

# Navigating the Future of IP

The changing landscape for platform liability in the EU and its impact in the UK

20 November 2024



# Contents

01 Digital Service Act (DSA)

---

02 Article 17 EU Copyright Directive

---

03 The position in the UK

---



# Digital Services Act (DSA) - Overview

- Uniform EU horizontal framework for digital intermediary services offered to users in the EU, regardless of the location of the service providers.
- Entry into force and effectiveness

Came into force on 16.11.2022.

Fully effective since 17.02.2024 . For VLOP/VLOS already since 25.08.2023.



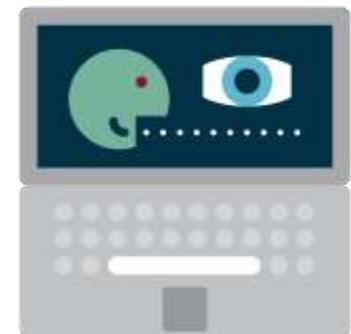
## Digital Services Act (DSA) - Addressees

- B2B and B2C providers of digital intermediary services (intermediaries) (Intermediaries) that provide users with access to goods, services or content. Specifically, these are providers of
  - pure transmission services (e.g. access providers, Internet exchange points, wireless access points, VPNs and DNS services);
  - caching services (e.g. CDNs, reverse proxies and content adaptation proxies);
  - hosting services (e.g. cloud computing and-online platforms (e.g. social networks, online marketplaces and app stores); and
  - online search engines



# Key Changes Introduced by the DSA

- Art. 12 – 15 E-Commerce Directive replaced by Art. 4 – 6 DSA
- Enhanced transparency and accountability measures, such as the requirement for platforms to provide clear information on content moderation policies (Art. 14) and publish annual transparency reports (Art. 15).
- Implemented stricter content moderation requirements, including the implementation of mechanisms to address illegal content (Article 16) and cooperation with national authorities (Article 18).
- New specific obligations for very large online platforms (VLOPs).
- Sanctions: Fines of up to 6% of annual worldwide turnover.



# Platform Liability Under Article 6 DSA for Hosting Providers

- Art. 3 lit. g DSA

‘**intermediary service**’ means one of the following information society services: [...]

(iii) a ‘hosting’ service, consisting of the storage of information provided by, and at the request of, a recipient of the service;

- Art. 8 DSA No general monitoring or active fact-finding obligations

**No general obligation** to monitor the information which providers of intermediary services transmit or store, nor actively to seek facts or circumstances indicating illegal activity shall be imposed on those providers.

- Recital 30 DSA

[...] This does not concern monitoring obligations **in a specific case** and, in particular, does not affect orders by national authorities in accordance with national legislation, in compliance with Union law, as interpreted by the Court of Justice of the European Union, and in accordance with the conditions established in this Regulation. [...]

# Platform Liability Under Article 6 DSA for Hosting Providers

- Art. 6(1) DSA Hosting

Where an information society service is provided that consists of the storage of information provided by a recipient of the service, the service provider **shall not be liable** for the information stored at the request of a recipient of the service, **on condition that the provider:**

- a) does **not have actual knowledge** of illegal activity or illegal content and, as regards claims for damages, is not aware of facts or circumstances from which the illegal activity or illegal content is apparent; or
- b) **upon obtaining such knowledge or awareness**, acts expeditiously to remove or to disable access to the illegal content.

## Platform Liability – Case law prior to DSA

- Case C-236/08 to C-238/08 (Google France and Google Inc. v Louis Vuitton)
  - hosting providers are not liable for the content stored on their platforms if they do not have actual knowledge of illegal activity.
  - No Actual Knowledge: Hosting providers must not have actual knowledge of the illegal activity or information.
  - Acting Expeditiously: Upon obtaining such knowledge, hosting providers must act expeditiously to remove or disable access to the information.
- Case C-324/09 (L'Oréal SA v eBay International AG)
  - The liability privilege applies to the operator of an online marketplace, provided that the operator has not played an **active role** that enables it to have knowledge of or control over the stored data.
  - National courts must be able to order operators of an online marketplace to take measures to stop and prevent infringing offers.

## Platform Liability – “Good Samaritan Principle”

### Art. 7 DSA Voluntary own-initiative investigations and legal compliance

Providers of intermediary services shall not be deemed ineligible for the exemptions from liability referred to in Articles 4, 5 and 6 solely because they, in good faith and in a diligent manner, carry out voluntary own-initiative investigations into, or take other measures aimed at detecting, identifying and removing, or disabling access to, illegal content, or take the necessary measures to comply with the requirements of Union law and national law in compliance with Union law, including the requirements set out in this Regulation.

## Platform Liability – Case law prior to DSA

Case ECJ C-682/18, C-683/18 (Frank Peterson/Google LLC ua [C-682/18] u. Elsevier Inc./Cyando AG [C-683/18])

- Frank Peterson, a music producer, sued Google LLC and YouTube for copyright infringements, alleging that users uploaded his copyrighted works without permission.
- Elsevier Inc., a publisher, sued Cyando AG, the operator of the file-hosting service "Uploaded", for hosting copyrighted works without authorisation.
- The ECJ ruled that online platforms can be held liable if they play an active role in the distribution of illegal content.
- An active role includes optimising the presentation of uploaded content or promoting it, which goes beyond mere technical, automatic, and passive processing.

# New German case law – “Manhattan Bridge”

Federal Court of Justice, 23 October 2024 – I ZR 112/23



## New German case law – “Manhattan Bridge”

- Court applies ECJ YouTube/Cyando (re. video hosters and sharehosters) for Online Marketplaces
- Marketplace operators can also (de facto) assume a “central role” (<- increase in risk)
- Video host and marketplace operator = host provider according to Art. 6(1) DSA
- Prerequisite: “active role”, e.g. help with the presentation of offers (ECJ “L'Oréal/eBay”)
- Here: active role (+): Own economic interest of the defendant (sales fees) and in general terms and conditions: Defendant may advertise/let advertise individual offers



## New French case law

- From an IP law perspective, recent case law does not show practical major change in terms of assessing whether an online platform plays an active role.
- Some claimants are seeking orders from courts requiring online platforms to implement measures to prevent the distribution of content using their IP rights (e.g., filtering measures).
  - French judges will have to decide how these requests for preventive measures can be reconciled with Art. 7 DSA (i.e., no general obligation to monitor the information which providers of intermediary services transmit or store, nor actively to seek facts or circumstances indicating illegal activity shall be imposed on those providers).
- Some recent decisions are sanctioning abusive notification of allegedly illegal content.



# Platform Liability Under Article 6 DSA for Hosting Providers

- Art. 6(3) DSA Hosting

Safe harbour rule shall **not** apply **with respect to the liability under consumer protection law** of online platforms that allow consumers to conclude distance contracts with traders, where such an online platform presents the specific item of information or otherwise enables the specific transaction at issue in a way that would lead an average consumer to believe that the information, or the product or service that is the object of the transaction, is provided either by the online platform itself or by a recipient of the service who is acting under its authority or control.

- Applicable for case ECJ decision 22/12/2022 – C-148/21, C-184/21 (Christian Louboutin/Amazon Europe Core Sàrl)?



## C-148/21 - C-184/21 [2022] (C. Louboutin/Amazon Europe Core Sàrl)

- Operator of an online sales website including the operator's own offerings and an online marketplace.
- This operator may be regarded as itself using a sign infringing a trademark in connection with the third party sellers' goods, if a **well-informed and reasonably observant user** of that site may have the impression that that operator is marketing, on its own behalf, the goods bearing that sign.
- The operator (i) was using a **uniform method of presenting the offerings** on its website, displaying at the same time the ads relating to the goods which it sold on its own behalf and those relating to goods offered by third-party sellers; (ii) **placed its own logo as a renowned distributor** on all those ads; and (iii) offered third-party sellers, in connection with the marketing of goods bearing the sign, **storing and shipping services** of those goods.
  - Case-by-case analysis



## C-148/21 - C-184/21 [2022] (C. Louboutin/Amazon Europe Core Sàrl)

In recent decisions, the French judges have referred to this ruling to assess the liability of online platform providers under trade mark law:

- Paris Court [January 2024]: To exclude the platform liability, the judges noted that the operator did not originate the manufacture or import of the infringing goods, did not market them and, more generally, did not make any use of the disputed sign in the context of its own commercial communication.
- Paris Court [April 2024]: To held liable the marketplace for second-hand goods, the judges noted that (i) the offerings on the platform included the wording "*our commitments: 100% authenticity guaranteed, 100% secure payment, made-to-measure delivery, satisfied or your money back*", and (ii) the platform operator was providing to sellers an authentication service of the goods at issue.



# Article 17 EU Copyright Directive – Key changes for content-sharing platforms

- Without calling into question their status as intermediary services under the DSA, Article 17 creates an exception within the specific framework of copyright, by considering that these providers carry out directly acts of communication to the public online, resulting in their liability unless they demonstrate that:
  - They have made “best efforts” to obtain authorisation from the rightholders to make the copyrighted content available; and
  - They have made **best efforts to block unauthorised content**; and
  - They have **acted expeditiously following notification from a rightholder to block or remove unauthorised content** and made **best efforts to prevent future upload of that content** (i.e., notice-and-take-down and notice-and-stay-down mechanisms).



# Article 17 EU Copyright Directive – Guidelines

- Guidelines from the European Commission of June 2021
- Public report from the French Regulator (ARCOM) of October 2024 that includes an analysis on:
  - Services that may qualify as content-sharing platform providers
  - Notification management by content-sharing platform providers



## The position in the UK

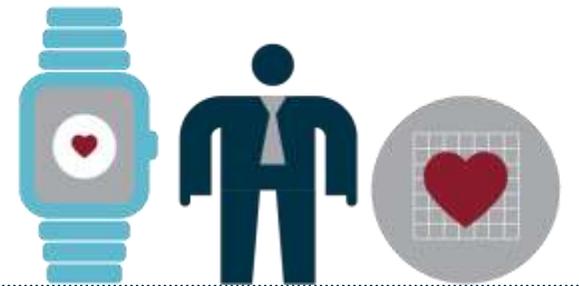
No Digital Services Act

No Article 17 of the Digital Copyright Directive

Online Safety Act



# Swatch v Samsung [2023] EWCA Civ 1478 (Court of Appeal)

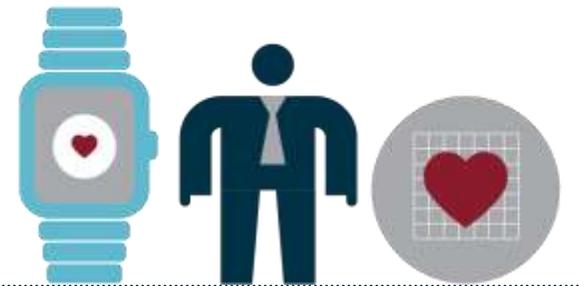


## Swatch v Samsung [2023] EWCA Civ 1478 (Court of Appeal)

Is platform using the mark?

If not, is the platform a joint tortfeasor?

Does Article 14 hosting exception apply?



## Swatch v Samsung [2023] EWCA Civ 1478 (Court of Appeal)

### Is platform using the mark?

- a party only "uses" a sign for this purpose if it uses that sign "in its own commercial communication"
- a well-informed and reasonably observant user might believe that the operator is marketing, in its own name and on its own account, the goods for which the sign in question is being used

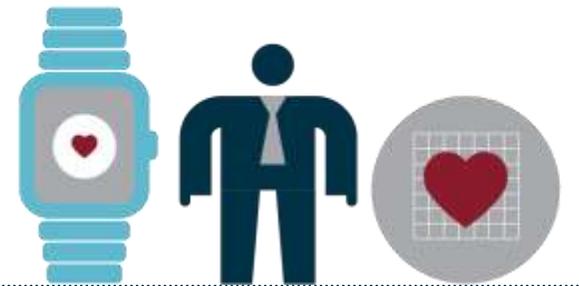
***(C-148/21 and C-184/2 – Louboutin v Amazon)***



## Swatch v Samsung [2023] EWCA Civ 1478 (Court of Appeal)

### Does Article 14 hosting exception apply?

- Samsung's acts of use of the disputed signs were active
- Rejected Samsung argument that it shouldn't be penalised for content review



# Lifestyle Equities v Amazon [2024] UKSC 8 (Supreme Court)



## Lifestyle Equities v Amazon [2024] UKSC 8 (Supreme Court)

Amazon liable for use of trade marks on third party listings

Amazon.com (US website) targeted to UK/EU consumers



## Take homes

### Platform design is key

- Does a well-informed and reasonably observant user of that website establishes a link between that operator's services and the sign in question (Compare Amazon and eBay)
- Whether the average consumer would think the [platform/retailer] was seeking to sell the [goods] to consumers in the UK



## Speaking with you today



**Robert Guthrie**  
Partner  
United Kingdom

T +44 20 7105 7662  
[robert.guthrie@osborneclarke.com](mailto:robert.guthrie@osborneclarke.com)

---



**Robert Briske**  
Partner  
Germany

T +49 30 7262 18164  
[robert.briske@osborneclarke.com](mailto:robert.briske@osborneclarke.com)

---



**Julia Darcel**  
Counsel  
France

T +33 1 84 8 24542  
[julia.darcel@osborneclarke.com](mailto:julia.darcel@osborneclarke.com)

---

# Any questions?



# About Osborne Clarke

## Our global connections and 'best friends'

Through a network of 'best friends' we extend our reach across the globe, particularly in North America, EMEA & Asia Pacific. We have worked closely with like-minded firms in over 100 countries. We'll find the right local partner for you and wherever that may be, we will make sure that you receive the Osborne Clarke level of service.

Osborne Clarke is the business name for an international legal practice and its associated businesses.

Full details here: [osborneclarke.com/verein](https://osborneclarke.com/verein)

\*Services in India are provided by a relationship firm

### Europe

Belgium: Brussels

France: Paris

Germany: Berlin, Cologne, Hamburg, Munich

Italy: Busto Arsizio, Milan, Rome

The Netherlands: Amsterdam

Poland: Warsaw

Spain: Barcelona, Madrid, Zaragoza

Sweden: Stockholm

UK: Bristol, London, Reading

### USA

Miami, New York, San Francisco

### Asia

China: Shanghai

India\*: Bengaluru, Mumbai, New Delhi

Singapore

# 1300+

talented lawyers  
working with

# 340+

expert Partners  
in

# 26

international locations\*  
advising across

# 8

core sectors  
with

# 1

client-centred approach