

CloudMile Inc.

1481st Commissioners' Meeting (2020)

Case: CloudMile violated the Fair Trade Law by posting false Cloud service advertisements

Keyword(s): False advertisement, the only one in Asia

Reference: Fair Trade Commission Decision of March 25, 2020 (the 1481st Commissioners' Meeting); Disposition Kung Ch'u Tzu No.109019

Industry: Data Processing, Hosting and Related Activities (6312)

Relevant Law(s): Article 21 of the Fair Trade Law

Summary:

1. The FTC received complaints about CloudMile Inc. (hereinafter referred to as "CloudMile") claiming on its company website and Facebook fan page that it was an "official Google Premier Partner and the only strategic partner of Google in Asia who adopts the core technology of Google as the foundation to offer Cloud products and services by using the Google Cloud Platform." False advertising was suspected.

2. Findings of the FTC after investigation:

CloudMile expressed the claim of "the only strategic partner of Google in Asia who adopts the core technology of Cloud as the foundation" was meant to emphasize the company focused on the core technology of Google and did not market the Cloud service products of other companies. The Cloud services of existing competitors on the market were either based on Amazon Web Services or using related technologies of Google Cloud to offer a variety of services, instead of focusing on Google Cloud.

3. Grounds for disposition:

(1) CloudMile advertised itself as "the only strategic partner of Google in Asia who adopts the core technology of Google Cloud as the foundation." It gave people the impression that there were no other Google Premier Partners in Asia adopting the core technology of Google Cloud as their foundation to offer Cloud products and services through the Google Cloud Platform.

(2) Although CloudMile asserted the claim in question by no means suggested that other strategic partners did not adopt the core technology of Google cloud as their foundation. It was simply to emphasize the company's only focus is the core technology of Google Cloud and did not market the Cloud service products of other companies. As for the wording that the Cloud services offered by existing competitors on the market did not specialized in Google Cloud, the FTC's investigation showed that, to the contrary, there were at least two other competing companies that also adopted the core technology of Google Cloud to offer their Cloud products and services through the Google Cloud Platform. Apparently, this investigation result made the claim of CloudMile groundless. Therefore, it was a false and misleading representation in violation of Article 21(1) of the Fair Trade Law.

(3) After assessing CloudMile's business income from the unlawful act, the motive behind the conduct, the management condition and market status of the company,

the number of violations in the past, the level of remorse after the violation, and the degree of cooperativeness throughout the investigation, the FTC cited the first section of Article 42 of the Fair Trade Law and imposed an administrative fine of NT\$100,000 on the company.

Appendix:

CloudMile Inc.'s Uniform Invoice Number: 52666982

Summarized by: Hsu, Tzung-Yu; Supervised by: Chen, Jen-Ying