

Yahoo! Italia liable for film copyright infringement

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Summary

The debate about copyright protection on the Internet has taken a new turn. The Court of Rome recently found that search engine Yahoo! Italia bore contributory liability for infringement of copyright in the award-winning Iranian film About Elly by illicit websites, which allowed the streaming or downloading and peer-to-peer sharing of the film without the consent of the film's distributor, PFA Films Srl.

The court held that Yahoo! Italia was liable because it knew of the infringing activities of the third parties, as the distributor had notified it.

The court ordered Yahoo! Italia to remove the links to the infringing websites which allowed users to watch the film (or parts thereof). The court's willingness to act against infringement when identified by a media rights holder will be widely welcomed by the film industry; however, music rights holders and others also stand to gain if this approach is more widely adopted.

Facts

Like other search engines, Yahoo! Italia provides its search service by 'crawling' the web and organising the content in a searchable web index.

When a user enters a query, the search engine produces a list of links, organised by relevance and reliability. The search engine copies each website and stores it in a cache (ie, a temporary storage tool).

PFA claimed that pirated clips and links to illicit websites (which allowed the streaming, downloading and peer-to-peer sharing of the film) were appearing in Yahoo! Italia's search results and were ranked higher than the film's official website.

PFA warned Yahoo! Italia to remove the illicit search results. When Yahoo! Italia did not respond, PFA brought an action against it before the Court of Rome for contributory copyright infringement, seeking a provisional measure pursuant to Article 156 of the Copyright Law (633/1941, as amended in accordance with the EU Enforcement of IP

Rights Directive (2004/48/EC)). PFA asked the court to:

- order Yahoo! Italia to remove the links to the infringing websites;
- issue an injunction against Yahoo! Italia to prevent the continuation of the infringing activities;
- order Yahoo! Italia to pay €1,000 for each minute and €10,000 for each day of delay in complying with the court order; and
- provide for the publication of the order.

Court order

The judge's description of the facts and analysis of the applicable law were particularly precise. In simple terms, the order referred to Articles 14 to 17 of the E-commerce Decree (70/2003), whereby information society intermediaries - including access providers, caching providers and hosting providers - are not liable for infringement if they have no knowledge of, or control over, the information that is transmitted or stored. Thus, the decree does not expressly mention search engines.

The judge identified Yahoo! Italia as a caching provider, with no general obligation to monitor the information which it transmits.⁽¹⁾ However, the court agreed with PFA and found Yahoo! Italia liable, as it had failed to act on the alleged infringement after being notified of it. The court ordered the removal of the links to the infringing content, but without identifying the specific uniform resource locators of the websites in question, which presents a practical problem for Yahoo! Italia.

Yahoo! Italia has announced its intention to appeal. It is reported that PFA sought to claim damages for unfair competition, but the court dismissed the claim, holding that there was no competition relationship between PFA and Yahoo! Italia.

The court had to consider Yahoo! Italia's liability for ordinary search results. As such, the case differs from both the ECJ decision in the Google AdWords case, which focused on the intermediary's liability for sponsored (ie, paid-for) results, and the case involving Spanish website Rojadirecta, whose domain name was seized by the US authorities in connection with its alleged liability for offering links to sports-streaming and peer-to-peer download services.

Comment

The case is all the more significant as the Communications Authority has recently concluded a public consultation on whether to introduce a procedure similar to the US Digital Millennium Copyright Act's notice and takedown procedure. It remains unclear whether search engines should have to undertake due diligence to identify the copyright owners for any content on the Internet and, if so, to what degree of certainty and in what timeframe. However, from the perspective of media rights holders, any effective measure against copyright infringement is surely to be welcomed.

Endnotes

(1) Such view was confirmed also by the ECJ advocate general Poireres Maduro's opinion in the *Google AdWords* case.

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