

# **Intellectual Property Rights Issues On Internet**

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## **I. Domain Name**

### **A. Domain Name Registration**

Currently, the registrations of domain names in Taiwan are handled by TWNIC (Taiwan Network Information Center). TWNIC is a pilot project proposed by Ministry of Education for coordinating services for all networking communities. Presently, the members of TWNIC are composed by the Executive Yuan, Ministry of Economic Affairs, Ministry of Transportation and Communications, National Science Council, Industrial Technology Research Institute, Institute for Information Industry and several universities. This pilot project defines its functions according to APNIC documents and eventually draws a clear line for its services. Based on the nature of the applicants, TWNIC appointed different agencies to handle the registration matters. For instance, "gov" is registered by the Research, Development and Evaluation Commission of the Executive Yuan, "edu" is registered by the Ministry of Education (TANet). "com", "org", "net" registrations for profit-seeking enterprises are registered by the Institute for Information Industry (SeedNet), Chung Hua Telecommunications (HiNet) is handling domain names registrations for individuals.

The registration is on the "first come, first served" basis. A foreign enterprise or organization with ROC representative office or branch may obtain registration on special approval. Presently, one company may only register one domain name.

TWNIC recently proposed to change the organization to a non-profit foundation.

### **B. Domain Name Protection**

There is no specific legislation that relates to protection of domain names. Pursuant to Article 6 of TWNIC Domain Name Registration Guidelines, TWNIC will not determine if the registration of a particular domain name may infringe upon any third party's rights; will not be involved in the legal dispute between the applicant and third party; and will not act as a mediator. In the event of infringement of the rights of any third party (including trademark, servicemark, business name, etc.), the applicant should be responsible to all the damages suffered by the TWNIC or agencies designated by TWNIC (including reputation damage, expenses and relevant litigation expenses) and the applicant should defend on behalf of TWNIC and agencies designated by TWNIC. TWNIC or agencies designated by TWNIC may, upon receiving the notice of a court judgment or a settlement agreement with legal effect, change or cancel the domain name registration.

The ROC trademark office is of the view that if the goods or services involved are identical or similar, such use of the domain name may constitute trademark use and

violate the Trademark Law. The Fair Trade Commission ("FTC"), the semi-judicial government agency in charge of unfair competition practices, is of the opinion that domain name, which is only the address on the net, is different from the trademark. Although FTC has received cases regarding domain names registrations disputes, as of now, they are still studying on this issue.

The possible legal basis may be Articles 20 and 24 of the ROC Fair Trade Law ("FTL").

1. Pursuant to Article 20 of the FTL, an enterprise shall not commit any of the following acts with respect to the goods or services provided by its business operation:

(1) use in an identical or similar manner of the name of another person, the name of a business establishment, a corporate name, trademark, product container packaging, external appearance or other symbol signifying the goods of another persons that are commonly known to the relevant public, if such use causes confusion with goods of any other person, or sale, transport, export or import of goods using such symbols.

(2) use in an identical or similar manner of the name of any other person, the name of a business establishment, a corporate name or other symbols signifying the business or service of another person that are commonly known to the relevant public, if such use causes confusion with the facilities or activities of the business or service of any other person.

Violator of Article 20 of FTL is subject to a maximum three years imprisonment, detention and/or fine. Civil remedies include injunction and monetary damages are available. Also, the FTC may order the said enterprise to discontinue its act or set a time limit for it to take corrective action. In the event the violator fails to discontinue its act or to take corrective action within the given time limit after having been ordered to do so, the FTC may continue to give order and, the said enterprise shall be punished successively by a fine of not exceeding one million New Taiwan Dollars (NT\$1,000,000).

In order to invoke Article 20 of FTL to prevent others from using specific trademark as a domain name and allege the exclusive rights on the name/mark, we need to establish that 1) the mark/name is well-known to the relevant public; and 2) there exists likelihood of confusion.

2. Article 24 of the FTL prohibits an enterprise conduct any deceptive or obviously unfair acts that are sufficient to affect trading order. The trademark owner needs to establish that the use of the mark at issue as domain name for dissimilar goods/services has constituted deceptive or obviously unfair acts. Violator of Article 24 of FTL is only subject to civil liabilities and administrative sanction. FTC or the court may order the violator not to use such domain name.

Since FTC is in the position that domain name may only be deemed as an "address" on the internet. Whether domain name may be considered as trademark or service mark or "symbol signifying the business or service" of a person under Article 20 of the FTL is yet to be determined. Factors as the nature of the site, the popularity of the site, the likelihood of confusion for the visitors to identify the site (The visitors may always leave the site once they enter the undesired sites), the similarity of the goods or services involved, etc. should be considered. FTC is of the opinion that domain name is only a machine language and just an address to locate the site and may not be deemed as trademark or service mark. In addition, since domain name is based on the first come, first serve registration system, the registration system should be respected.

If the services and/or goods involved are identical or similar, the chances of success to invoke Article 24 of the FTL are better.

The ROC Trademark Office permits the registration of a trademark/servicemark containing ".com" as long as the applicant agreed to disclaim the ".com".

## **II. Copyright**

### **A. Hyperlink**

As of now, there is no case concerning the hyperlink dispute. The possible legal basis for resolving hyperlink disputes, depending the nature of the act, may include the following:

#### **(A) Copyright Infringement**

It is possible to constitute copyright infringement at the situation of image link or frame link. Pursuant to the ROC Copyright Law, the copyright owner enjoys the "moral rights" to assure the integrity of the copyrighted works is preserved. However, the right to preserve the integrity of the work's content, form, or title is deemed to have been infringed only if the reputation of the author is damaged. Also, the right of adaptation might be deemed as infringed in the event of image link or frame link. Article 28 of the Copyright Law grants the author the right to adapt his work or to compile his work to a compilation. However, since the reproduction act may not be engaged by the linker and the user may not have knowledge that he has infringed upon the copyright of the linked contents, it might be difficult to allege copyright infringement.

#### **(B) Unfair Competition**

If the purpose of the linker is to increase the value of his site by linking other's site, Article 24 of the Fair Trade Law might be applicable.

### **B. Downloading from Internet**

Taipei District court ruled in a case that downloading works from a network and reproducing them on CD-ROM without the authorization or agreement of the copyright owner constitutes an act of reproduction in violation of the Copyright Law. The court sentenced each of the defendants in the case to seven months in prison and with three year's probation.

The defendants copied news and opinions of others made public on the Taiwan Academic Net (TANet) over a certain period of time without permission from the copyright owners and reproduced the material for use in a CD-ROM accompanying a monthly periodical published by the defendants' company with the intent of making a profit. The court stated that works published in serial form on electronic bulletin boards on a network are also protected by the Copyright Law. Reproduction of such works, except in accordance with the provisions of the Copyright Law, is an infringement of copyright. The defendants, motivated by a desire for profit, reproduced on CD-ROM in its entirety (as opposed to reporting on or discussing) a work published by the plaintiff on the TANet. The CD-ROM was sold along with the monthly periodical rather than used for research, education, or other proper purposes. Reproduction of the work in its entirety could hardly be deemed to fall within the scope of fair use. The defendants raised the defenses of fair use and implied consent. The court did not accept them. Pursuant to the ROC Copyright Law, the copyright owner may authorize another person to use his work. If the authorization is unclearly defined in the agreement, it shall be presumed that no authorization to such unclear portions has ever been made. Therefore, the act of the copyright owner to place his own copyrighted work on Internet will not constitute an implied license for other persons to reproduce it.

### **C. Copyright Infringement and Fair Use**

No specific provision is related to the "fair use" for copyrighted work on internet. The copyright office is conducting study concerning amendment to the Copyright Law for dealing with Internet issue. No specific provision under the current Copyright Law may be directly applied to resolve the issues on Internet. Whether "fair use" may be applied to the acts on Internet will be determined on a case by case basis. The recently amended Article 65 of the Copyright Law specifically stipulates that "fair use" will not constitute copyright infringement. When invoking fair use defense, the following factors should be considered as criteria for determination:

1. The purpose and nature of the use, including whether such use is of a commercial nature or is for nonprofit education purposes;
2. The nature of the work
3. The amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

4. The effect of the use upon the potential market and current value of the work.

#### **D. Jurisdiction**

According to a recent interpretation of the Department of Justice, the ROC court should have jurisdiction over the crime committed in ROC or the result of the crime occurred in the ROC. It is possible that the ROC may deem that offering infringing pictures (as defined under the ROC Copyright Law) in one country constitute infringement in the ROC.