Lord of the Files: International Secondary Liability for Internet Service Providers

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I. Introduction

How responsible are those who provide Internet services for the actions of those who use those services? With Internet companies expanding beyond national borders and user-generated content now a

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1. See Reshma Kapadia & Russell Pearlman, Where to Invest in 2011, WALL ST. J.,  
700304.html (last visited Mar. 2, 2011) (listing continuing global expansion as a reason to

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substantial portion of Internet content, the international legal community is facing new issues of the legality of Internet behavior. One of those issues is assigning legal liability when copyright-infringing content appears on the Internet.

An example may best explain this problem. A YouTube subscriber named Ayn R. is a fan of *The Colbert Report* on Comedy Central. In fact, she is such a fan that her user name is "colbertroxmysox," and she uploads digital recordings of the show onto her YouTube account. As she does not have permission from Comedy Central or its parent company to do so, this is a violation of copyright. These illegal copies sit on YouTube along with others and get many hits from other Colbert fans. One or two users "flag" them as inappropriate, but they remain on the site. Eventually, an employee of Comedy Central finds the videos while searching for Comedy Central content on YouTube. The company sends YouTube's designated agent a list of copyright-violating videos, including identifying information such as the URLs of the offending content, among which are Ayn’s uploads of *The Colbert Report*. YouTube removes the videos and sends Ayn an email informing her that she has violated her user agreement with YouTube and if she gains two more "strikes" her account will be terminated. Ayn creates a new account under the name "ColbertrulesCCdrools" and resumes uploading *The Colbert Report*.

The problem is deciding at what point, if ever, in this list of events liability should attach to YouTube for Ayn's action. This Note explores the international legal landscape created by the variety of answers that courts in different countries have provided when copyright holders have asked that question. This Note also will argue that an international standard for secondary liability would be both possible and beneficial.

The appearance of illegal copies of copyrighted material online is an acknowledged problem, with industry trade organizations estimating that a substantial amount of internet traffic involves pirated material, including as

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3. See Viacom Int’l Inc. v. YouTube, Inc., 718 F. Supp. 2d 514, 527–28 (S.D.N.Y. 2010) (quoting YouTube’s policy as termination of a user’s account once that user receives three "strikes" for uploading infringing content). Strikes are prompted by content holders sending a takedown notice regarding the content to YouTube. Id.; see also infra note 66 and accompanying text (pointing to the statutory provision that requires and details the components of the takedown notice).
much as 95% of all downloaded music. Some commentators have questioned whether media industries and the trade federations they control inflate the numbers, but not the basic premise that illegal content is common online. At the same time, user-generated content is becoming a greater part of the Internet landscape. User-generated content is the addition of creative and editorial content to online sites and resources by people who have traditionally been considered "users." In other words, it is the breakdown of the barrier between professional and amateur content. The musings of Tumblr.com users, the crowd-sourced editing of the online encyclopedia Wikipedia.com, and the videos uploaded to YouTube.com are all examples of user-generated content.

The growth of content processed outside the barriers of gatekeeper media has not been without problems. Among those problems have been
the increasing ease with which users can add copyrighted material and the prevalence with which such additions have occurred. The disseminated nature of the problem makes legal action more difficult as it is rarely of economic practicality to go after individual users for the infringement.

The economic difficulty of pursuing individuals for posting infringing content has led to copyright holders seeking legal remedies from the companies that provide the platform for posting content: Internet Service Providers (ISPs). These efforts have primarily hinged on the concept of secondary liability, a doctrine spawned from the tort concept of master-servant relationships that would essentially hold the ISP liable for not stopping the infringing use of its services by users. Secondary liability divides into two types: (1) vicarious infringement and (2) contributory infringement. Vicarious liability generally attaches to defendants when they: (1) possess the right and ability to supervise the infringing conduct of the direct infringer and (2) have a direct financial interest in the exploitation of the copyrighted materials. The related contributory infringement attaches when defendants: (1) have knowledge of the infringing activity or (2) induce, cause, or materially contribute to the infringing conduct of another.

11. See Alan Braverman & Terri Southwick, The User-Generated Content Principles: The Motivation, Process, Results and Lessons Learned, 32 Colum. J. L. & Arts 471, 471 (2009) (“The threat [to copyright owners] is that a good percentage of the most heavily-viewed user-posted content is infringing.”).


13. See Mellville B. Nimmer, Liability of Online Service Providers, 3-12B Nimmer on Copyright § 12B.01 (2010) (pointing out that content owners like the ability to pursue liability against ISPs because they tend to have "deep[er] pocket[s]" than individual users and "the primary actor may often be unknown or not meaningfully amenable to suit").

14. Id. § 12.04 (describing how a series of cases have imposed secondary liability under the Copyright Act despite the act itself not making the doctrine explicit); see also Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417, 428 (1984) (discussing damages in the context of the "nonstatutory tort of contributory infringement").

15. See Nimmer, supra note 13, at § 12B.01 (describing the concept of the two types of secondary liability).

16. See MGM v. Grokster, 545 U.S. 913, 930 n.9 (2005) ("In the present case MGM has argued a vicarious liability theory, which allows imposition of liability when the defendant profits directly from the infringement and has a right and ability to supervise the direct infringer, even if the defendant initially lacks knowledge of the infringement.").

17. See id. at 927 ("[D]istribution of a commercial product capable of substantial noninfringing uses [can] not give rise to contributory liability for infringement unless the distributor had actual knowledge of specific instances of infringement and failed to act on
How and when to assign secondary liability is problematic given the extent to which websites that rely heavily on user-generated content have expanded beyond U.S. borders.\(^\text{18}\) Involvement in the international market has resulted in uncertainty regarding the international application of the secondary liability principle for companies serving multiple countries. Although an American court ruled in 2010 that YouTube does not have liability for copyright infringing videos that users upload to the site,\(^\text{19}\) the issue has split European courts,\(^\text{20}\) including a German court that ruled YouTube would face secondary liability in a substantially similar case.\(^\text{21}\)

This Note evaluates the current state of international law on secondary liability, using lawsuits against the American-based company YouTube as a lens. YouTube is a helpful lens because of both the number of recent cases filed against it and its business model. YouTube operates as a conduit for user-generated content, making it particularly helpful for exploring issues of secondary liability. Part II briefly explains the current state of international law in this area. Part III explains the United States’ choice to interpret and expand beyond the current international copyright requirements when passing the Digital Millennium Copyright Act and how that resulted in the American court’s treatment of YouTube. Part IV explores how the European Union and various Member States have
addressed secondary liability within the confines of international law and the resulting variety of rulings across those Member States. Finally, Part V presents a plan for how the international community can foster greater certainty for international businesses by clarifying the requirements for secondary liability of ISPs.

II. International Copyright Law and the WIPO

International intellectual property standards are governed by multilateral treaties, the most wide-reaching of which are the Berne Convention and the Paris Convention. The World Intellectual Property Organization (WIPO) grew out of a need to have an administrator of these essential international intellectual property treaties. The WIPO’s antecedents trace back to the Bureaux Intenationaux réunis pour la protection de la proprété intellectuelle (BIRPI), established under the supervision of the Swiss shortly after the two conventions took effect. The Stockholm Conference of 1967 established the WIPO as a formally independent international organization, and it became a specialized agency of the United Nations in 1970. The WIPO has 184 member states, including the world’s major economic players.

The WIPO’s stated purpose is “developing a balanced and accessible international intellectual property (IP) system, which rewards creativity, stimulates innovation and contributes to economic development while safeguarding the public interest.” The organization primarily functions as

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23. See id. at 35–36 (explaining how the Berne and Paris Conventions are the two treaties with the most signatory countries in the world).


26. See id. at 24 (explaining that two of the primary motives for the move to specialized agency status was the universalization of law and the encouragement of participation by developing countries).

27. See WIPO, Member States, http://www.wipo.int/members/en/ (last visited Mar. 2, 2011) (listing more established countries such as the United States, France, and Germany as well as countries like China that are gaining economic power) (on file with the Washington and Lee Law Review).

"the chosen forum for negotiating further extensions to the global governance regime for intellectual property." In recent years the World Trade Organization has taken over most direct enforcement of international, multilateral treaties regarding copyright under the Trade Related Aspects of Intellectual Property Rights (TRIPs) agreement. The WIPO and WTO agreed to work in collaboration with the WIPO providing technical assistance to the WTO. In addition to that work, the WIPO plays an active role in providing models for national law. The WIPO provides assistance to developing countries in creating intellectual property systems and helps countries modernize existing legal infrastructure.

In the 1980s it became clear that the growth in new technology would require corresponding change in international copyright agreements. Discussion of possible updates to the Berne Convention began when the WIPO Governing Bodies convened a committee to investigate the possibility in 1989. The negotiation and drafting of the treaty took seven years and included the participation of representatives and experts from the member states. The differing interests of the member states, in particular the difference in positions between developing and industrialized countries, created difficulties in finishing the treaties at the Diplomatic Conference to finalize them in 1996.

29. MAY, supra note 25, at 36.
30. See id. ([A]fter the establishment of the WTO with the TRIPs agreement as one of its key elements the WIPO’s direct governance activities were circumscribed.
32. See id. (describing the resources the WIPO provides to developing countries).
34. See LEWINSKI, supra note 24, at 431–32 (explaining the development of the "internet treaties" and their relationship to the growth of the "digital agenda" and related technology).
35. Id. at 429.
36. See id. at 429–40 (detailing the various steps in the process of creating the treaties).
37. See id. at 440 ("This diversification of interests and coalitions regarding different issues rendered the negotiations particularly complex.").
In 1996, the WIPO ultimately adopted the two treaties intended to address problems arising with the growth of the Internet: the WIPO Copyright Treaty (WCT) and the WIPO Performers and Phonographs Treaty (WPPT). Both treaties contain specific provisions protecting copyright owners’ right to control “communication to the public.” Scholars generally interpret these provisions as protecting control over distribution via the Internet. Both treaties are also clear that member states should honor copyright holders’ use of digital protection technology, particularly mentioning digital forms of broadcasting. Article 12 of the WIPO Copyright Treaty requires that the parties “provide adequate and effective legal remedies against any person knowingly performing any of the following acts knowing, or with respect to civil remedies having reasonable grounds to know, that it will induce, enable, facilitate or conceal an infringement of any right covered by this Treaty or the Berne Convention . . . .” A substantially similar provision appears in the WPPT. Domestic law still controls the effect these treaties have on the


41. See WCT, supra note 39, art. 8 (“[A]uthors of literary and artistic works shall enjoy the exclusive right of authorizing any communication to the public of their works, by wire or wireless means . . . .”); see also WPPT, supra note 40, art. 14 (“Producers of phonograms shall enjoy the exclusive right of authorizing the making available to the public of their phonograms, by wire or wireless means . . . .”).

42. See, e.g., DINWOODIE ET AL., supra note 22, at 559 (discussing the meaning of the WCT and WPPT provisions).

43. WCT, supra note 39, art. 12. The acts in question were "to remove or alter any electronic rights management information without authority" or "to distribute, import for distribution, broadcast or communicate to the public, without authority, works or copies of works knowing that electronic rights management information has been removed or altered without authority." Id. The article further clarified:

As used in this Article, ‘rights management information’ means information which identifies the work, the author of the work, the owner of any right in the work, or information about the terms and conditions of use of the work, and any numbers or codes that represent such information, when any of these items of information is attached to a copy of a work or appears in connection with the communication of a work to the public.

Id.

44. See WPPT, supra note 40, art. 19 (containing the same wording other than
practical enforcement of copyrights. This is important to remember when considering how the treaties impact law. Member states must implement WIPO treaties for them to take effect.

Likely because of the difficulty and necessity of gaining consensus among parties when negotiating treaties, both the WCT and WPPT contain a high level of flexibility and thus can create uncertainty in terms of how member states choose to protect the rights they encompass. Some issues raised by the emergence of the digital environment could not gain the consensus needed in the negotiation of the WCT and the WPPT to make it into the finalized treaties or had not yet risen to the level of international recognition necessary for the drafters to consider them. Among the issues not covered was secondary liability for ISPs, leading to varying international legal approaches. This level of uncertainty in the determination of liability has created problems for Web 2.0 companies whose Internet presence crosses international borders.

replacing references to work/author/owner of rights with references to performance/performer/producer as needed).

45. See DINWOODIE ET AL., supra note 22, at 559 (noting that individual countries make the final decision about how they implement the treaties).

46. See id. at 562–63 (discussing the implementation issues of the WIPO treaties).

47. See id. at 559 (pointing out the inherent flexibility provided to individual countries to create laws "appropriate to their particular circumstances").

48. See LEWINSKI, supra note 24, at 482–86 (detailing the discussed provisions that did not make it into the finalized treaties). These provisions included two requiring changes to the licensing structures of mechanical recordings and for broadcasting. Id. at 483. A proposal for defining "rental" with respect to neighboring rights was also rejected. Id. at 484. The delegation chose not to add online publication to the Berne Convention’s protections. Id. Finally sui generis protection of databases never made it into the treaty because of time constraints on the negotiations. Id. at 486.

49. See DINWOODIE ET AL., supra note 22, at 562–63 (comparing the approaches of the United States and Australia).


51. See id. ("Differing approaches to ISP liability can generate uncertainties [as to the applicable secondary liability principles].").
III. Specificity in Secondary Liability Legislation and Results

In the United States, Congress chose to enact comprehensive legislation to update American copyright law for the new digital age. This legislation went beyond the provisions required to fulfill its obligations under the WIPO treaties to include law regarding the extent of secondary liability for ISPs. In applying these statutes, U.S. courts have concluded that ISPs will not face secondary liability under U.S. law providing the ISPs comply with the statutory procedures for removing infringing content from their services.

A. Implementation in the United States: The DMCA and Its Application

The U.S. Congress implemented the WIPO treaties in the United States as part of the Digital Millennium Copyright Act (DMCA). Though the treaties provided the impetus for the statute, the DMCA also contained provisions beyond those needed for implementation and updated the Copyright Act of 1976 to handle the new challenges of computer technology. Many consider the DMCA one of the stricter implementation structures of the treaty requirements. This is perhaps not surprising given that U.S. representatives pushed for treaties that would grant more protection to copyright owners.

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52. See infra notes 55–60 and accompanying text (describing the DMCA’s provisions and origins).
53. Infra note 58 and accompanying text.
54. See infra notes 76–82 and accompanying text (explaining the district court’s decision in Io Group v. Veoh); infra notes 83–118 and accompanying text (explaining the district court’s decision in Viacom v. YouTube).
57. See id. (explaining the steps Congress took in the 1980s and 1990s in response to changes in technology).
58. See, e.g., CHRISTOPHER MAY, DIGITAL RIGHTS MANAGEMENT: THE PROBLEM OF EXPANDING OWNERSHIP RIGHTS 50 (2007) (noting that "the protections enshrined in US legislation go beyond even those measures actually required by their multilateral treaty commitments").
59. See Bill Herman & Oscar Gandy, Jr., Catch 1201: A Legislative History and Content Analysis of the DMCA Exemption Proceedings, 24 CARDOZO ARTS & ENT. L.J. 121, 130–31 (2005) (describing the efforts of Patent Commissioner Bruce Lehman to convince the international community to create a version of the WCT and WPPT treaties that more
Congress indicated that it did not want the effort to protect copyright owners to go so far that it might chill Internet expansion and improvement of services.\textsuperscript{60}

In keeping with the desire to protect innovation, the DMCA offers a "safe harbor" provision that protects websites and web providers from secondary liability for copyright violations performed by subscribers on their network.\textsuperscript{61} In order to qualify for this protection, a company must meet the statutory definition of a service provider, defined as "an entity offering the transmission, routing, or providing of connections for digital online communications, between or among points specified by a user, of material of the user’s choosing, without modification to the content of the material as sent or received."\textsuperscript{62} Though the question of interpreting this part of the statute has yet to reach the Supreme Court, a variety of lower courts have been consistent in interpreting it broadly beyond the conventional, colloquial definition of service provider—a company that provides access to the Internet.\textsuperscript{63} The safe harbor also requires that: (1) the qualified service provider not have "actual knowledge" of the infringing material,\textsuperscript{64} (2) the service provider not get a direct financial benefit from having the infringing material on its website,\textsuperscript{65} and (3) the service provider comply with any takedown notices provided by the content owners and do so in expeditious manner.\textsuperscript{66} If the service provider fails to meet any one of these requirements, it forfeits the protections of the safe harbor.\textsuperscript{67}

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\textsuperscript{60}See \textit{The Senate Committee on the Judiciary Report, S. REP. NO. 105-190}, at 8 (1998) [hereinafter Senate Report] (expressing concern that "without clarification of their liability, service providers may hesitate to make the necessary investment in the expansion of the speed and capacity of the Internet").
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\textsuperscript{62}Id. § 512 (k)(1)(A).
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\textsuperscript{63}See \textit{ALS Scan, Inc. v. RemarQ Cmtys., Inc}, 239 F.3d 619, 626 (4th Cir. 2001) (indicating that a newsgroup website would fall under the definition); \textit{see also} Corbis Corp. v. Amazon.com, Inc., 351 F. Supp. 2d 1090, 1100 (W.D. Wash. 2004) (finding that Amazon.com fits within the definition); \textit{Perfect 10, Inc. v. Cybernet Ventures, Inc.}, 213 F. Supp. 2d 1146, 1175 (C.D. Cal. 2002) ("For the moment, however, the Court will assume that Cybernet is a ‘provider of online services’ as defined in section 512(k).”); \textit{Hendrickson v. eBay, Inc.}, 165 F. Supp. 2d 1082, 1087 (C.D. Cal. 2001) ("[E]Bay clearly meets the DMCA’s broad definition of online ‘service provider.’").
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\textsuperscript{64}17 U.S.C. § 512 (c)(1)(A) (2008).
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\textsuperscript{65}Id. § 512 (c)(1)(B).
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\textsuperscript{66}Id. § 512 (c)(1)(C).
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\textsuperscript{67}Id. § 512.
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Congress did not intend for this protection to cover providers who intentionally allowed infringing content and indicated that a "red flag test" would be applied—infringing activity that would be apparent to a "reasonable person" could cause a service provider to lose the protections of the statute.68. This test is harder to meet than might initially be apparent, as Congress clarified that communication of copyright violations to the service provider by the copyright holder would not terminate the safe harbor unless the format of the notification complied with the statute.69. In addition, Congress specified that courts should not apply the red flag test in a way that would "create a disincentive to the development of directories which involve human intervention."

The attitude exemplified by the DMCA provisions was in keeping with larger philosophies of infringement liability, such as the Supreme Court holding in Metro-Goldwyn Mayer Studios, Inc. v. Grokster, Ltd.,71 that "one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties."72. The companies in Grokster had attempted to avoid liability by arguing that the software programs in question had substantial non-infringing uses.73. The Court found the argument unconvincing and concluded that passing one test regarding secondary liability did not preclude liability under other evidence, in this case intent to cause infringing use.74. The case is instructive in that it establishes that the

68. See Senate Report, supra note 60, at 44 ("[I]f the service provider becomes aware of a 'red flag' from which infringing activity is apparent, it will lose the limitation of liability if it takes no action."); see also The House Committee on Commerce Report, H.R. REP. No. 105-551, at 53 (1998) [hereinafter House Report] (listing an identical quotation).

69. See id. at 54 ("[N]either actual knowledge nor awareness of a red flag may be imputed to a service provider based on information from a copyright owner or its agent that does not comply with the notification provisions of subsection [512](c)(3), [and] . . . the limitation of liability set forth in subsection (c) may still apply.").

70. Id. at 58.

71. See MGM Studios, Inc. v. Grokster, Ltd., 545 U.S. 913, 919 (2005) (holding that the defendants were liable for Grokster users illegally sharing files using the Grokster software because the defendants had created the software with that purpose in mind and actively encouraged that type of activity on the part of the users).

72. Id.

73. See id. at 933 (noting the company’s argument that the Court should decide the case based on the doctrine that it had established in Sony Corp. of America v. Universal City Studios, Inc.); see also Sony Corp. of Am. v. Universal Studios, Inc., 464 U.S. 417, 425 (1984) (concluding that because the device was capable of "substantial non-infringing use" Sony would not be liable for customers using it to infringe copyright).

74. See MGM, 545 U.S. at 934 ("This view of Sony, however, was error, converting
Supreme Court is willing to apply liability where companies intend for infringement to occur and encourage such infringement. As Part III.B demonstrates, Viacom attempted to use this theory of liability to work around the protections afforded YouTube by the DMCA safe harbor provision but was ultimately unsuccessful.\textsuperscript{75}

One of the first tests of the safe harbor provision came in the case \textit{Io Group, Inc. v. Veoh Networks, Inc.}\textsuperscript{76} Though this district court case is not cited in \textit{Viacom v. YouTube}, there are parallels in the reasoning behind applying the safe harbor provision of the DMCA in both cases. \textit{Io Group} sued Veoh when it discovered user-uploaded clips from its adult films on Veoh’s website.\textsuperscript{77} The uploading of the clips violated Veoh’s Terms of Use,\textsuperscript{78} and \textit{Io Group} did not notify Veoh of the infringing videos.\textsuperscript{79} The court concluded that Veoh qualified for protection from damages liability under the DMCA safe harbor provision and that the injunctive relief the plaintiffs could still seek was moot because Veoh had already taken down the clips as part of its decision not to allow pornography on its site.\textsuperscript{80} In rejecting the plaintiff’s argument for vicarious liability, the court noted that "the plain language of section 512(c) indicates that the pertinent inquiry is not whether Veoh has the right and ability to control its system, but rather, whether it has the right and ability to control the infringing activity."\textsuperscript{81} Like the \textit{Viacom} court, the \textit{Veoh} court roundly rejected an interpretation of the DMCA that would require the service provider to change its business

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  \item \textsuperscript{75} See infra note 116 and accompanying text (determining that there was insufficient evidence that YouTube encouraged infringing activity to hold the company liable).
  \item \textsuperscript{76} See \textit{Io Group, Inc. v. Veoh Networks, Inc.}, 586 F. Supp. 2d 1132, 1154 (N.D. Cal. 2008) (concluding that the plaintiff had not "raised a genuine issue of material fact that Veoh had the right and ability to control the alleged infringing activity on Veoh.com").
  \item \textsuperscript{77} See \textit{id.} at 1136–37 (describing the origins of the lawsuit).
  \item \textsuperscript{78} See \textit{id.} at 1137 ("[Y]ou may not publish or make available any User Material that constitutes an infringement of third party intellectual property rights, including rights granted by U.S. copyright law, or that otherwise violates the Acceptable Use Policy.") (citations omitted).
  \item \textsuperscript{79} See \textit{id.} at 1137 ("When it discovered the presence of the allegedly infringing files, Io did not tell Veoh that it believed its copyrights were being violated.").
  \item \textsuperscript{80} See \textit{id.} at 1141 ("[T]his court concludes that Veoh is eligible for safe harbor protection from damages and, further, that the limited injunctive relief provided under the DMCA is moot.").
  \item \textsuperscript{81} \textit{Id.} at 1151.
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structure in order to hunt down independently any and all infringing videos that might appear on its website.82

B. Liability in Viacom International Inc. v. YouTube, Inc.

In 2010, the Southern District of New York filed a decision in Viacom International Inc. v. YouTube, Inc., granting summary judgment to YouTube.83 The dispute arose from the presence of content owned by Viacom and its subsidiaries on YouTube.84 As the court noted in the opinion, YouTube has a designated agent in charge of receiving and responding to copyright violation notices, and YouTube takes down clips for which the site receives DMCA takedown notices.85 Likely because of YouTube’s practice of complying with takedown notices as instructed in the DMCA,86 Viacom chose to challenge YouTube’s compliance with other requirements of the DMCA’s safe harbor provision, arguing that YouTube promoted and encouraged infringing use of its services87 and that YouTube had actual knowledge of the infringing use and did not respond in an expeditious manner.88

The court was unconvinced and in ruling on the defendants’ motion for summary judgment stated the issue:

82. See id. (rejecting the plaintiff’s “not-so-subtle suggestion that, if Veoh cannot prevent infringement from ever occurring, then it should not be allowed to exist”).

83. See Viacom Int’l Inc. v. YouTube, Inc., 718 F. Supp. 2d 514, 529 (S.D.N.Y. 2010), appeal docketed, No. 10-3270 (2d Cir. Aug. 11, 2010) (ruling that YouTube was not liable for content posted by users in violation of copyright as long as YouTube complied with the required DMCA takedown provisions).


85. See Viacom, 718 F. Supp. 2d at 519 ("However, defendants designated an agent, and when they received specific notices that a particular item infringed a copyright, they swiftly removed it. It is uncontroverted that all the clips in suit are off the YouTube website, most having been removed in response to DMCA takedown notices.").

86. See supra note 66 and accompanying text (describing service providers’ responsibility to comply with takedown notices sent by content owners).

87. See Complaint, supra note 84, at 3 ("Defendants actively engage in, promote and induce this infringement.").

88. See id. at 3–4 (arguing that YouTube knew that there was widespread infringement on its site and both chose not to take "reasonable precautions" and purposely made it difficult for content owners to locate infringing material); see also supra note 64 and accompanying text (noting that actual knowledge of infringing material can remove a service provider from the protection of the safe harbor provision).
Thus the critical question is whether the statutory phrases "actual knowledge that the material or an activity using the material on the system or network is infringing," and "facts or circumstances from which infringing activity is apparent" in § 512(c)(1)(A)(i) and (ii) mean a general awareness that there are infringements (here, claimed to be widespread and common), or rather mean actual or constructive knowledge of specific and identifiable infringements of individual items.89

In the opinion, the court placed great emphasis on the legislative intent behind the language of § 512.90 It began with a discussion of legislative history, quoting the intent of the legislators that "by limiting the liability of service providers, the DMCA ensures that the efficiency of the Internet will continue to improve and that the variety and quality of services on the Internet will continue to expand."91 The court pointed out—with accompanying quotations—the "almost identical language" used by both reports to "describe the DMCA’s purpose and structure . . . ."92 The opinion also pointed to descriptions of the safe harbors as not intended to designate the activity as non-infringing but rather to limit the liability for that activity where appropriate.93

In the reports, the legislators specified that actual knowledge is not necessarily confined to notification from content owners.94 They also suggested that knowledge that infringing material exists on the system or network does not constitute actual knowledge.95 The court interpreted the

90. See id. at 519–24 (quoting extensively from the discussion of the proposed law in the Senate Committee on the Judiciary Report and the House Committee on Commerce Report).
91. Id. at 519 (quoting the Senate Report, supra note 60, at 8).
92. Id. at 520.
93. See id. ("As provided in subsection (k), section 512 is not intended to imply that a service provider is or is not liable as an infringer either for conduct that qualifies for a limitation of liability or for conduct that fails to so qualify." (quoting Senate Report, supra note 60, and House Report, supra note 68)). "Rather the limitations of liability apply if the provider is found to be liable under existing principles of law." Id. (quoting Senate Report, supra note 60, and House Report, supra note 68).
94. See id. ("A service provider wishing to benefit from the limitation on liability . . . must ‘take down’ or disable access to infringing material . . . of which it has actual knowledge or that meets the ‘red flag’ test, even if the copyright owner or its agent does not notify it of a claimed infringement." (quoting Senate Report, supra note 60, at 45)).
95. See id. at 521 ("[The law] requires that the copyright owner or its authorized agent provide the service provider with information reasonably sufficient to permit the service provider to identify and locate the allegedly infringing material.").
available judicial history as indicating that the use of the phrase "actual knowledge" in § 512 "describe[s] knowledge of specific and identifiable infringement of particular individual items. Mere knowledge . . . is not enough."96 In the court’s view, to impose responsibility on providers "to discover which of their users’ postings infringe a copyright would contravene the structure and operation of the DMCA."97 This idea holds true even when the provider may know that such infringement is prevalent.98 The court interpreted the DMCA placing the burden of policing content on copyright owners as logical given that the service platforms in question contain both infringing and non-infringing works and submission methods can make it difficult to determine which is which.99 Simply put, the DMCA does not require affirmative action by the service provider.100

This interpretation is consistent with prior judicial authority. In a case before the Ninth Circuit involving a service provider hosting websites whose names indicated their infringing content, that court announced, "We impose no . . . investigative duties on service providers."101 In deciding a similar case, a California District Court interpreted the Ninth Circuit’s decision as an indication that "facts and circumstances" are not red flags if they would require investigation in order to determine whether infringement is present.102 The court noted that this decision captured "the reason why awareness of pervasive copyright-infringing, however flagrant and blatant, does not impose liability on the service provider" to wit because it "furnishes at most a statistical estimate of the chance any particular posting is infringing . . . ."103

96. Id. at 523.
97. Id. (emphasis added).
98. Id.
99. See id. at 524 ("[T]he infringing works . . . may be a small fraction of millions of works posted by others on the service’s platform, whose provider cannot by inspection determine whether the use has been licensed by the owner, or whether its posting is a ‘fair use’ of the material . . . .").
100. See id. (describing the DMCA’s choice not to require affirmative action as "explicit").
101. Perfect 10, Inc. v. CCBill LLC, 488 F.3d 1102, 1114 (9th Cir. 2007).
102. See UMG Recordings, Inc. v. Veoh Networks, Inc., 665 F. Supp. 2d 1099, 1108 (C.D. Cal. 2009) ("CCBill teaches that if investigation of ‘facts and circumstances’ is required to identify material as infringing, then those facts and circumstances are not ‘red flags.’").
In another case that pre-dates the Ninth Circuit’s decision, a Washington District Court reached a somewhat similar interpretation in *Corbis Corp. v. Amazon.com, Inc.*[^104] When confronted with the question of Amazon’s liability for vendors selling trademark infringing merchandise on their site, the court identified the issue as one of Amazon’s specific knowledge of the activity of the vendors rather than a "general awareness that a particular type of item may be easily infringed."[^105] In *Viacom*, the court pointed particularly to the fact that evidence that red flags may have existed in general did not create liability for Amazon because the plaintiffs did not prove that Amazon chose to ignore the red flags of infringement regarding specific vendors.[^106]

As the court pointed out, this attitude has deep roots in copyright and trademark law.[^107] The Second Circuit followed similar reasoning in the trademark infringement case *Tiffany, Inc. v. eBay, Inc.*[^108] Though a lower court found merit in Tiffany’s allegation that eBay had generalized notice of the possibility that some of the "Tiffany goods" sold by eBay vendors were counterfeit,[^109] the Second Circuit decided that such generalized notice was insufficient for attachment of contributory trademark infringement,[^110] especially given the significant proportion of the goods for sale that were authentic Tiffany merchandise.[^111] Though the trademark claims of that case would not be covered by the DMCA, the *Viacom* court asserted that they

[^104]: See *Corbis Corp. v. Amazon.com, Inc.*, 351 F. Supp. 2d 1090, 1108 (W.D. Wash. 2004) (finding that Amazon did not have liability for vendors using their marketplace service to sell infringing items).

[^105]: Id.

[^106]: See *Viacom*, 718 F. Supp. 2d at 524 ("Other evidence of ‘red flags’ was unavailing, for it ‘provides no evidence from which to infer that Amazon was aware of, but chose to ignore, red flags of blatant copyright infringement on specific zShops sites.’" (quoting *Corbis Corp. v. Amazon.com, Inc.*, 352 F. Supp. 2d 1090, 1108 (W.D. Wash. 2004))).

[^107]: See id. at 523–25 (discussing cases outside the purveyance of the DMCA that have reached similar conclusions regarding when a provider has actual knowledge of infringement).

[^108]: See *Tiffany, Inc. v. eBay, Inc.*, 600 F.3d 93, 107, 109 (2d Cir. 2010), cert. denied 131 S. Ct. 647 (2010) (holding that generalized knowledge such as the appearance of search results for the term "Tiffany" was not sufficient to establish contributory liability for trademark infringement on the part of eBay).

[^109]: See id. at 106 (responding to Tiffany alleging that eBay knew or had reason to know that counterfeits were sold ubiquitously on the site).

[^110]: Id. at 107. Contributory liability is generally narrower under trademark infringement law than it is under copyright infringement law.

[^111]: See id. at 97–98 (estimating that up to 75% of the merchandise listed under "Tiffany" might be counterfeit but a "substantial number" were authentic).
shared a common underlying principle with the YouTube claims: "General knowledge that infringement is ‘ubiquitous’ does not impose a duty on the service provider to monitor or search its service for infringements."\textsuperscript{112}

In his final discussion of applicable case law, the Viacom court differentiated the YouTube case from the Grokster line of cases.\textsuperscript{113} In those cases, the DMCA offered no protection to the defendants because they had actively encouraged copyright infringement on their networks and/or provided services for that purpose.\textsuperscript{114} Though Viacom argued that this line of reasoning should be applied to YouTube,\textsuperscript{115} the court was unconvinced and concluded that the absence of evidence that YouTube actively encouraged infringement combined with their prompt removal of material when notified protected the company from liability.\textsuperscript{116}

Viacom has appealed the ruling to the Second Circuit Court of Appeals.\textsuperscript{117} If that court follows the district court’s reasoning, it seems clear that the standard for "actual knowledge" in applying the DMCA safe harbor provision will be a high one, requiring specific knowledge of individual infringing activity. Given the Second Circuit’s decision in the Tiffany case as well as the prevailing position in American law that the holder of the right has the responsibility of policing for infringement, it is likely that the court will uphold the district court’s decision.\textsuperscript{118}


\textsuperscript{113} See id. at 526 (discussing the line of cases beginning with MGM Studios, Inc. v. Grokster, Ltd.); see also MGM Studios, Inc. v. Grokster, Ltd., 545 U.S. 913, 919 (2005) (assigning liability to the creators of a peer-to-peer file sharing network where they had clearly encouraged users to violate copyright).

\textsuperscript{114} See Viacom, 718 F. Supp. 2d at 525 (explaining why the DMCA either did not come up in the case or did not offer the defendant any protection).


\textsuperscript{116} See Viacom, 718 F. Supp. 2d at 526 (pointing out that even Viacom in its strongest arguments was unable to assert that YouTube existed only to provide an avenue for infringing activity and thus the Grokster analogy was unsuitable).


\textsuperscript{118} See supra notes 108–13 and accompanying text (upholding the ruling in a similar case involving secondary liability for trademark infringement).
IV. Open-Ended Secondary Liability Legislation and Results

The European Union took a different approach to secondary liability and addressed it in a directive to Member States in 2001. The directive lacked the procedural structures of the DMCA and required implementation by Member States to take effect. The applications of the resulting Member State legislation have led to conflicting results in the EU courts.

A. The European Union’s Approach to ISP Liability

Under its power of internal market regulation, the European Union undertook a series of directives in order to bring copyright law in its Member States into compliance with the WIPO Treaties as well as provide needed harmonization of such laws. Directive 2000/31/EC, frequently called the E-Commerce Directive, directly addresses ISP liability.

The E-Commerce Directive grants liability exemptions to passive service providers providing they do not "collaborate" with a user or users...
to undertake illegal acts.\textsuperscript{126} ISPs must also act "expeditiously to remove or to disable access" to any illegal information on "obtaining actual knowledge or awareness of illegal activities."\textsuperscript{127} While the directive does prevent Member States from requiring ISPs to monitor their services for illegal activity,\textsuperscript{128} it specifically allows Member States to impose "duties of care, which can reasonably be expected from [ISPs] and which are specified by national law, in order to detect and prevent certain types of illegal activities."\textsuperscript{129} In many ways, the E-Commerce Directive parallels the DMCA, though its provisions are generally less detailed and explicit.\textsuperscript{130}

The difference in specificity becomes exaggerated when one considers how the European Union Member States implement directives. In the European Union, "directives are binding as to the effect to be achieved but [leave] the choice as to form and method to the Member States."\textsuperscript{131} On a practical level, this means Member States may adopt the directive wholesale, adopt laws that achieve the effect desired, or not adopt it at all, arguing that national laws already achieve the desired effect.\textsuperscript{132} As a result, YouTube commonly argues that EU law offers the same type of "safe harbor" liability exemptions for ISPs as the DMCA when litigating copyright infringement claims in European courts, with varying results.\textsuperscript{133}

\begin{itemize}
\item \textsuperscript{126} See id. art. 44 ("A service provider who deliberately collaborates with one of the recipients of his service in order to undertake illegal acts goes beyond the activities of 'mere conduit' or 'caching' and as a result cannot benefit from the liability exemptions established for these activities.").
\item \textsuperscript{127} Id. art. 46.
\item \textsuperscript{128} See id. art. 47 ("Member States are prevented from imposing a monitoring obligation on service providers . . . with respect to obligations of a general nature . . . .").
\item \textsuperscript{129} Id. art. 48.
\item \textsuperscript{130} Compare id. art. 46 (requiring that ISPs remove discovered illegal content "expeditiously"), with the Digital Millennium Copyright Act, 17 U.S.C. § 512 (c)(1)(C) (2008) (requiring ISPs to remove illegal content when provided with a takedown notice by the content owner that complies with the conditions laid out in the DMCA).
\item \textsuperscript{131} \textsc{Margot Horspool & Matthew Humphreys, European Union Law} 114 (6th ed. 2010); see also Treaty on the Functioning of the European Union, art. 288, 2008 O.J. (C 115) 47 ("A directive shall be binding, as to the result to be achieved, upon each Member State to which it is addressed, but shall leave to the national authorities the choice of form and methods.").
\item \textsuperscript{132} See Horspool & Humphreys, supra note 131, at 114 (explaining the various approaches that Member States may permissibly take regarding an EU directive).
\item \textsuperscript{133} See Eric Pfanner, \textit{You Tube Can't Be Liable on Copyright, Spain Says}, N.Y. \textsc{Times} (Sept. 23, 2010), http://www.nytimes.com/2010/09/24/technology/24google.html?ref =youtube (last visited Mar. 2, 2011) ("While lawyers say the European protections for hosts are generally similar to America's 'safe harbor' provisions in the Digital Millennium Copyright Act, which reduces a host's liability, European courts have offered a range of interpretations.") (on file with the Washington and Lee Law Review).
\end{itemize}
B. Secondary Liability Law: National Interpretations and Applications in Four EU Member States

Four cases considering YouTube’s liability for user copyright infringement that parallel Viacom International Inc. v. YouTube, Inc. have been litigated in France, Spain, Germany, and Italy. All four countries are members of the European Union and thus subject to the E-Commerce Directive. Yet the cases have resulted in widely different decisions. YouTube won in Spain, but the company is still litigating in France. YouTube lost in Germany and Italy, though possibly for very different reasons.

1. France

France implemented the E-Commerce Directive with the passage of the Law on Copyright and Related Rights in the Information Society on August 1, 2006. The legislation closely parallels the E-Commerce Directive in many ways. It specifies that ISPs do not have an obligation to monitor for illegal content, except in cases where judges mandate measures designed to combat incitement to violations of human dignity such as child pornography. French law also includes notice-and-takedown procedures.


135. See infra notes 137–51 and accompanying text (explaining the results in the French and Spanish cases).

136. See infra notes 152–68 and accompanying text (explaining the results in the German and Italian cases and discussing possible explanations for the results).


139. See id. (“Article 6-I-7 of the LCEN does not require of access providers or service providers a general obligation to monitor the information transmitted on their networks nor a general obligation to search out instances of illegal activity.”).

140. See id. at 9 (quoting the legal requirement that a takedown notice include the date of notification, identity and contact information of the complaining party, a description of
In 2008, a music publishing company, SPPF, filed a copyright infringement lawsuit against YouTube that did not go to final judgment because YouTube pulled all SPPF material from its site. In 2009, SPPF filed a second lawsuit, alleging that its material was once again appearing on YouTube without authorization. It has yet to be decided. Though YouTube is still facing litigation in France, other companies have chosen to contract with YouTube to license their content to the company. There is some indication that France is taking an approach to secondary liability for ISPs that offers ISPs more protection: The Court of Appeals of Paris recently overturned a judgment holding that Google had some responsibility for the caching of search results that contained illegal content.

2. Spain

Spain implemented the E-Commerce Directive in 2002 as part of the Law on Information Society Services and Electronic Commerce. The Spanish implementation of the law does provide a "safe harbor" for ISPs, but only to the extent that an ISP does not have "actual knowledge" of

the offending content, and the basis of the complaining party’s rights to the material).

141. See John Hopewell, French Labels Sue YouTube, VARIETY.COM (June 17, 2009), http://www.variety.com/article/VR1118005062?refcatid=16&printerfriendly=true (last visited Mar. 2, 2011) ("SPPF alleges that YouTube is again hosting more than 100 [music videos] made by its members, which YouTube removed from its site after SPPF took legal action against it in 2008.").

142. See id. ("Gaul’s Societe Civile des Producteurs de Phonogrammes en France (SPPF) lodged the suit with Paris superior court Tribunal de Grand Instance, which handles civil offenses . . . .").

143. Id.

144. See Kevin J. O’Brien, Germany Is the Last Holdout in YouTube’s European Music Quest, N.Y. TIMES (Oct. 17, 2010), http://www.nytimes.com/2010/10/18/technology/18euro youtube.html?ref=youtube (last visited Mar. 2, 2011) ("Sacem, the powerful French music copyright group, signed an agreement with Google that allowed YouTube to air French music videos on its site in France through 2012.").


infringing activity where the complainant seeks damages or "awareness" where the complainant seeks an alternate civil remedy.\footnote{See Miquel Peguera, Internet Service Providers' Liability in Spain: Recent Case Law and Future Perspectives, 1 JIPITEC 151, 152 (2010) ("Thus, a two-tiered standard is set forth: lack of actual knowledge for claims other than for damages, and lack of constructive knowledge in case of claims for damages.").}

In 2008, Telecinco, a music publishing company, took YouTube to court for clips of its content appearing on the site.\footnote{S. Juz. Mer. No. 7, 289/2010, Sept. 20, 2010.} The judge in Spain decided in favor of YouTube on Telecinco’s copyright claims, refusing to require that the company monitor users’ uploads and weed out any potentially infringing content.\footnote{See Pfanner, supra note 133 ("A Spanish court on Thursday sided with Google in a dispute with the broadcaster Telecinco, saying Google’s online video-sharing service, YouTube, did not have to screen television clips for potential copyright violations before posting them on the site.").} The judge did say, however, that YouTube could face liability if it did not remove content when informed that it violated copyright.\footnote{See id. ("Like the American court, the judge in Madrid said YouTube was not liable as long as it removed copyrighted material when notified by the rights holder.").} Interestingly, although the cases resulted in very different rulings, the same media conglomerate that owns Telecinco also owns the company that brought an action against YouTube in Italy.\footnote{See id. (noting that Telecinco is owned by the Berlusconi family conglomerate); see also infra note 168 and accompanying text (noting that the same conglomerate owns Mediaset in Italy).}

3. Germany

The E-Commerce Directive was implemented in Germany as part of the 2007 Telemedia Act.\footnote{See Telemediengesetz, Feb. 26, 2007, BGBl. I at 179 (Ger.) ("This Law is designed to implement Directive 2000/31/EC of the European Parliament and the Council of 8 June 2000 on certain legal aspects of information society services . . . "). See generally Gerald Spindler, Study on the Liability of Internet Intermediaries, EUROPEAN UNION COUNTRY REPORT—GERMANY (2007), available at http://ec.europa.eu/internal_market/e-commerce/docs/study/liability/germany_12nov2007_en.pdf (explaining how Germany chose to implement the E-Commerce Directive).} According to the act, Internet service providers do not have an affirmative responsibility to monitor for illegal activity.\footnote{See Telemediengesetz, supra note 152, art. 7 (stating that an ISP, as defined by the Act, is not responsible for monitoring but is still responsible for any requirement to block or remove illegal content arising under other areas of German law).} In secondary liability cases, German courts apply general tort law
principles, and courts have been considering defendants joint tortfeasors if they violated their "duty of care" in cases of "enabled infringement." In Germany, classical singer Sarah Brightman’s representative, joined by Germany’s music royalty group, sued YouTube over the appearance of protected music videos on the website. The 2010 decision of the Hamburg district court refused to grant YouTube the same protections as the courts in the United States or Spain. The court said that asking users if they had the right to post content at the uploading screen was insufficient to insulate YouTube from liability. Nonetheless, the court only imposed liability where the plaintiffs had given YouTube some notice of the presence of copyright violations on the site. Although it remains to be seen whether this approach will survive a possible appeal to a higher court, the decision to require YouTube to take down videos based on any notice of alleged copyright infringement is consistent with the German approach to liability.

4. Italy

Italy enacted the E-Commerce Directive by Legislative Decree No. 70 in 2003. The text of the decree mirrors that of the directive, verbatim in many parts. Italian law does not specify notice-and-takedown procedures for ISPs to follow when illegal content appears on their services.

155. See id. at 234–35 ("In recent decisions, however, the courts rather tend to consider persons who violate a duty of care when enabling infringement as joint tortfeasors.").
156. O’Brien, supra note 144.
157. LG Hamburg, Sept. 9, 2010, 8. Zivilkammer, 308 O 27/09 (Ger.).
159. See Zivilkammer, 308 O 27/09 at ¶ 77 (noting that the court would not impose liability where YouTube did not have "actual knowledge" of the copyright infringement).
160. See supra notes 154–55 and accompanying text (explaining the general approach to secondary liability in Germany).
162. See id. (detailing the provisions of the decree that are verbatim copies of the text of the E-Commerce Directive).
163. See id. at 4 ("There are no specific notice and takedown . . . procedures in place in
In 2008, the media company Mediaset filed a lawsuit for infringement against YouTube because of its content illicitly appearing on the site. The Italian court ruled in favor of Mediaset and ordered YouTube to find and remove all Mediaset content from the site. The Italian court applied what is essentially strict liability to YouTube, a violation of the E-Commerce Directive it chose to implement. Despite the E-Commerce Directive, Italy introduced draft laws in 2010 that would make companies like YouTube responsible for its users’ actions when it comes to copyright infringement. Some have found both the ruling and the proposed law suspicious given that the Italian Prime Minister Silvio Berlusconi’s family has controlling ownership of Mediaset.


166. See supra note 128 and accompanying text (noting that the E-Commerce Directive bars Member States from imposing an obligation on ISPs to monitor their services for infringement).

167. See ISP Cleared of Copyright Infringement, BBC News (Feb. 4, 2010), http://news.bbc.co.uk/2/hi/technology/8498100.stm (last visited Mar. 2, 2011) (“In Italy, meanwhile, the government is proposing new laws which would make video channels such as YouTube directly responsible for copyright infringement if their users upload copyrighted material.”) (on file with the Washington and Lee Law Review); see also YouTube, EU E-Commerce Rules Under Threat, EURATIV.COM (Jan. 27 2010), http://www.euractiv.com/en/infosociety/youtube-eu-commerce-rules-threat/article-189261 (last visited Mar. 2, 2011) (“The European Commission is concerned about a draft Italian law requiring video-sharing platforms such as YouTube to check that user-generated content is lawful before it is posted. Many fear that the move—a clear breach of the E-Commerce Directive—could set a dangerous precedent . . . .”) (on file with the Washington and Lee Law Review).

168. See Jeff Israely, Berlusconi vs. Google: Will Italy Censor YouTube?, TIME.COM (Jan. 22, 2010), http://www.time.com/time/world/article/0,8599,1955569,00.html (last visited Mar. 2, 2011) (“The billionaire Prime Minister just happens to own the country’s only major private television network, which critics say is a conflict of interest much more troubling for the country than any of his private dalliances or verbal faux pas.”) (on file with the Washington and Lee Law Review).
V. Creating Specificity Regarding Secondary Liability in International Law

The differing approaches to secondary liability make it extraordinarily difficult for companies like YouTube to operate internationally. Now is the appropriate time for an international solution to this issue for several reasons. First, a lack of specificity and clarity has had a negative effect on courts attempting to apply the law in this area of liability, creating confusion about when ISPs are liable for their users’ activities. Second, the Internet’s growth since the WCT and WPPT treaties were passed provides a better understanding of how Web 2.0 works and how it interacts with legal structures. Third, safe harbor provisions are the best way to protect the new Internet interactions of Web 2.0. Fourth, the desirability of legal uniformity in an industry as borderless as the Internet means an international response is the best solution to the uncertainty created by the lack of a liability standard.

Both the DMCA and the E-Commerce Directive display intent to protect innovation by providing a safe harbor for companies that serve as conduits for user interaction and user-generated content. The DMCA provides a clear structure, clarified even further by case law, for determining when ISP awareness of infringement is sufficient to trigger liability. The E-Commerce Directive provides for limited liability but lacks clear procedures. As a result, despite the passing of the E-Commerce Directive, uncertainty as to when ISPs are liable for unauthorized user activity has continued in the European Union. This uncertainty can increase costs for new ISPs to enter the market, discourage old ISPs from entering new markets, and dampen support for new innovations in technology related to user-generated content. Kim Walker, a

169. See the case studies in Parts III–IV for a demonstration of how a lack of specificity in the law results in incompatible judicial decisions.

170. See E-Commerce Directive, supra note 124, art. 14 (noting that disparity in Member State law regarding secondary liability of ISPs prior to the passing of the directive had "prevent[ed] the smooth functioning of the internal market"); see also supra notes 60–62 and accompanying text (explaining the U.S. Congress’s concerns and intentions in passing the safe harbor provision of the DMCA); supra notes 124–29 (detailing how the E-Commerce Directive addresses ISP liability).

171. See STERLING, supra note 123, at 547–48 ("In short, section 512 [of the DMCA] provides a legally defined scheme embracing statutory provisions on limitations of liability and related procedures.").

172. See id. at 547 ("[N]o rules are laid down in the Directive as to what constitutes actual knowledge, or how the service provider might obtain it.").

173. See supra Part IV.B (detailing the variation in European court judgments about secondary liability).
partner at the law firm Pinsens Masons in London, explained the problem for companies with global operations when discussing the YouTube case in Spain. She said, "The issue of when a host was liable has been getting a bit vague, and some hosts in Europe have been getting a little bit nervous." Multiply that nervousness by operation in multiple countries across multiple continents, and it is easy to see the difficulty for such companies.

When the applicable WIPO treaties were negotiated in the late 1990s, there was still a significant amount of uncertainty regarding what forms of Internet interaction would be successful. An example of this uncertainty was reflected in the WIPO delegation’s rejection of a proposal to include in the WCT clarification that online publication fulfilled the Berne Convention’s publication requirement. One of the possible reasons for its rejection was the question regarding the proposal’s effect on ISP liability. In addition, the push from the United States’ delegates for strong protections for content owners created negotiating problems with countries that saw the United States as pushing a big business agenda.

The user movement (Silke von Lewinski’s way of conceptualizing Web 2.0) was in its infancy during the WIPO treaty negotiations in the 1990s but has since gained a foothold in both the academic community and the attitudes of regular Internet users. Websites that typify the movement—Facebook, Wikipedia, Flickr—only emerged in the early years of the new

174. Pfanner, supra note 133.
175. See Lewinski, supra note 24, at 431 (pointing out that WIPO member countries "published documents on the possible consequences of digital technology for their national laws only from mid-1994").
176. See id. at 484–85 (describing the proposed addition to the treaty).
177. See id. at 485 (theorizing why the delegation rejected the proposal based on the recorded discussion at the negotiations).
178. See May, supra note 25, at 66 (explaining that the U.S. representatives’ push in favor of American intellectual property producers drove much of the negotiating process); see also Lewinsky, supra note 24, at 598 ("T]he gap between the systems of protections in the USA and in the rest of the world, has always subsisted and hindered the adoption of international protection as long as the USA participated in the negotiations.").
179. See Lewinski, supra note 24, at 590–93 (describing the beginning of the user movement and its growth in recent years). Lewinski is generally critical of the user movement that he describes as rooted in "the direct contact of individual users with copyright uses that were previously performed only by publishers, broadcasters, or other professionals." Id. at 591. Lewinski criticizes the user movement as being biased in favor of a removing too many of the protections of authorial expression in favor of user freedom and questioning the entire system of protection rather than seeking to fine tune it for new technology. Id. at 592–93. Lewinski emphasizes the need to balance the rights of the authors with the rights of the users. Id.
In the years since the treaty negotiations, the way users see the Internet and conceptualize how they interact with it has changed.

Scholars have characterized these interactions as Web 2.0, the user movement, and the Read/Write culture. At the heart of all these definitions is the concept of the Internet as a place of interaction where users participate in art and culture rather than simply consuming the culture approved by the cultural gatekeepers of newspapers, record producers, museum curators, and their ilk. Whether one embraces this as a welcome addition to our culture or worries about the implications of this change for cultural attitudes about author protection, the truth is that the Internet has already changed. This change and its effect on Internet interaction require a corresponding adjustment in the legal structure of liability.

It is true that digital technology and the Internet have made unauthorized copying and distribution of copyrighted works much easier and arguably more common. The problem of easy online copyright infringement extends far beyond the part of the Internet occupied by YouTube. The 2010 *Cooks Source* scandal amply illustrates this unfortunate ease of theft. In 2010, an independent blogger realized that the magazine *Cooks Source* had published a 2005 article of hers without permission. After notifying the editor of the problem and requesting

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181. See supra note 50 and accompanying text (explaining the definition and origin of the concept of Web 2.0).

182. See supra note 179 and accompanying text (explaining the user movement and its growth in the years after the passage of the WCT and the WPPT).

183. See LAWRENCE LESSIG, REMIX 28–29 (2008) (identifying Read/Write, or RW, culture as one in which users interact with and add to artistic expression by analogizing it to a file with Read/Write permissions that the user can modify).

184. See id. at 51–83 (explaining the benefits of RW culture).

185. See supra note 179 and accompanying text (raising concerns about the implications the push for greater user-friendliness could have for the protection of authors’ copyright).

186. See, e.g., SIVA VAIDYANATHAN, COPYRIGHTS AND COPYWRONGS 152 (2001) ("The digital moment has . . . collapsed the distinctions among three formerly distinct processes: gaining access to a work, using (we used to call it ‘reading’) a work, and copying a work.").

payment, the blogger received an email from the magazine’s editor refusing to pay the blogger and asserting that anything posted online is public domain and the practice was common. Subsequent investigation revealed that the magazine had stolen numerous articles and recipes from Internet sources, with a clear disregard for the intellectual property rights of the original authors, by a simple copy-and-paste technique. This type of activity is certainly troubling, and the ease with which it is possible is even more so.

A resulting question is: Are we as a culture willing to make ISPs responsible for policing all the content that flows through their services? To date the answer has been no, and traditionally copyright holders have born the responsibility of enforcing their copyrights. Commentators often frame the discussion in terms of the responsibility of large and wealthy ISPs like YouTube. Despite the admitted usefulness of this lens, one which this Note also uses, it is important to remember that ISPs also include Internet access providers, libraries, universities, and start-up companies. Such ISPs provide valuable services, but some lack the resources to employ policing mechanisms like YouTube’s Content ID.


188. See id. (“Translation: The magazine believes it can copy and paste anything it finds there—your recipes, Los Angeles Times recipes—into the pages of its own magazine and you can’t do anything about it.”).


190. See STERLING, supra note 123, at 575 (explaining the position of the rights holder with regard to enforcement proceedings and arguing the importance of international harmonization of enforcement mechanisms to alleviate some of the burden on rights holders in the digital environment).

191. See Steven Seidenberg, Copyright in the Age of YouTube, ABAJOURNAL.COM (Feb. 1, 2009), http://www.abajournal.com/magazine/article/copyright_in_the_age_of_youtube/ (last visited Mar. 2, 2011) (“Even without the burden of doing fair-use analyses, copyright owners are having a tough time policing UGC sites; the volume of posts is overwhelming. Ten hours of video content are put online every minute of every day—more than 250,000 clips per day—and that is just on YouTube.”) (on file with the Washington and Lee Law Review).

192. See supra note 63 and accompanying text (listing some of the types of services that courts have ruled fell under the ISP umbrella and explaining that courts have been liberal in applying the definition).

In some cases, legitimate uses that are protected as "fair use"—prevalent on the networks of library and university service providers—could be hampered by requiring affirmative policing. Any legal schemes that encompass YouTube’s potential responsibilities to copyright holders will also have consequences for the small and less-funded companies.

Together these concerns indicate that the time has come for nations to negotiate an international treaty covering secondary liability for ISPs under the auspices of the WIPO. An international treaty could reach beyond the United States and the European Union to the important and expanding markets in Asia, Africa, and the Americas as well as creating valuable discussion on how properly to structure a new balance of interests in copyright law. The treaty should create a safe harbor for ISPs from secondary liability with clear and specific provisions. Those provisions should specify what qualifies as an ISP and what actions the ISP must take to stay within the safe harbor protection. Clear procedures are necessary to give legislatures and businesses certainty about what actions an ISP must take in order to avoid liability.

First, the treaty should clearly define what an ISP is. This Note proposes that a comprehensive definition would best be reached by creating a hybrid of the definitions already present in the DMCA and the EU directives that have addressed service providers. A hybrid definition is necessary to provide clarity and flexibility beyond that offered by the DMCA definition, which does not adequately cover new technology. The DMCA definition, this Note contends, defines an ISP too much in line with the colloquial definition of an ISP as a network access provider. The DMCA defines a service provider as "an entity offering the transmission, routing, or providing of connections for digital online communications, between or among points specified by a user, of material of the user's choosing, without modification to the content of the material as sent or received." Problematically, it also appears to limit the definition for most of the safe harbor protections to "a provider of online services or network access, or the operator of facilities therefor." American courts have
interpreted the DMCA’s definition of service provider broadly yet commented
that this broad interpretation is not clear from the text itself.\textsuperscript{196} The European
Union definition of service provider, called information society services in the
directives, is spread among different directives.\textsuperscript{197} The definition “covers any
service normally provided for remuneration, at a distance, by means of
electronic equipment for the processing (including digital compression, and
storage of data, and at the individual request compression) of a recipient of a
service” as well as “data processing and storage.”\textsuperscript{198} This Note proposes
combining these definitions into one: an entity offering the transmission,
routing, or providing of connections for digital online communications, or an
entity providing remunerative services from a distance at the behest and
instruction of the user and via means of electronic processing and storage of
data. This definition is more comprehensive while providing clarity and
allowing flexibility for the ever changing landscape of online services. It is
meant to be a starting point, for the negotiating parties to modify as necessary.

Second, the treaty should clearly define what procedures an ISP must
follow to qualify for the safe harbor from liability. This Note proposes that the
notice-and-takedown procedures laid out in the DMCA\textsuperscript{199} and similar to ones
adopted in some EU countries\textsuperscript{200} provide a good base for treaty provisions.
These proposed procedures would create a \textit{uniform} and \textit{clear} international
standard for liability in a way that would allow global companies to construct
standardized operations for dealing with copyright violations on their sites and
networks. The ISPs should provide a clear and easy way to contact their
designated agent with information that infringing material appears on their
service. No ISP should be required to actively police its service. Given that
copyright law grants copyright holders what is essentially a monopoly on their
content for the life of the author plus seventy years, it is logical to place the
responsibility of policy for violations on the content holders.\textsuperscript{201} The content

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\item \textsuperscript{196} See, e.g., Perfect 10, Inc. v. Cybernet Ventures, Inc., 213 F. Supp. 2d 1146, 1175 (C.D. Cal. 2002) ("Although there appears to be uniform agreement that the definition is broad, or at least broader than the definition of 512(k)(1)(A) concerning conduit-type services, the court has found no discussion of this definition’s limits.").
\item \textsuperscript{197} See E-Commerce Directive, supra note 124, art. 17 (noting that the appropriate definition was already covered by Directive 98/34/EC of June 22, 1998 and Directive 98/84/EC of Nov. 20, 1998).
\item \textsuperscript{198} Id.
\item \textsuperscript{199} See 17 U.S.C. § 512(c) (2008) (detailing the procedures for ISPs to avoid liability and for content holders properly to notify of infringement).
\item \textsuperscript{200} See, e.g., supra note 140 and accompanying text (listing France as a country that has chosen to use notice-and-takedown procedures).
\item \textsuperscript{201} See 17 U.S.C. § 302(a) (2008) (setting the term of copyright protection at life of
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holder should provide the ISP with clear information to identify the material, including the location, so that the ISP can remove the material. All provided information should be reasonably sufficient for each party to carry out their tasks. Within this general structure, this Note argues that the negotiating parties should create more precise directions on how to fulfill the notification and takedown requirements.

Individual countries have taken steps to address the problems created by the cultural changes of the user movement, or Web 2.0. Yet the international nature of the issue calls for an international solution. As Siva Vaidyanathan points out in his book *Copyrights and Copywrongs*, "[d]igitization and networking have collapsed the distinctions between local and global concerns" when it comes to copyright. Even websites that are far too small to have international operations in the same way as Facebook or YouTube can be accessed from other countries by a simple click, though certain content can be geo-blocked. Though this Note has used YouTube’s legal troubles in the United States and Europe as a convenient lens to look at the issue, problems of secondary liability for user-generated content are hardly restricted to YouTube in the United States and the European Union. Copyright holders and ISPs have raised the same questions in countries outside the scope of this Note. For example, in Australia in 2010, a group of content owners sued one of the country’s main internet access services, arguing that it was liable for its users’ illegal downloading. The court ruled there was no liability, saying that "[i]f the ISPs become responsible for the acts of their customers, essentially they become this giant and very cheap mechanism for anyone with any sort of legal

The author plus seventy years in compliance with Berne Convention requirements).

202. See supra Part III.A (noting that these steps are exemplified by the DMCA in the US); see also supra Part IV.B (noting the choices EU Member States made in implementing the E-Commerce Directive).

203. Vaidyanathan, supra note 186, at 153.

204. See Daisy Yu, Geo-Blocking: Jamming a Square Peg in a Round Hole, ECOMMERCETIMES.COM (July 30, 2010), http://www.ecommercetimes.com/rsstory/70516.html (last visited Mar. 2, 2011) (explaining the general workings of geo-blocking) (on file with the Washington and Lee Law Review). Geo-blocking is a type of digital rights management that restricts content availability to certain geographic locations, usually countries. Id. Geo-blocking is most commonly used to restrict access to videos to the geographic area for which the content has been licensed. Id. Because geo-blocking is done using the IP address of the user, it is fairly simple to circumvent even for Internet users lacking in technical knowledge. Id.

205. See Verna, supra note 2 ("[I]nNet, Australia’s third largest ISP, was taken to court by a group of 34 movie production houses . . . . They claimed that iiNet was guilty of copyright infringement for not preventing illegal downloads of films.").
In 2011, the Federal Court of Australia dismissed the content owners’ appeal of the verdict below. As far back as 2006, the Japan Society for Rights of Authors, Composers and Publishers expressed concern over unauthorized anime videos showing up on YouTube. Copyright is a global issue that goes beyond the United States and Europe.

VI. Conclusion

Over a decade after the WIPO treaties, it is time to revisit global copyright law regarding ISP liability with the knowledge gained from the battles fought in courts across the WIPO signatory nations. In the years since the treaties’ negotiation, two of the main producers and consumers of intellectual property, the United States and the European Union, took different approaches to the same problem, although they had similar intentions.

The United States chose to address ISP liability in a very specific way in the DMCA. The DMCA offered ISPs a safe harbor from liability in exchange for those ISPs following specific practices to get unauthorized content off their services. ISPs responded by moving to put in place protections that complied with the legislation, and U.S. courts have turned to those procedural requirements in secondary liability cases. In the largest case of this type since the passing of the DMCA, the Viacom judge chose to use the procedural requirements as a test rather than require that YouTube affirmatively seek out any copyright violations on its site. Since this case began, YouTube has developed software programs to assist content holders in locating infringement on the site.

206. Id.
209. Supra Part III.A.
210. Supra notes 61–67 and accompanying text.
211. Supra Part III.B.
The European Union and its Member States took a different tack in addressing ISP liability. The European Union chose to emphasize flexibility in its solution, instructing Member States to offer protection for ISPs without specifying how or what procedures ISPs could follow in order to qualify for that protection.\textsuperscript{212} When implementing the resulting E-Commerce Directive, Member States passed varying legislation. Some chose to create procedures for ISPs while others adopted the directive’s provisions with little to no change.\textsuperscript{213} The result was litigation with diametrically opposite outcomes.

The solution to this problem is an international treaty negotiated through the WIPO that contains specific procedures for ISPs to follow if they want to qualify for a safe harbor from liability. The international nature of a treaty addresses the nature of the Internet as non-border space. The specificity addresses the nature of ISPs as a provider of a service. Lacking knowledge of what circumstances trigger liability can have a chilling effect on expansion for all but the richest ISPs, the very ones that are generally pointed to as the origin of all the copyright holders’ woes. By defining when and how an ISP generates responsibility for its users’ actions, this solution allows for the development of new Web 2.0 applications while still leaving room for prosecution where appropriate.

ISP liability is a significant, current issue for the Internet. User-interaction is a significant part of the most-visited and most famous sites on the Internet. ISP liability also turns up in less well-known areas, affecting libraries and universities among others. It is important to consider what we value about the Internet and what is worth protecting. The interactive nature of the Internet is worth protecting, and that protection is possible without sacrificing artistic expression.

Returning to Ayn’s uploaded videos from the introduction, different commentators would suggest that liability for her misdeed should attach to YouTube the moment she uploaded the videos (and YouTube did not “catch” them), the moment another user flagged them as infringing (and YouTube did not take them down), or the moment YouTube allowed Ayn to make a new account. The purpose of this Note is not to suggest where in that line of events liability should attach but rather to say that the where, when, and how of liability needs to be clear enough to give ISPs the tools to avoid it. The international community needs to make the law hard to break, not hard to follow.

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\item \textsuperscript{212} Supra Part IV.A.
\item \textsuperscript{213} Supra Part IV.B.
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