The BGH pointed out that there is no room for a rebuttable presumption of infringement in the case of search engines.

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Right of communication: German Federal Supreme Court applies GS Media to internet search engines

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While the German Federal Supreme Court ('BGH') reasoning in the *Thumbnails III* case is yet to be published, the official press release reveals that the BGH transposed the hyperlinking-related decision in *GS Media* (C-160/15) to a search engine scenario, and went a step further by highlighting that, in respect of internet search engines, there is no room for a rebuttable presumption of copyright infringement.

Thumbnails I

The term 'thumbnail' is a commonly used metaphor for reproductions of pictures on a smaller scale, for example on websites or by internet search engines. For almost a decade, German courts have pondered the question of the circumstances under which such a reproduction by an internet search engine constitutes copyright infringement.

The case underlying *Thumbnails I* (GRUR 2010, 628) related to an artist who published pictures of her pieces of art on her own website. The artist did not resort to any technical means in order to prevent search engines from accessing the pictures. However, when she noticed thumbnail renditions of her art on a search engine, she brought copyright infringement proceedings.

The analysis of the BGH in *Thumbnails I* focused on national German law. Its reasoning did not mention Directive 2001/29/EC (the 'InfoSoc Directive'), which introduced the right of communication (Art. 3(1)) on a Europe-wide scale. Having said that, the BGH's line of argument did suggest that it took Recital 27 of the InfoSoc Directive and its reference to 'mere facilitators' into consideration: the judges emphasised that the defendant did not merely facilitate access to the pictures, it actively communicated the copyrighted content to users.

Nonetheless, the BGH ruled that there had been no copyright infringement. The BGH acknowledged that the artist had neither expressly, nor by implication, licensed her pictures. However, the fact that she failed to prevent access by technical means implied that she consented to the reproductions. This so-called 'simple consent' meant that the reproductions were not illegal.

Thumbnails II

Just one year later, the BGH had another opportunity to express its views on the use of thumbnails on the internet. The facts underlying *Thumbnails II* (GRUR 2012, 602) were different from those underlying the previous case in that the claimant had not personally uploaded the copyrighted material (photographs) to the internet. He had, however, granted third parties licences to communicate them to the public.

The analysis provided by the BGH again focused on German national law. In the case at hand, the licences granted to customers were not limited in scope. The Court took the view that the broad licence to communicate the content to the public, by implication, also included a simple consent to reproduction by internet search engines. The claimant did not succeed in convincing the BGH that the operators of internet search engines should have also requested licences.

Hot topic: right to communication

With the two decisions having more or less settled German case law, the discussion about thumbnails went quiet for a while. In the meantime, the right to communication under Art. 3(1) of the InfoSoc Directive became a hot topic, with the Court of Justice of the European Union ('CJEU') issuing almost 20 rulings in an attempt to delineate the scope of this right.

In *TV Catchup* (C-607/11) the CJEU stated what is seemingly self-evident when it held that a communication to the public implies two steps: first, the act of communication must take place; and second, the relevant work must be communicated to the public, i.e., to a reasonably large number of individuals.

In *Svensson* (C-466/12) the CJEU focused on this second requirement. In the underlying case, the initial communication on the internet took place with the consent of the rightsholders. Given that the alleged infringer used the same technical means of communication (i.e., the internet), the CJEU held that this subsequent communication only constituted an infringement if it was directed at a 'new public.'

The case underlying *GS Media* (C-160/15) was different in that while the content was freely available on the internet, the copyright owner had not given the green light for the initial communication to the public. Accordingly, the requirement for the communication to be directed at a new public, established in *Svensson* and subsequently confirmed in *BestWater* (C-248/13), did not apply.

However, the Court also stressed the need to balance the rights of the copyright holder on the one hand with the potential users' right to information on the other. The CJEU judges took the view that a 'filter' should be applied, according to which infringement requires that the accused either knows or ought to have known that the content was illegally placed on the internet (the so-called 'knowledge requirement'). The underlying rationale was that, if it is considered vital to have a functioning internet, it must generally be possible to use hyperlinks to published material. As an alternative, the CJEU suggested that there may be a rebuttable presumption of infringement if the communication of copyrighted material is carried out for profit.

GS Media applied

The above outlines where the law stood when the *Thumbnails III* case reached the BGH. From the decision of the Court of Second Instance (Higher Regional Court of Hamburg, Beck RS 2015, 122367) and the BGH press release, we can infer that this is another case relating to copyrighted content freely available on the internet, but originally communicated without consent. The claimant allowed customers to download photographs to their computers but not to subsequently upload these photographs to the internet.

Against this background, it was inconceivable for the BGH to resort to the line of argument pursued in the previous *Thumbnails* judgments. The copyright holder clearly had not granted a simple consent to the reproduction of the photographs as thumbnails. Instead the BGH noted that the right of communication under sections 15(2) and 19a of the German Copyright Act implements art. 3(1) of the InfoSoc Directive and must therefore must be interpreted in accordance with the InfoSoc Directive. In particular, national courts are obliged to heed what the CJEU stated in *GS Media*. In *GS Media* the knowledge requirement was introduced with regard to hyperlinking to illegally published content. In *Thumbnails III* the BGH transposed this requirement to an internet search engine scenario. According to the press release, the German judges agreed with the CJEU that the internet plays a vital role in making information available to the general public. The balancing of rights therefore requires that it is generally possible to use hyperlinks. The BGH further emphasised that access to information further requires functioning search engines. On this basis, the knowledge requirement according to *GS Media* should also apply with regard to thumbnails shown by search engines. In the case at issue, the search engine operators had no reason to assume that any of the pictures had been published without prior consent.

No room for a rebuttable presumption

Taking an even bolder step, the BGH also pointed out that there is no room for a rebuttable presumption of infringement in the case of search engines. According to the BGH, this presumption is based on the idea that someone who uses hyperlinks for profit can be expected to determine whether the content has previously been legally published. However, if the same burden were placed on the operators of search engines, they would in effect be forced to go out of business. The BGH expressly took the view that operators cannot be expected to double-check whether pictures automatically retrieved by crawlers were communicated with the rightsholders' consent.

Conclusion

Until the full reasoning of the BGH is published, it may be somewhat premature to comment on *Thumbnails III* and its implications. The press release, however, indicates that this is a landmark decision. The BGH has contributed to the development of case law regarding the right of communication by transposing *GS Media* to internet search engines. Whether or not this should be welcomed obviously depends on one's perspective.

Thumbnails III appears to suggest that, if the functioning of the internet is at stake, the right of information prevails over the interests of copyright holders. The underlying question that must be answered by society, legislators and the courts is: do we think the 'search pictures' function is indispensable? If yes, then the BGH may have a point in arguing that there can be no rebuttable presumption of infringement.