

YAHOO! ITALIA LIABLE FOR CONTRIBUTORY COPYRIGHT INFRINGEMENT

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In a recent Decision issued by the Court of Rome (9th Section) in injunction proceedings (currently under appeal), Yahoo! Italia was found liable for contributory copyright infringement for listing links on its search engine to pirate websites that hosted the film "About Elly" and for not taking steps to remove such links when made aware thereof.

PFA Films S.r.l. (PFA), holder of the exclusive rights in Italy to the Iranian film "About Elly", which had found its way onto several popular p2p file-sharing websites and networks, sued Google Italy S.r.l., Microsoft S.r.l and Yahoo! Italia S.r.l., seeking a preliminary injunction from the Court that would force the respective search engines to remove links to such pirate websites which made the film available for illegal streaming and downloading.

All three parties acknowledged that acts of piracy had occurred but asked the Court to reject the claims brought against them, inter alia, as they were mere intermediaries.

The case against Google Italy s.r.l. and Microsoft S.r.l was rejected because the Court accepted that these companies do not manage their respective search engines, which are in fact controlled by their US parent companies. Yahoo! Italia was found to be a *caching provider* with direct management of its search engine by which it indexed third party websites, provided *cache* copies of their contents and temporarily memorized such data.

PFA also complained that Yahoo! Italia showed results which favoured the links to copyright infringing content. It claimed that file-sharing websites displayed higher in search results than the film's official website enabling internet users to find their way to unauthorised sites easier.

PFA's claims toward the court included: ordering Yahoo! Italia to remove the links to infringing content, issuing an injunction to prevent further copyright infringement, ordering Yahoo! Italia to pay €1,000 for each minute and €10,000 for each day it failed to comply with the order, provide for publication of the order. PFA's also claimed unfair competition but this was rejected by the Court on the basis that the companies were not actually competitors.

Yahoo! Italia was ordered by the Court to immediately cease, and desist from repeating, the violation of the exploitation rights of PFA in the film "About Elly" through the links on its search engine to websites containing pirated content of the film.

According to the court, the liability of Yahoo! Italia derived from the fact that it had been notified by PFA (by way of cease and desist letter) that its search index was providing links to such websites and not acting upon it accordingly.

The court ruled that, despite being aware of the infringing links, the search engine chose to take no measure against them. The court also ordered the immediate removal of all links to infringing websites without, however, specifying the URLs in question.

Therefore the order does not require Yahoo! to make a preliminary check on its links but it does attribute liability deriving from the awareness of the infringing nature of their contents. Thus the company has been found liable for contributory infringement as, through its links, it enabled a connection with pirate websites, *“which permit the film About Elly to be watched in streaming or through downloading or peer-to-peer sharing without the authorization from the commercial exploitation rights holder and therefore infringes copyright”*.

Yahoo! announced its intention to appeal against the order. The company announced in a public statement that it will appeal against *“the erroneous interpretation contained in the order according to which search engines are responsible for content shown in web search results even if created and hosted by third parties”*.

The search engine company also underlined that the requests to remove links made to Yahoo! by PFA, did not contain any reference to the URLs of links to be removed. The filtering operation of links whose URLs are not precisely reported would oblige search engines to constantly monitor web contents. In Yahoo!’s opinion such a responsibility *“is not only in conflict with the existing law and the principles stated in the e-commerce Directive, but it may also lead to serious constraining consequences on the freedom of speech on the Internet”*.

The Court rejected PFA's other requests, finding that (with respect to the request for a monetary fine for every minute and every day Yahoo! Italia failed to comply with the order) it was difficult to estimate the time required to give effect to the Court’s order and that (with respect to publication of the order) it was unnecessary since (i) the internet user would in any case be inhibited from accessing the sites by the removal of the links; (ii) repetition of the infringing acts by competitors would not be an issue since the internet search engine sector is composed of only a few key players and news of such a decision would travel fast; (iii) the publication would in any case not guarantee the deviation of clients to the pirate sites.

The Rome court has taken the significant step of penalizing a search engine for facilitating access to illegal content even after being made aware of the fact by way of a cease and desist letter.

A decision on the appeal is eagerly awaited and expected shortly.

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