



Protection of television programmes on video-sharing platforms

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Summary

On September 15 2011 the Court of Milan published its grounds for a decision issued on May 19 2011, in which Yahoo! Italia Srl was found liable for infringement of copyright held by Reti Televisive Italiane SpA (RTI) in respect of television programmes that were uploaded and displayed on Yahoo! Italia's online video-sharing platform.

The court's decision is very similar to its recent decision in *RTI v ItaliaOnline Srl* (for further details please see "Court rules on television programmes on video-sharing platforms"). The court held that the liability exemptions for hosting providers under the E-commerce Decree (70/2003), which implements the EU E-commerce Directive (2000/31/EC), did not apply to Yahoo! Italia, as it was an "active hosting provider" - it played an active role in organising its services and the videos uploaded to its platform with a view to commercial benefit.

Facts

RTI produces television programmes and provides television broadcasting services. It claimed that a number of its broadcasts - estimated at around 200 as of April 2009 - had been uploaded to Yahoo! Italia's platform without its consent. It complained that:

- the video section of the platform enabled users to find images from RTI programmes by searching by title; and
- videos of RTI programmes were connected to sponsored links, using the title of the programme as a keyword.

RTI sent a notice to Yahoo! Italia in which it specified the programmes from which the disputed audiovisual files had been extracted and asked Yahoo! Italia to cease the infringing practice. Yahoo! Italia did not respond.

RTI complained that the activities of Yahoo! Italia and the US company Yahoo! Inc:

- infringed its copyright(1) and moral rights(2) in the television programmes that were uploaded and displayed on the platform under the Copyright Law (633/1941);
- infringed its trademark rights in the titles of the programmes under the Industrial Property Code (30/2005);

- constituted unfair competition under Article 2598 of the Civil Code; and I constituted a tort under Article 2043 of the Civil Code.

RTI claimed that the exemption under the E-commerce Decree did not apply, as Yahoo! Italia was a content provider. Therefore, it asked the court to:

- prohibit the infringements and order Yahoo! Italia and Yahoo Inc to remove all audiovisual files of RTI programmes from its server;
- order damages of €100 million, with a further €50 million payable annually as the "price of consent", from the commencement of the lawsuit until a final decision;
- set a fine of €1,000 for each infringement and for each day of delay in performance of the decision; and
- order publication of the decision, at the expense of Yahoo! Italia and Yahoo! Inc, in the newspapers indicated in the complaint.

Yahoo! Italia's counsel asked the court to refer certain questions to the Court of Justice of the European Union (ECJ) for a preliminary ruling. In particular, counsel sought referral of the question of whether hosting providers have a duty actively to monitor content stored on their servers and to remove content on receiving notice from the copyright holder (ie, before being ordered to do so by the authorities).

Decision

The court did not refer questions to the ECJ.

The court rejected RTI's complaint against Yahoo! Inc, as it merely provided hosting services, without exercising control or organising content. However, on the same grounds as in *RTI v Italia Online*, the court held Yahoo! Italia liable for copyright infringement, as it offered users "an audiovisual product with a specific individuality and autonomy".

The court analysed the services offered by Yahoo! Italia. It found that the company played an active role in the organisation and management of content through the platform on the basis that it:

- provided a search tool that enabled users to search for content by keyword (eg, by using programme titles);
- indexed and selected videos and offered a 'related videos' search function, which automatically displayed content related to the user's search results; and
- offered a mechanism for the notification of allegedly infringing content through a link below each video displayed on the platform. When it received a notification, Yahoo! Italia would examine it and remove the reported video if necessary.

Moreover, the terms and conditions of Yahoo! Italia's video service were considered to indicate its active role, as it reserved the right to reproduce and adapt videos and display them to the public, as well as the right to use them for promotional or advertising purposes. These terms allowed Yahoo! Italia to profit from its activity.

The court rejected Yahoo! Italia's defence, which was based on exemptions from copyright (eg, for criticism and reporting of current events).(3) The court found that Yahoo! Italia had failed to show proof of relevant content that would qualify for such exemptions.

The court held Yahoo! Italia liable for copyright infringement and prohibited further diffusion of the infringing content. It set a fine of €250 a day for each item not removed from the video section of the platform. Damages will be determined in mid-October, further to a technical consultation to quantify the available files that contain RTI content, as well as those that have already been deleted. The court found that moral rights had not been infringed, as these pertain only to an author (eg, the creator of a television programme format). Nor was Yahoo! Italia liable for trademark infringement, since the use of RTI's trademarks (ie, the titles of its programmes) as keywords in Yahoo! Italia's advertising service was attributable to the advertisers.(4) The court also rejected RTI's unfair competition claim.

Comment

Recent Italian case law on internet service provider (ISP) liability applies different criteria for liability exemptions, depending on the role performed by the ISP in question. Only hosting providers that are deemed 'passive' can benefit from the liability exemption under the decree, whereas active hosting providers can be held liable under general principles of tort law and are thus required to remove content when notified by copyright holders. However, in both cases the courts remarked *obiter* (ie, in passing) that passive hosting providers need remove infringing contents only at the authorities' request.

The same case law establishes that passive and active hosting providers are not subject to a general duty to monitor the content that they store pursuant to Article 15 of the directive. This rule requires copyright holders to provide the ISP with sufficiently detailed notices - a point emphasised by the Court of Rome's injunction of June 16 2011 in *Yahoo! Italia Srl v PFA Films Srl*, which overruled a previous injunction of the same court after Yahoo! Italia had appealed (for further details please see "Yahoo! Italia liable for film copyright infringement").

Pursuant to this principle, whereby no duty of surveillance is owed, copyright holders may not provide generic notices or require ISPs to conduct searches and remove all allegedly copyright-protected content. Rather, copyright holders must indicate the specific uniform resource locator where the allegedly infringing content is displayed, as well as the title.

In *RTI v Yahoo! Italia* the court held that RTI's notices were sufficiently detailed, as RTI had "specified each programme from which the reported files had been extracted... which are transmissions with popular appeal, and even a superficial and quick control should have proved at least the ownership of RTI's rights".

A preliminary ruling from the ECJ, as sought by Yahoo! Italia, would have been helpful in clarifying the boundaries of liability exemption regime applicable to ISPs.

Two bills have recently been submitted to Parliament with the aim of amending the decree and imposing stricter duties on ISPs. Under the proposals, even passive ISPs might be required to remove infringing content at the request of an interested party - that is, before receiving an order from the authorities.

Endnotes

(1) Articles 78(3) and 79.

(2) Article 20 sets out the right to claim authorship of the work and to oppose its distortion, mutilation, modification or other detrimental action that would be prejudicial to the author's honour or reputation.

(3) Articles 65 *et seq.*

(4) A ruling consistent with the European Court of Justice's decision of March 23 2010 in joined cases C-236/08 to C-238/08 (*Google France SARL v Louis Vuitton Malletier SA, Google France SARL v Viaticum SA, Google France SARL v Centre national de recherche en relations humaines (CNRRH) SARL*).