than 90 percent of market shares[30], the Trade Competition Act mainly focuses on an abuse of market dominance provision[31], merger control provision[32], and collusive practice provisions[33]. There are no provisions regarding misleading and deceptiveness as appeared in Australian Competition and Consumer Act 2010. Therefore Trade Competition Act will not apply if the misleading and deceptiveness happens in Thailand and the advertiser and the internet search engine service provider shall not be liable under the Trade Competition Act.

3.2.2 Liability for Advertiser and Internet Search Engine Service Provider under the Consumer Protection Act

The Consumer Protection Act B.E. 2522 (1979) ("**Consumer Protection Act**") accords the provisions protecting against advertisements in Section 22.

According to the Office of the Consumer Protection Board ("**OCPD**"), advertisements containing a statement which is unfair to consumers under Section 22 includes any statement which is false, exaggerated, or causes misunderstanding of an essential element concerning goods or services[34]. At this stage, there are no precedent cases regarding the liability of advertisers and internet search engine service providers that has been brought for consideration of Thai court. Under Thai consumer protection law, an advertiser shall be liable if he or she makes the advertisement containing a statement which will cause misunderstanding in the essential elements concerning goods or services while an advertising media shall be liable to one-half of such penalty. After considering Section 22 together with Section 47 of the Consumer Protection Act, I am of the view that in case any advertiser uses the search terms which are a name or trademark of its competitor in order to mislead the internet users or consumers to misunderstand that the goods or services under the name of 'advertiser' and 'proprietor' have the same origin, or the products of such advertiser are relevant to product of the competitor, the advertiser can be considered in intentional violation of Section 22 of the Consumer Protection Act and shall be liable under Section 47 of the same Act. Furthermore, in the case where the Committee on Advertisement opines that

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[29] Panpilai Issariyapruit,*"Summary of Thailand's Trade Competition Act", available at* http://www.pricesanond.com/knowledge/summary-of-trade-competition-act.php.

[30] http://truehits.net/graph/allgraph.php#SEARCH

[31] Section 25 of the Trade Competition Act B.E.2542 (1999)

[32] Section 26 of the Trade Competition Act B.E.2542 (1999)

[33] Section 27 of the Trade Competition Act B.E.2542 (1999)

[34] The Office of the Consumer Protection Board (OCPB), *available at* http://123.242.175.89/office/consumerprotection/%A4%D9%E8%C1%D7%CD%E2%A6%C9%B3%D2.pdf

such advertisement violates the provisions regarding advertisement and orders to prohibit the use of certain statements or prohibit such advertisement, failing to do so will result in liability under Section 27 and Section 49 respectively.

However, there is another issue to be considered whether the search engine service provider, as an intermediary, shall be liable for misleading conduct under Section 22 and 47 or not. It is obvious that the person who shall be liable under Section 47 must have an intention to cause the misunderstanding. The fact that search engine service provider is not the one that chooses the 'keyword' for its customers, it is just an advertising channel and therefore should not be liable under Section 47 of the Consumer Protection Act. Nevertheless, if such search engine service provider becomes aware of that misleading conduct by being ordered to restrain or remove such advertisement and fails to comply with the Committee's order, then it would be liable under Section 27 and Section 49. However, as an advertising media, it shall be liable for one-half of the penalty provided for the offense, pursuant to Section 50 of the Consumer Protection Act.

On the other hand, under the scenario where the advertiser purchases, as a keyword the proprietor's trademark or the combination of proprietor's trademark and the word 'imitation', 'copy' or any other words which have the same meaning, when the internet users search for such keyword, the website of advertiser which offered the imitation goods for sale will appear in response of such keywords, *e.g.* Vuitton Case, I opine that in case the consumer might not be misled in the origin of product, or mislead to understand that there is a business relationship between those two business operators as it is obvious that the proprietor offers for sale the genuine products, while the advertiser offers for sale the counterfeit goods. Thus, the advertiser shall not be liable for misleading or deceptive conduct under the Thai Consumer Protection Act.

3.2.3 Liability under Civil and Commercial Code

The trade name which is yet to be registered under trademark law can be considered under the Civil and Commercial Code. For avoidance of misleading in trade name, trademark or any other keyword, *i.e.* slogan or catchword, of other business operators, the following provisions under Section 18 of the Thai Civil and Commercial Code ("CCC") might be able to apply to this circumstance.

In the circumstance where the advertisers use the name of their competitors as a search term, the person entitled to that name may demand the advertisers to stop using that name pursuant to Section 18 of the CCC. However, the Supreme Court Judgment ruled that the use of trade name which is prohibited must mislead or be likely to mislead public to misunderstand, in other words, the customer of Google AdWords must use other registered trade name for the same type of goods or services.[35]

Section 18 mainly focuses on the use of a name which does not cover to other catchwords. However, the advertisers need to act in good faith by avoiding use of their competitors' catchword. If the act of advertiser has the purpose of causing injury to its competitors by misleading the consumer that its goods or services are relevant to the competitors and may affect to the competitor's profit, the injured person is able to demand

[35] Supreme Court Judgment No.234/2519

the advertiser to stop causing the damage and claim for compensation, pursuant to Section 5 and Section 421 of the CCC.

3.2.4 Liability under Criminal Code

Section 271 of the Criminal Code rules that selling goods by any fraudulent and deceitful means in order to mislead buyer in the origin source constitutes cheating and fraud Section 272 of the same Code imposes liability for using a name or any wording in carrying on the trade of another person or causing the same to appear on advertisement in order to make the public to believe that it is the goods or trade is the other persons. Thus, a person can be liable for misleading or deceptive conduct, pursuant to Offense relating to trade, under Section 271 and 272 of the Thai Criminal Code.

3.3 Analysis

Further to the provision or directive given above, I would like to suggest all business operators to consider ‘corporate governance’ or ‘good governance’. Corporate governance broadly refers to the plan or policy which the corporation is controlled and directed. At the end of the day, in case the advertisers and search engine service providers are able to escape from liability under any laws, there will be ‘good governance’ that they should follow. It seems unfair for the proprietor that he might put all his effort to make his brand become well-known by other kinds of advertisements, *e.g.* television commercial, radio ads, billboard, etc, including maintaining his business in good reputation and someone just steals the fruit of his hardwork by using the proprietor’s reputation to advertise his or her own products or make profit by consumers’ misunderstandings. Besides, the intermediary or internet search engine service provider, although it does not selects keyword or create the advertisement itself, its service can be counted as supporting or encouraging advertising misconduct. Google should take some responsibility in examining or preventing its customer from using others’ trademark as keywords. However, it will be too much of burden for Google to bear if they have the duty to examine if any ads violate or infringe trademark of others or not. Google can play a passive role for trademarks which are not very famous. That is to say, Google cannot prohibit its customers from purchasing or using this kind of trademark, but Google should take immediate action once it receives of trademark complaint.

Nonetheless, apart from the responsibility of advertiser, advertising businesses, namely Google to avoid misleading and deceptive conduct, the consumers or internet users should be protect their own interests, maximize their own utility and be aware that there is a risk of misconduct by the business operators. It should be noted that internet sources can only be primary sources for internet users to search for some needed information, internet users cannot rely on website and search results provided by internet search engine completely.

Conclusions and Recommendations

Conclusions

According to the rapid development of technology, Google has developed a tool in order to facilitate internet users called “Google’s Internet Search Engine”, which enables the internet users to search for needed information available on the internet by inputting relevant words or phrases and they are provided with the search results which can be in the form of

sponsored link and non-sponsored link. Sponsored links or sponsored ads were created for the advertising purposes, in other word for the business owner or advertiser to bring their products or services to public. This would not be the case if the program is used correctly. Nevertheless, legal issues in these cases arose from the businesses that nominated the names of rival businesses as a search keyword. The questions came to consideration of the court and relevant parties whether it violated the competition and consumer laws, infringed on trademark rights of the proprietors or not, and whether the advertisers and internet search engine service providers should be liable or not.

Recommendations

1. The Trade Competition Act B.E.2542 (1999) should be amended by laying provisions of law governing liability for a person who engages in conduct that is misleading, or deceptive, or is likely to mislead or deceive.
2. The doctrine of contributory infringement should be applied under the laws of Thailand as the provisions currently used are not enough and put too much burden on the plaintiff. For instance, the proprietor has to prove the liability of advertiser first and subsequently hold the internet search engine service providers liable as a co-principal or a supporter, under Section 83 or Section 86 of the Penal Code for criminal claim, or as a co-principal under Section 432 of the CCC for civil claim.
3. YouTube has developed a program which has as ability to automatically detect copyright infringed videos upload on YouTube. Thus, an internet search engine service provider should also take more actions and have a responsibility to examine the relevance between the customers and keywords used in advertisements, especially for well-known marks.
4. In long term development, further to amendment of laws and regulations in order to cover infringement cases that will happen in future, the consumers should take part in preventing of infringement by adjusting their attitude toward intellectual property infringement. If the consumers tend to support and buy authentic products, the counterfeit products will gradually vanish from the market and the merchants offering the fake products for sale will consequently decrease.

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