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**Safe harbour protection for online
video platforms: a time to say
goodbye?
Analysis of judgements by Italian
and German courts on the liability of
YouTube for copyright infringements***

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Abstract

This article examines the liability of YouTube for copyright infringing content uploaded by its users. We take the cue from the recent and potentially momentous request for a preliminary ruling on this topic, submitted by the German Supreme Court to the Court of Justice of the European Union (CJEU). Existing rules on internet service provider (ISP) liability in the EU leave wide discretion to Member States. Even where harmonised, important questions of interpretation remain. Despite being the subject matter of a lively academic debate, core issues are still far from settled.

Our analysis aims to shed light on the different approaches Italian and German courts have adopted to address the question of ISP liability for copyright infringements. For this purpose, we have selected the case currently awaiting the CJEU's decision, *Frank Peterson v YouTube*, and an Italian case with a similar factual basis, *Delta TV Programs v YouTube*. We reflect on the most recent decisions in each case as well as on the rulings in lower instances. In both cases, the national courts have dealt extensively and systematically with the question of YouTube's liability for copyright infringements, advancing various legal arguments in favour and against.

We show that the approaches of the national courts to the question of YouTube's liability present significant divergences with respect to four main issues: the primary liability of YouTube, the determination of its "active role", the requirements for notification of an infringement, and the obligation of YouTube to prevent re-uploads. Differences in these aspects can be observed not only between the two Member States, but also within their national case law.

While awaiting the verdict by the CJEU and the ultimate decision by the EU legislator on the directive for copyright in the Digital Single Market, this article provides an understanding of the core legal questions at stake and a basis to build expectations on whether the "Time to Say Goodbye" to a safe harbour for YouTube is indeed approaching.

Summary

1. Introduction. – 2. The EU legal framework on ISP liability. – 3. *Delta TV Programs v YouTube* (Italy). – 4. *Frank Peterson v YouTube* (Germany). – 5. Discussion of main divergences in national case law. – 6. Conclusion

Keywords

EU copyright law, ISP liability, Copyright enforcement, Internet service provider, User-generated platforms

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1. Introduction

After its release in 1996, the famous duet interpretation of the song “Time to Say Goodbye” by Andrea Bocelli and Sarah Brightman has become a symbol for dramatic farewells. Years later, the same Sarah Brightman may play a potentially undesired, but nevertheless significant role in a parting of a different kind: Her producer is the plaintiff in a lawsuit against YouTube, claiming unauthorised use of Sarah Brightman’s works. This claim triggered a preliminary ruling request to the Court of Justice of the European Union (CJEU). The questions posed in this request may be decisive for the subsistence of safe harbour protection for online video platforms in the EU.

The EU rules on the liability of internet service providers (ISPs) for copyright infringements leave room for legal uncertainty. Many important questions have not been addressed by the CJEU yet.¹ The goal of our article is to identify some of the main differences in national courts’ approaches to these open questions. We reflect on six court decisions adopted in two cases from different EU Member States: Italy and Germany.² We selected the cases as they have a similar factual basis and provide significant insights into the diverging approaches of national courts. Focussing on only two cases allows us to reflect on the decisions in detail. The courts did not answer the question of YouTube’s liability in a consistent manner. Our structured analysis shows that differences relate to four main aspects: the primary liability of YouTube, the determination of its “active role”, the requirements for notification of an infringement, and the obligation of YouTube to prevent re-uploads.

The remainder of this article is structured as follows: Section 2 provides an overview of the EU legal framework on ISP liability. In sections 3 and 4, we examine the decisions on the Italian case *Delta TV Programs v YouTube* and the German case *Frank Peterson v YouTube*. We discuss the main divergences between the decisions in section 5 and conclude in section 6.

2. The EU legal framework on ISP liability

The EU secondary legislation governing ISP liability goes almost as far back as the aforementioned song: In 2000, the EU legislator enacted the E-Commerce Directive³ to promote new online business models.⁴ It provides safe harbour protection⁵ and a

¹ Dinwoodie notes that regarding ISP liability the CJEU has not achieved a «harmonizing effect» as it has in relation to numerous other copyright issues. G. B. Dinwoodie (ed.), *Secondary Liability of Internet Server Providers*, Berlin, 2017, 37.

² It is not the purpose of this article to conduct a comprehensive comparative analysis of ISP liability in Germany and Italy. We refer the interested reader to G. B. Dinwoodie (ed.), *Secondary Liability of Internet Server Providers*, Berlin, 2017, 1 ss., 141 ss., 361 ss.

³ Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce) [2000] OJ L178/1 (E-Commerce Directive).

⁴ Recital 2 of the E-Commerce Directive.

⁵ Artt. 12-14 of the E-Commerce Directive.

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prohibition to impose a general monitoring obligation⁶ for ISPs that fall into one of three categories: mere conduit, caching and hosting. If at all, YouTube qualifies as a hosting service according to Art. 14(1) of the E-Commerce Directive.⁷ Its core business activity is the provision of a platform bringing together content creators, viewers and advertisers.⁸

The CJEU has introduced a neutrality requirement for ISPs to benefit from the safe harbour protection of Art. 14 of the E-Commerce Directive. It has interpreted neutral hosting as being of a «mere technical, automatic and passive nature».⁹ This view was contested by Advocate General Jääskinen in his opinion on *L'Oréal vs eBay*,¹⁰ but has been upheld by the CJEU.¹¹ According to the Court, passivity is fulfilled if an ISP «has not played an active role of such a kind as to give it knowledge of, or control over, the data stored.»¹²

If an ISP is qualified as a neutral hosting service, safe harbour protection exempts it from liability for third-party illegal activity provided that the ISP has no actual knowledge of the illegal activity and is not aware of facts or circumstances from which such activity is apparent.¹³ Upon gaining knowledge or awareness, the ISP must remove the illegal content expeditiously.¹⁴ The CJEU clarified that awareness must be assessed from the perspective of a diligent economic operator.¹⁵ It held that awareness can be assumed where an ISP uncovers illegal content through its own investigation or is notified of it.¹⁶ The procedure through which a copyright holder can inform a hosting provider of illegal activity is not harmonised.

In 2001 and 2004, two further acts of secondary legislation were adopted that impact ISP liability but pursue a different policy objective than the E-Commerce Directive: The InfoSoc Directive¹⁷ and the Enforcement Directive¹⁸ respectively aim at the pro-

⁶ Art. 15 of the E-Commerce Directive.

⁷ According to Art. 14(1) of the E-Commerce Directive, a hosting provider's service «consists of the storage of information provided by a recipient of the service». Van Eecke gives an overview of various tests that European national courts applied to assess whether a service qualifies as a hosting service. P. Van Eecke, *Online Service Providers and Liability: A Plea for a Balanced Approach*, in *Common Market Law Review*, 48, 2011, 1469 ss.

⁸ Since 2016, in addition to user uploaded content, YouTube also produces its own content «YouTube Originals», which is available for subscribers to YouTube Premium. [See YouTube, in www.youtube.com/premium](https://www.youtube.com/premium), 2018.

⁹ CJEU, Joined Cases C-236/08 to C-238/08, *Google France and Google* (2010), §§ 112 ss.

¹⁰ CJEU, Opinion of the Advocate General, Case C-324/09, *L'Oréal v eBay* (2010), §§ 138 ss.

¹¹ *Ibid.*, §§ 112 ff; CJEU, Case C-291/13, *Papasavvas* (2014), §§ 39 ss.

¹² CJEU, *Google France and Google*, cit., § 120; Case C-324/09, *L'Oréal v eBay* (2011), § 120; CJEU, Opinion of the Advocate General, *L'Oréal v eBay*, cit., § 44.

¹³ Art. 14(1) lit. a of the E-Commerce Directive.

¹⁴ Art. 14(1) lit. b of the E-Commerce Directive.

¹⁵ CJEU, *L'Oréal v eBay*, cit., § 120.

¹⁶ *Ibid.*, § 122.

¹⁷ Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society [2001] OJ 167/10 (InfoSoc Directive).

¹⁸ Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the

tection of holders of copyrights or related rights and of intellectual property (IP) rights more generally. They require Member States to ensure that right holders can apply for injunctions against ISPs whose services are used by third parties to infringe IP rights.¹⁹ The conditions and modalities of injunctions are in the discretion of Member States.²⁰ To reconcile the requirements of the E-Commerce Directive, on the one hand, and the InfoSoc Directive and the Enforcement Directive, on the other, the CJEU has developed a fair balance test.²¹ This test weighs the extent to which the fundamental of an ISP are affected by an injunction against the extent to which the absence of such an injunction would affect the IP rights of a right holder.

Note that the safe harbour protection established by the E-Commerce Directive only regulates when ISPs are not liable. Setting sail and thus leaving the safe harbour, they are targeted by diverging national doctrines of secondary liability.²² In the absence of (explicit) harmonisation outside the safe harbours, the CJEU has taken the lead in advancing a more harmonised regime: In recent judgements, it has employed the copyright holder's exclusive right to communicate to the public contained in Art. 3(1) of the InfoSoc Directive to determine whether ISPs can be held primarily liable.²³ *Inter alia*, the CJEU decided that the platform "The Pirate Bay", a BitTorrent tracker, engaged in an act of communicating to the public.²⁴ It is uncertain, however, whether the same reasoning will be applied to platforms that are predominantly established for the legal use of content.²⁵

With the recent proposal for a directive on copyright in the Digital Single Market²⁶, the EU legislator is taking back the wheel. The Commission's proposal of 2016 stipulates

enforcement of intellectual property rights [2004] OJ L 195/16 (Enforcement Directive).

¹⁹ Art. 8(3) of the InfoSoc Directive and Art. 11, third sentence of the Enforcement Directive; Husovec refers to platforms benefitting from safe-harbour protection as accountable but not liable. M. Husovec, *Injunctions Against Intermediaries in the European Union, Accountable But Not Liable?*, Cambridge, 2017.

²⁰ Recital 59, fifth sentence of the InfoSoc Directive and Recital 23, second sentence of the Enforcement Directive.

²¹ CJEU, Case C-275/06, *Promusicae v Telefónica* (2008); see also *L'Oréal v eBay*, cit.; Case C-70/10, *Scarlet Extended v SABAM* (2011); Case C-360/10, *SABAM v Netlog* (2012); Case C-314/12, *UPC Telekabel Wien v Constantin Film Verleih and Wega Filmproduktionsgesellschaft* (2014); Case C-484/14, *McFadden v Sony Music Entertainment Germany* (2016).

²² C. Angelopoulos, *Beyond the Safe Harbours: Harmonising Substantive Intermediary Liability for Copyright Infringement in Europe*, in *Intellectual Property Quarterly*, 3, 2013, 253 ss.

²³ CJEU, Case C-466/12, *Svensson* (2014); Case C-348-13, *BestWater International* (2014); Case C-160/15, *GS Media* (2016).

²⁴ CJEU, Case C-610/15, *Stichting Brein* (2017); for a discussion see E. Rosati, *The CJEU Pirate Bay Judgement and Its Impact on the Liability of Online Platforms*, forthcoming in *European Intellectual Property Review*, 39, 2017, 737 ss.

²⁵ A. Ohly, *The broad concept of "communication to the public" in recent CJEU judgments and the liability of intermediaries: primary, secondary or unitary liability?*, in *Gewerblicher Rechtsschutz und Urheberrecht Internationaler Teil* (GRUR Int.), 2018, 522.

²⁶ European Commission, Proposal for a directive of the European Parliament and of the Council on copyright in the Digital Single Market [2016] COM(2016) 593 final (Copyright in the DSM Directive); for a discussion see R. Hilty - V. Moscon (ed.), *Modernisation of the EU Copyright Rules. Position Statement of the Max Planck Institute for Innovation and Competition*, in *Max Planck Institute for Innovation and Competition Research Paper Series*, Munich, 2017.

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that hosting services that provide access to the public to copyright protected content communicate to the public.²⁷ Such services are required to conclude licensing agreements with copyright holders and to employ appropriate and proportionate means to ensure protection unless they are eligible for safe harbour protection under Art. 14 of the E-Commerce Directive.²⁸ The European Parliament adopted the proposal with a number of amendments in September 2018.²⁹ According to the amended proposal, so-called online content sharing providers perform an act of communication to the public.³⁰ They are responsible for the content available through their services and are required to conclude fair and appropriate licensing agreements with copyright holders.³¹ Such licensing agreements shall cover the liability of ISPs for infringing works uploaded by users.³² The proposals are now debated in the trilogue negotiations.

3. *Delta TV Programs v YouTube* (Italy)

3.1 Facts of the case

Delta TV Programs s.r.l. (Delta) is a limited liability company seated in Italy. It owns the copyrights to several TV soap operas. Delta detected unauthorised copies of numerous episodes of these soap operas on YouTube. In March 2013, Delta sent a letter to YouTube. The letter contained a general allegation of copyright infringement, not indicating URLs, and a cease-and-desist request. As YouTube did not react, Delta filed a lawsuit pursuing an injunction against YouTube for the existing infringements and any future violations of its copyrights. Delta also claimed damages for foregone profits. Upon receiving the writ of summons with an indication of the URLs of the infringing content, YouTube blocked the notified content.

3.2 First interim order, Tribunal of Turin

Delta claimed a preliminary injunction against YouTube.³³ The judge deciding the first interim order in May 2014 argued that the infringing episodes had been removed, ma-

²⁷ Recital 38 of the proposal for a Copyright in the DSM Directive.

²⁸ Recital 38 and Art. 13(1) of the proposal for a Copyright in the DSM Directive.

²⁹ Amendments adopted by the European Parliament on 12 September 2018 on the proposal for a Directive of the European Parliament and of the Council on Copyright in the Digital Single Market (COM(2016)0593 – C8-0383/2016 – 2016/0280(COD)) (Ordinary legislative procedure: first reading).

³⁰ Recital 38 of the Amendments adopted by the European Parliament on the proposal for a Copyright in the DSM Directive.

³¹ Recital 38, Art. 13 of the Amendments adopted by the European Parliament on the proposal for a Copyright in the DSM Directive.

³² Art. 13(2) of the Amendments adopted by the European Parliament on the proposal for a Copyright in the DSM Directive.

³³ We will focus on YouTube as a defendant and ignore the other defendants (Google Inc. and Google Ireland Holdings).

king Delta's claim devoid of purpose.³⁴ Before reaching this conclusion, he outlined the legal framework of ISP liability.

The judge qualified YouTube's activity as a hosting service (*memorizzazione di informazioni* – hosting). Referring to Recital 42 of the E-Commerce Directive, the judge stated that it is «“presumed” that the provider carries out a merely technical, automatic and passive activity»³⁵ He asserted that due to the early stage of the proceedings, he did not have enough evidence to rebut this presumption. According to the judge, this requires a due investigation of the relationship between YouTube and its users as well as of the mechanisms in which advertisements were attached to videos.

Given the presumption of neutrality, the judge noted that YouTube is only liable if it gains knowledge about copyright violations and fails to remove the infringing content. To establish knowledge, a specific notification is required. He found that the cease-and-desist letter did not suffice as it did not include URLs. Rather, he argued that the writ of summons is the starting point to evaluate YouTube's responsibility. Finally, he held that there is no obligation to prevent future uploads of the same content by referring to the prohibited obligation to impose *ex ante* filter mechanisms. He considered it a reasonable balance between the interests of copyright holders and the need for the development of internet services to require a proactive intervention from the copyright holder in monitoring and notifying infringements.

3.3 Second interim order, Tribunal of Turin

Upon appeal by Delta, a panel of three judges issued a second interim order in June 2014.³⁶ The panel decided that YouTube was liable for copyright infringing content available through its services. It asserted that YouTube *de facto* acted as a content provider by transforming the uploaded content into “new” products. This transformation resulted from YouTube's activity of organizing, indexing and commercially exploiting the videos uploaded by its users.³⁷ Based on this assessment, the panel argued that YouTube played an active role and was therefore under an obligation to remove the infringing content and to comply with strict diligence duties.

³⁴ Tribunal of Turin, First Civil Section, Order, 6 May 2014 (docket no. 38113/2013). The decisions analysed in this section and in section 3.2 are interim orders, resulting from precautionary proceedings according to Artt. 669bis ss. of the Italian Code of Civil Procedure. The substantive reasoning in these decisions is highly relevant for our analysis as it addresses core questions related to YouTube's liability. Regarding the procedural differences, we refer the interested reader to C. Mandrioli - A. Carratta, *Corso di Diritto Processuale Civile*, Turin, 2018, 199-207.

³⁵ *Ibid.*, § 4 (translation by the authors, emphasis added).

³⁶ Tribunal of Turin, First Civil Section, Order, 23 June 2014 (docket no. 15218/2014). The full text of the order is not publicly available. We inferred the panel's reasoning from the following sources: Tribunal of Turin, First Civil Section, 7 April 2017, no. 1928 (docket no. 38112/2013); Tribunal of Turin, First Civil Section, Order, 3 June 2015 (docket no. 11343/2015). See also E. Apa-F. Frigerio, *Novità in tema di responsabilità degli Internet Service Provider*, in www.medialaws.eu, 6 June 2017.

³⁷ The same argument has been used in previous cases: Tribunal of Rome, Order, 16 December 2009 (docket no. 54218/2008); Tribunal of Rome, 27 April 2016, no. 8437; Court of Appeal of Rome, 29 April 2017, no. 2833 (docket no. 24716/2012).

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These diligence duties included the prevention of unauthorised re-uploads. According to the panel, an obligation of YouTube to prevent re-uploads is of a specific rather than a general nature and therefore does not conflict with the prohibition of a general monitoring obligation. The panel supported its decision by a pragmatic and a fairness-related argument. From a pragmatic perspective, it acknowledged the effectiveness of YouTube's Content ID software.³⁸ YouTube had already been using this software and it had been notified of the URLs from which the necessary reference files could have been extracted. Regarding fairness, the panel stated that «it is the owner of the platform who, through his business activity, causes or exacerbates the possibility of violation of third parties' rights».³⁹ The panel considered it reasonable and not excessively burdensome to require YouTube to prevent re-uploads.

3.4 First instance judgement, Tribunal of Turin

In April 2017, the Tribunal of Turin issued the first instance decision on the merits of the case.⁴⁰ The Tribunal applied the «manipulation or transformation of the uploaded information»⁴¹ as the distinguishing feature between a passive and an active hosting provider.⁴² It argued that YouTube's activities with respect to the content, notably the indexing, organisation and commercialisation of the content, did not imply a modification of the content itself. YouTube was hence found to be a passive hosting service, thereby eligible for safe harbour protection.

With regards to the obligation to remove content upon notification, the Tribunal ruled that the notice by the copyright holder must be specific, including the URL of the infringing content. Moreover, the Tribunal found it feasible for YouTube to prevent the re-upload of a video. It argued that as soon as YouTube receives a specific notification, it acquires knowledge of an infringement and thus «loses its neutrality».⁴³ From this moment on, the Tribunal approved of an obligation of YouTube to prevent the re-upload of infringing content.⁴⁴

³⁸ The Content ID software uses digital fingerprinting to identify copies of copyright protected content that are uploaded to YouTube. Digital fingerprints of files in a reference database are compared to uploaded files. Copyright holders can choose between different policies if a match is identified: blocking, monetising or tracking statistics of the content. See YouTube, in www.support.google.com/youtube/answer/2797370?hl=en, 2018.

³⁹ Tribunal of Turin, First Civil Section, Order, 23 June 2014 (docket no. 15218/2014), § 3.8 lit. c (translation by the authors).

⁴⁰ Tribunal of Turin, First Civil Section, 7 April 2017, no. 1928 (docket no. 38112/2013).

⁴¹ *Ibid.*, § 6.2 (translation by the authors).

⁴² At the same time, the Tribunal questioned whether this distinction should actually play a role. It referred to the Court of Appeal of Milan's decision in the case *Yaboo v RTI*, in which the notion of an active hosting provider was found to be misleading and detached from the reality of hosting services. See Court of Appeal of Milan, 7 January 2015, no. 29 (docket no. 3821/2011).

⁴³ Tribunal of Turin, First Civil Section, 7 April 2017, no. 1928 (docket no. 38112/2013), § 7.1 (translated by the authors).

⁴⁴ The legal basis for this obligation is found by the Court in the Legislative Decree no. 70/2003 as well as under the general principles of due diligence, cooperation and *bona fide*, set respectively in

Finally, the Tribunal considered YouTube's compliance with the preliminary injunction as too slow and only partial, hence ineffective. The infringing videos had been blocked only if accessed from Italy. They could still be accessed by employing VPN-services. According to the Tribunal, this resulted in a significant number of viewings of the infringing videos from the date of the receipt of the writ of summons. Based on data on the number of views and estimates on YouTube's profit generated through the infringing content, the Tribunal calculated Euro 250,000 in damages to be paid by YouTube.

3.5 Preliminary conclusion

The three decisions in *Delta TV Programs v YouTube* differ significantly. In the first interim order, Delta's claim was considered unfounded. YouTube was presumed to be passive and an obligation to prevent re-uploads was denied. The second interim order considered YouTube to be an active hosting provider and held it liable for copyright infringements and responsible to prevent re-uploads of notified content. In the first instance judgement, YouTube was found to be a passive hosting provider, being liable for third-party content only upon notification. This liability was found to include an obligation to prevent re-uploads.

4. Frank Peterson v YouTube (Germany)

4.1 Facts of the case

Frank Peterson, a German music producer, holds the copyrights in songs and recordings of concert performances by Sarah Brightman.⁴⁵ Unauthorised users had uploaded copies of these works to YouTube. Frank Peterson sent a cease-and-desist letter to YouTube, which contained screenshots of the infringing videos. YouTube identified the videos and removed the content. Shortly after, new infringing copies of the same content appeared on YouTube. Frank Peterson then filed a lawsuit, claiming an injunction and a declaration of YouTube's obligation to pay damages.⁴⁶ Upon receiving the writ of summons, YouTube removed all the alleged videos but denied any legal responsibility to do so.

Artt.1173, 1375 and 1176 of the Italian Civil Code.

⁴⁵ We decided to focus on this case rather than *GEMA v YouTube* (OLG Hamburg, 1 July 2015, 5 U 87/12) as the latter was settled before reaching the German Supreme Court and possibly triggering a preliminary ruling request.

⁴⁶ We will focus on YouTube as a defendant and ignore the other defendants (Google and Google Germany).

4.2 First instance judgment, *Landgericht Hamburg*

In September 2010, the Regional Court (*Landgericht*, LG) of Hamburg, issued the first instance judgement.⁴⁷ The core question addressed was whether YouTube presented the content uploaded by users in a way that resulted in an “adoption” of that content as its own (*zu-Eigen-Machen*). The Court noted that third-party content is to be treated as the provider’s own content if – from the perspective of an average user – «the content “presents itself” as being the provider’s own content».⁴⁸ To decide whether such an impression had been created, the Court reflected on the overall circumstances. Based on four main observations, the LG found that an impression of YouTube’s ownership of the third-party content had indeed been created, making YouTube a direct infringer of Frank Peterson’s copyright. First, videos are embedded into YouTube’s website. The LG considered YouTube’s branding to be much more prominent than the information provided about the uploader. Second, YouTube categorises content and makes country-specific recommendations. Third, YouTube uses the content for commercial purposes. According to the LG, this is apparent to users. Finally, YouTube acquires a right to use the uploaded content through its terms of use.

The LG argued that YouTube had not taken enough care to prevent the availability of infringing content on the platform and therefore acted with guilt. In particular, YouTube allows users to use the platform anonymously. According to the Court, requiring users to submit personal details would facilitate monitoring and create an inhibition to upload infringing content.

Based on these findings, the LG ruled that YouTube was responsible for infringing copies of three songs.⁴⁹ Accordingly, it held YouTube liable for injunctions and damages based on German copyright law.⁵⁰

4.3 Second instance judgement, *Oberlandesgericht of Hamburg*

Upon appeals filed by Frank Peterson and YouTube, in July 2015 the Higher Regional Court (*Oberlandesgericht*, OLG) of Hamburg issued the second instance judgment.⁵¹ The OLG Hamburg disagreed with the LG Hamburg with respect to YouTube’s direct liability. It claimed that users know that the videos uploaded to YouTube are third-party content. Regarding the set-up of the website, the OLG noted that uploaders are clearly indicated. Moreover, other videos by the same uploader are displayed on the

⁴⁷ LG Hamburg, 3 September 2010, 308 O 27/09.

⁴⁸ *Ibid.*, § 152 (juris) (translation by the authors, emphasis added).

⁴⁹ The Court rejected the claims with respect to all other songs and all recordings of concert performances as inadmissible as no concrete form of infringement had been demonstrated by the plaintiff.

⁵⁰ The amount of damages remained to be determined using information that were to be provided by YouTube. German copyright law allows the plaintiff to choose between a hypothetical license fee and a recovery of the infringer’s profit.

⁵¹ OLG Hamburg, 1 July 2015, 5 U 175/10.

same site. The OLG clarified that the use of YouTube's logo does not serve as an indicator of YouTube claiming ownership of the content but is a means of branding the platform. It argued that there is no evidence that the categorisation and promotion of videos on the front-page leads users to believe that the content is owned by YouTube. It further asserted that the mere fact that YouTube operates a profit-oriented platform is not sufficient to create such an impression.⁵² Regarding the terms of use, the Court emphasised that the license through which users transfer rights to YouTube can be revoked at any time by deleting the video.

The OLG further argued that the users and not YouTube itself perform an act of communication to the public. Moreover, it found that YouTube does not play an active role. As required by the CJEU in *L'Oréal v eBay*, an active role allows a platform to have knowledge or control of the uploaded content. The OLG found that YouTube has no knowledge of the actual content of the videos posted and does not control them. The Court further held that YouTube cannot be held liable for participation as an accomplice as this would require recklessness (*bedingter Vorsatz*) and therefore awareness of concrete and imminent infringements.

The OLG then considered interferer's liability (*Störerhaftung*), a secondary liability concept in German law that applies to a person who contributed to an infringement of an absolute right without being liable for direct infringement or participation.⁵³ According to settled case law, it requires non-compliance with an obligation to monitor.⁵⁴ The OLG noted that YouTube is not obliged to monitor all content. Neither did it approve of an obligation to screen content already existing on the platform (so-called "legacy scans"). It did, however, emphasise that upon a sufficiently clear notification of a concrete infringement, YouTube is under an obligation to immediately block the notified video and to prevent re-uploads.

The Court argued that for a notification to be sufficiently precise, a copyright holder does not need to provide URLs.⁵⁵ The cease-and-desist letter sent by Frank Peterson lacked precision nevertheless: 'The letter demanded the take-down of "all" content [...] from the "full" repertoire' of Frank Peterson.⁵⁶ Attached screenshots and set lists could not be clearly attributed to particular rights owned by Frank Peterson. The Court concluded that the cease-and-desist letter did not trigger any responsibility beyond the removal of the referred to videos. In contrast, it found that the writ of summons was a sufficiently precise notification with respect to three songs.⁵⁷ However, Frank Peterson had not demonstrated infringements occurring after the receipt

⁵² The Court did not mention the conditions under which this impression would be created, noting that the plaintiff had not provided enough evidence to show that YouTube posted advertisements next to those videos that were the subject matter of this particular case.

⁵³ L. Specht-T. Dreier-G. Schulze, *Urheberrechtsgesetz*, Munich, 2018, § 97, § 28.

⁵⁴ BGH, 15 October 1998, I ZR 120 / 96, in *Gewerblicher Rechtsschutz und Urheberrecht* (GRUR), 1999, 420; BGH, 26 November 2015, I ZR 174/14, in GRUR, 2016, 269 (including further references).

⁵⁵ If he fails to do so, however, he needs to accept some delay with respect to the removal.

⁵⁶ OLG Hamburg, 1 July 2015, 5 U 175/10, § 292 (juris) (translation by the authors, emphasis added).

⁵⁷ According to the OLG, it lacked an indication of the concrete form of infringement with respect to all other songs. The three songs were the same for which the LG Hamburg considered Frank Peterson's claim admissible.

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of the writ of summons. Finally, the Court considered the particulars of appeal to be a sufficiently precise notification. It found that YouTube had failed to immediately remove seven of the songs notified therein. Accordingly, the OLG issued an injunction, requiring YouTube to prevent future infringements of seven songs. It rejected Frank Peterson's claim for damages as YouTube was found liable only for secondary infringement.⁵⁸

4.4 Request for a preliminary ruling, German Supreme Court

Frank Peterson and YouTube appealed the OLG's decision. In September 2018, the German Supreme Court (*Bundesgerichtshof*, BGH) requested a preliminary ruling from the CJEU.⁵⁹ Figure 1 depicts the questions submitted by the BGH.

The BGH takes the view that YouTube does not perform an act of communication to the public if it removes infringing videos immediately upon notification. It submitted the question whether an online video platform⁶⁰ performs an act of communication according to Art. 3(1) of the InfoSoc Directive if its users upload infringing content and if the platform has no knowledge of the infringements or deletes content immediately upon acquiring knowledge.

Should the first question be answered in the negative, the BGH argues that by storing data for their users, online video platforms⁶¹ in principle qualify as hosting services. According to the CJEU, safe harbour protection must be denied, however, if the hosting provider plays an active role.⁶² The BGH required clarification on whether YouTube assumes such an active role.

Provided that YouTube is qualified as a passive hosting provider, the BGH requests another clarification on Art. 14(1) of the E-Commerce Directive: Do the terms "knowledge" and "awareness" refer to specific content? The BGH takes the view that this question should be answered in the affirmative: It is insufficient that the platform knows or is aware of infringements taking place in general through its services.

Moreover – again provided that YouTube is qualified as a passive hosting provider – the BGH seeks to clarify whether it is compatible with Art. 8(3) of the InfoSoc Directive if a right holder can apply for an injunction only after he has notified the

⁵⁸ In addition, the Court largely approved of a request for disclosure of identity of the uploaders of infringing content. This request had first been made by the plaintiff in the particulars of appeal.

⁵⁹ BGH, Request for a preliminary ruling, 13 September 2018, I ZR 140/15.

⁶⁰ The BGH narrowed down the term online video platform by providing details that may impact the answer to the question: a platform that generates revenues from advertising, allows uploading without prior control of the content, obtains a worldwide, non-exclusive, and free of charge license for the duration of the video's availability on the platform, instructs users in the terms of use and during the process of uploading that copyright infringing content must not be uploaded, provides tools through which right holders can work towards blocking infringing content, and ranks and categorises videos and provides recommendations based on previously watched content.

⁶¹ As further specified in fn 60.

⁶² See section 2.

ISP of an infringement and after that infringement has occurred again. Art. 8(3) of the InfoSoc Directive requires Member States to ensure that right holders can apply for injunctions against ISPs if their services are used for third-party infringements. The BGH takes the view that Member States may require a prior notification and a re-occurrence of the infringement before awarding an injunction.

The fifth question relates to the Enforcement Directive. The Enforcement Directive requires Member States to ensure that infringers of IP rights can be held liable for injunctions and – if they acted knowingly or with reasonable grounds to know – for damages.⁶³ The BGH noted that if YouTube had performed an act of communication to the public, it would be an infringer according to the Enforcement Directive. Without prejudice to Art. 8(3) of the InfoSoc Directive, Member States need to ensure that right holders can apply for injunctions against intermediaries whose services are used by third parties to infringe IP rights. The BGH asserted that if YouTube is a passive hosting provider, it would be an intermediary according to the Enforcement Directive.⁶⁴ Supposing that YouTube neither performs an act of communication to the public nor is qualified as a passive hosting provider, the BGH raises the question whether it would still qualify as an infringer. The Court emphasised that according to the Enforcement Directive, anyone who participates in an infringement must be either an infringer or an intermediary. Considering this either-or qualification, the BGH takes the view that if a platform plays an active role, it would then be an infringer. Finally, if YouTube is an infringer according to the Enforcement Directive, the BGH seeks to clarify whether Member States may make its obligation to pay damages depended on its intent, and knowledge or awareness of an infringement.

⁶³ Art. 11 first sentence and Art. 13(1) of the Enforcement Directive.

⁶⁴ But would receive safe harbour protection if the conditions of Art. 14(1) of the E-Commerce Directive are fulfilled.

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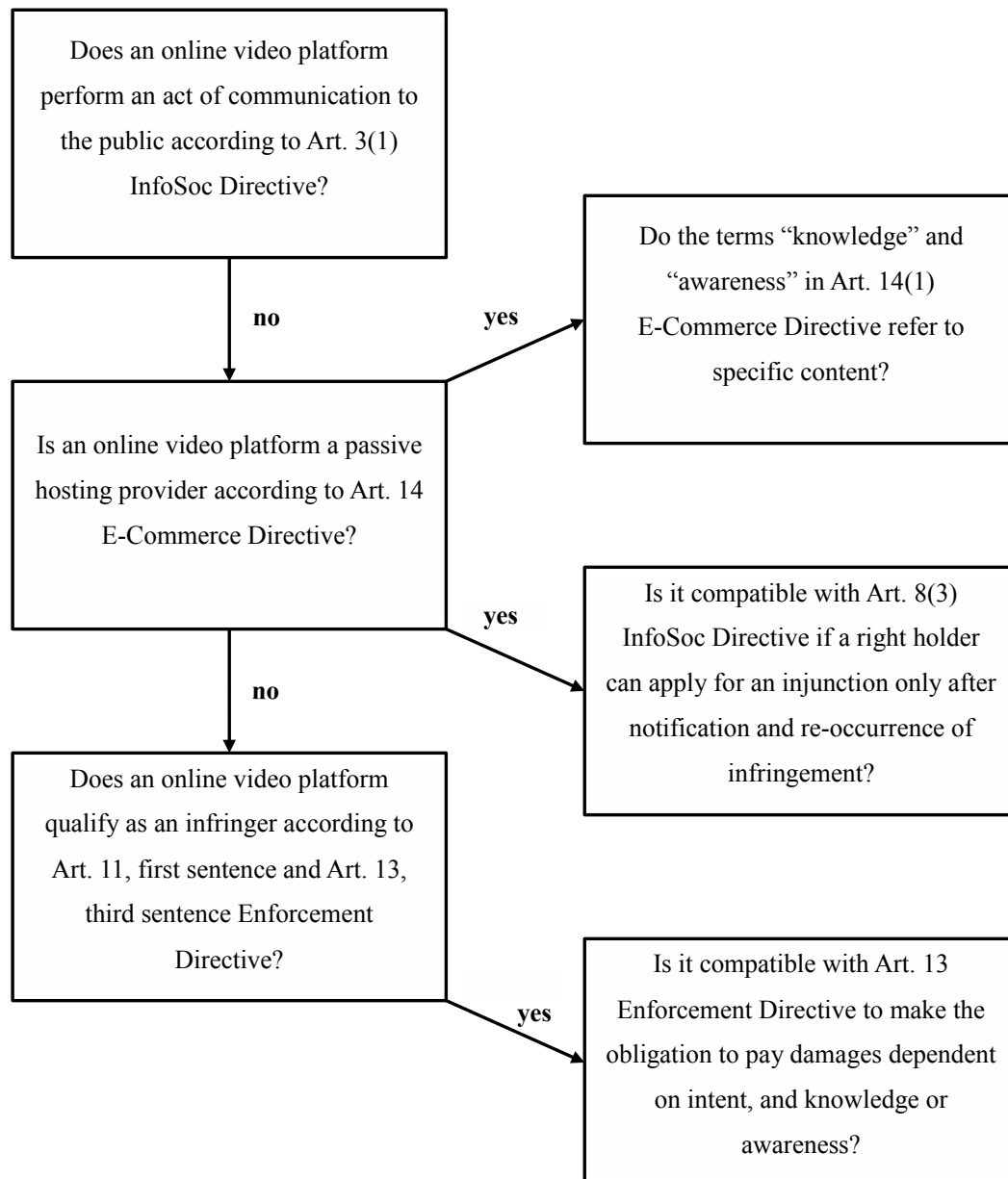


Figure 1: Questions posed in the preliminary ruling request. The term online video platform refers to a platform as specified in fn 60.

4.5 Preliminary conclusion

In the first instance judgement, YouTube was found to have adopted the content as its own, making it directly liable. In the second instance, YouTube was held not to have adopted the content as its own and not to have performed an act of communication to the public. YouTube was considered a passive hosting provider and thus liable only upon notification. Liability was found to include an obligation to prevent re-uploads. In its request for a preliminary ruling, the BGH expressed the view that YouTube does not perform an act of communication to the public if it does not have knowledge of an infringement.

5. Discussion of main divergences in national case law

The cases *Delta TV Programs v YouTube* and *Frank Peterson v YouTube* have a common point of departure: a copyright holder claims injunctions and damages for unauthorised copies of works uploaded to YouTube. Above, we have presented six different rulings on these cases. The points of arrival in these six decisions differ significantly. We have identified four main junctions at which the courts' analyses drift apart.

The first junction is the question of primary liability. Upon a thorough analysis of the service offered by YouTube, the LG Hamburg found that YouTube created an appearance of providing the content itself. The OLG Hamburg reached the opposite conclusion, arguing that the average user would not be led to such an impression. The two judgments show that the question of "adoption" of content as YouTube's own requires attention to a vast number of details of YouTube's service. In a dynamic environment, such an approach is hardly suitable to create legal certainty. An interesting question is how the OLG Hamburg would have evaluated the case if content produced by YouTube ("YouTube Originals") had already been available in the relevant time period.

From the recent case law of the CJEU and the proposal for a directive for copyright in the Digital Single Market, it appears that in terms of primary liability, the concept of communication to the public is taking centre-stage. The OLG Hamburg denied a communication to the public by YouTube, emphasising that such communication is performed by YouTube's users. The BGH takes the view that YouTube does not perform an act of communication to the public provided that it removes content immediately upon notification. The answer to the question whether the CJEU continues to expand the concept of communication to the public or whether it decides to distinguish the case from "The Pirate Bay" and follows the BGH's view, will be a major outcome of the preliminary ruling request.

Second, the courts disagree on where to draw the line between the safe harbour of Art. 14 of the E-Commerce Directive and the open sea, in which hosting services are subject to the various national rules on secondary liability. In line with the CJEU's interpretation, the courts agree that the breakwater protecting the safe harbour is established by passivity. The location of the breakwater is, however, identified differently. The judge deciding on the first interim order in *Delta TV Programs v YouTube* argued for a rebuttable presumption of passivity. In the second interim order and in the first instance judgement, the extent to which YouTube transformed the content uploaded by its users was considered (with diverging conclusions). In *Frank Peterson v YouTube*, the OLG Hamburg closely followed the CJEU's interpretation in *L'Oréal v eBay* and denied an active role because YouTube's service does not allow it to have knowledge or control of the content available on its website.

With its second question, the BGH requires clarification on whether YouTube plays an active role. As the German scholar Ohly notes, it is possible that the CJEU will leave this question to the interpretation of national courts.⁶⁵ Given the dynamic nature of online platforms, it indeed appears unlikely that the CJEU will tie itself to an overly

⁶⁵ A. Ohly, BGH: *EuGH-Vorlage zur Haftung einer Internetvideoplattform für Urheberrechtsverletzungen* –

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specific answer. It is important to note that in *L'Oréal v eBay*, the CJEU excluded the safe harbour not for eBay as a whole but only in relation to those offerings in which eBay played an active role. With the pending request for a preliminary ruling, the CJEU is given the opportunity to provide some more guidance under which circumstances YouTube assumes an active role.

Third, if considering YouTube eligible for safe harbour protection, courts disagree on the circumstances under which YouTube is pushed out of the harbour. According to Art. 14 of the E-Commerce Directive, this is the case when YouTube does not take down content expeditiously upon gaining knowledge or awareness. But how can such knowledge be established? Italian courts and the OLG Hamburg require a specific notification. The BGH agrees. The answer to its third question will provide some clarity on the CJEU's take regarding the degree of specificity required. The Italian courts required an indication of the URLs of the infringing content.⁶⁶ According to the OLG Hamburg, an indication of the URLs is not necessary. Given the lack of harmonisation in this respect, these differences are not surprising. Efficient notice-and-takedown systems certainly require attention to the specificities of particular platforms. Still, more legal guidance in terms of minimum requirements for notification would increase legal certainty for platforms, in particular in cross-border cases.

Last but certainly not least, the courts' answers diverge regarding the question whether a "notice-and-takedown" obligation should be extended to a "notice-and-staydown" obligation. In the first interim decision in *Delta TV Programs v YouTube*, YouTube was found to be under no obligation to prevent future uploads. In the second interim order, the first instance judgement and the OLG Hamburg's decision in *Frank Peterson v YouTube*, it was required to prevent re-uploads. The BGH's request for a preliminary ruling does not address this question.⁶⁷ It is of great importance, however: An answer in the affirmative imposes a burden on ISPs and diminishes the scope of safe harbour protection significantly. An answer in the negative decreases the level of protection of copyright holders.

It is important that courts abstain from pragmatic reasoning of the kind engaged in second interim decision in *Delta TV Programs v YouTube*. Such reasoning leads to a situation in which platforms that develop better filtering technologies would become subject to stronger liability (so-called "Good Samaritan paradox"⁶⁸), entailing disincentives for the development of such technologies. Rather, a decision should be made by balancing the fundamental rights of copyright holders to a protection of their IP, of platforms to their freedom to conduct business and of users to their freedom of expression and information.⁶⁹ These fundamental interests underly the E-Commerce

YouTube, in GRUR, 2018, 1140.

⁶⁶ In other cases, Italian courts considered URLs as not suitable to identify infringements. See, for instance, Tribunal of Rome, 27 April 2016, no. 8437 (docket no. 24716/2012); Tribunal of Rome, Order, 14 February 2014 (docket no. 54218/2008).

⁶⁷ A. Ohly, BGH: *EuGH-Vorlage zur Haftung einer Internetvideoplattform für Urheberrechtsverletzungen – YouTube*, fn 65, 1140.

⁶⁸ P. Van Eecke, *Online Service Providers and Liability: A Plea for a Balanced Approach*, cit., 1483.

⁶⁹ Art. 17, Art. 16 and Art. 11 of the Charter of Fundamental Rights of the European Union.

Directive, the InfoSoc Directive and the Enforcement Directive. In particular, an interpretation of the scope of the terms “knowledge” in Art. 14(1) and “general monitoring” in Art. 15 of the E-Commerce Directive is required. It is unfortunate that the BGH did not seize the opportunity to require this interpretation from the CJEU.

6. Conclusion

For now, in the world of ISP liability for copyright infringements, there appears to be nothing constant but inconsistency. In this article, we have looked at two cases with a comparable factual basis. The approaches taken by the courts to determine YouTube’s liability differ significantly, not only between but also within Member States. And these differences are not inconsequential: they lead to substantial differences in outcome.

We have identified four main inconsistencies. First, courts provide different answers to the question whether YouTube is primarily liable. Second, different interpretations of the term “active role” lead to diverging outcomes regarding YouTube’s eligibility for safe harbour protection. Third, courts interpret the requirements for a notification by the copyright holder inconsistently. Fourth, courts diverge in their answer to the question whether YouTube has an obligation to prevent future uploads of notified content.

The preliminary ruling request by the BGH is an important step towards more consistency. It addresses the first three inconsistencies we have identified. We expect the answers by the CJEU to increase legal certainty in these respects. The BGH does not inquire on the fourth issue. We have argued that this is a missed opportunity to pave the way for more consistency on the important question of whether Member States may impose “notice-and-staydown” obligations.

The directive for copyright in the Digital Single Market – if adopted in its current version – will address the first issue. It stipulates that hosting services perform an act of communication to the public. At least when considering the Commission’s proposal, it appears that the three other issues remain relevant even for cases occurring after the directive’s (potential) entry into force.

Both, the preliminary ruling and the directive for copyright in the Digital Single Market will have a big impact on the future of ISP liability for copyright infringements. They will determine whether it is indeed a “Time to Say Goodbye” to safe harbours for online video platforms.

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