DMCA Safe Harbor Provision Held to Apply to YouTube

On June 23, 2010, a federal judge in the Southern District of New York granted the motion for summary judgment of YouTube, Inc., and its parent Google, Inc. (collectively "YouTube"), holding that they qualify for the "safe harbor" protection of the Digital Millennium Copyright Act ("DMCA"), 17 U.S.C. § 512(c), against all of the claims of plaintiff Viacom International Inc. and other plaintiffs (collectively "Viacom") of direct and secondary copyright infringement arising out of the uploading and display of plaintiffs' copyrighted video works on the YouTube Web site. *Viacom Int'l Inc. v. YouTube, Inc.*, 07 Civ. 2103 (LLS) (S.D.N.Y. June 23, 2010). Judge Stanton ruled that YouTube is protected against Viacom's claims of copyright infringement because it "had insufficient notice, under the DMCA, of the particular infringements in suit," and because, when notified of specific infringements, it had taken down "by the next business day" 100,000 videos in response to a mass take-down notice from Viacom sent on February 2, 2007. (pp. 1, 16).

Viacom's complaint alleged that YouTube was not only "generally aware of, but welcomed, copyright-infringing material being placed" on its Web site. (p. 6). Though YouTube was diligent about removing infringing content upon receiving notices of infringement, YouTube did not monitor its service for infringements, instead relying on content providers to report the alleged infringing uses.

Both parties moved for summary judgment. Viacom asserted that YouTube had actual knowledge and was aware of facts and circumstances from which infringing activity was apparent, but failed to act expeditiously to stop it. Viacom further argued that YouTube received a financial benefit directly attributable to the infringing activity, and had the right and ability to control such activity. YouTube argued that it is protected under the so-called "safe harbor" in the DMCA because it did not have actual knowledge of specific infringements, was not aware of facts and circumstances from which specific infringing activity was apparent, and took down plaintiffs' infringing videos expeditiously upon receiving notice of specific infringements. The DMCA, signed into law in 1998, states that a service provider is not liable for infringement if it lacks actual knowledge of infringement, and in the absence of such knowledge, is not aware of facts and circumstances from which infringing activity is apparent and removes material from its site expeditiously when notified of infringing activity by the copyright owner. The critical issue in the case was "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 [the DMCA] 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." (p. 7).

The Court issued a 30-page ruling in favor of YouTube, finding YouTube is indeed protected under the DMCA. Relying heavily on the House and Senate reports relating to the DMCA, Judge Stanton concluded that the "tenor of the foregoing provisions is that the phrases 'actual knowledge that the material or an activity' is infringing, and 'facts or circumstances' indicating infringing activity, describe knowledge of specific and identifiable infringements of particular individual items. *Mere knowledge of prevalence of such activity in general is not enough.* That is consistent with an area of the law devoted to protection of distinctive individual works, not of libraries. *To let knowledge of a generalized practice of*

infringement in the industry, or of a proclivity of users to post infringing materials, impose responsibility on service providers to discover which of their users' postings infringe a copyright would contravene the structure and operation of the DMCA." (p. 15, emphasis added).

"The provider must know of the particular case before he can control it," the Court said in the ruling. (p. 26). "[*T*]*he provider need not monitor or seek out facts indicating such activity*." (*Id.*, emphasis added). Citing such cases as *Perfect 10, Inc. v. CCBill LLC*, 488 F.3d 1102 (9th Cir. 2007), the Court "decline[d] to shift a substantial burden from the copyright owner to the provider." (p. 16). The Court also relied on the Second Circuit's recent decision in *Tiffany (NJ) Inc. v. eBay, Inc.*, 600 F.3d 93 (2d Cir. 2010), which held that for Tiffany to establish eBay's liability for contributory trademark infringement, Tiffany would have to show that eBay "knew or had reason to know" of specific instances of actual infringement. (p. 19). *See* "Second Circuit Holds in eBay that Contributory Trademark Infringement Requires Knowledge of Specific Infringers Selling Counterfeit Goods" (Kaye Scholer Intellectual Property Client Alert, Apr. 5, 2010).[1] The Court further concluded that the "present case shows that the DMCA notification regime works efficiently," citing YouTube's removal of "virtually all" of the 100,000 videos subject to one mass take-down notice sent by Viacom to YouTube. (p. 16).

The Court gave Viacom's argument regarding YouTube's financial benefit from the infringing activity and YouTube's ability to control the infringing activity short shrift, because there was no evidence of specific infringements. "There may be arguments whether revenues from advertising, applied equally to space regardless of whether its contents are or are not infringing, are 'directly attributable to' infringements, but in any event the provider must know of the particular case before he can control it. As shown by the discussion . . . above, the provider need not monitor or seek out facts indicating such activity." (p. 25-26).

In short, Judge Stanton held that mere knowledge that copyright infringement *could* be happening is not enough to disqualify a service provider from the DMCA safe harbor protection — YouTube would need to have knowledge of a specific video's infringement, and have failed to remove the infringing work expeditiously in order to fall outside the DMCA safe harbor. Following the ruling, Viacom stated that it would appeal to the U.S. Court of Appeals for the Second Circuit "as soon as possible" and was "confident we will win on appeal."

[1] http://www.kayescholer.com/news/client_alerts/20100405/_res/id=sa_File1/IPCA04052010.pdf

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