

# in the news

## Intellectual property / New technologies / Media Department

### Topic of the month: Google Inc. held liable for its “Google Books” service

At a time when the digitisation of the content of libraries and e-books have been in the news, Google has been dealt a blow by the French courts.

In a judgment rendered on 18 December 2009, the Paris District Court (*Tribunal de Grande Instance*) held Google Inc. liable for copyright infringement in a case brought by Editions du Seuil and two other subsidiaries of the La Martinière publishing company, with the support of several parties, including a book publishers' association, the Syndicat National de l'Edition (SNE), and an authors' guild, the Société des Gens de Lettres (SGDL).

The French publishers contended that Google had digitised books for the Google Books search engine without their authorisation.

At the outset, it is worth noting that the outcome of this case was largely dependent on the resolution of the preliminary issue concerning the applicable law. Google France and Google Inc. argued that U.S. law applied, relying on Article 5, section 2, of the Berne Convention, which provides that the applicable law is that of the country where the original wrongful act is committed, which in this case was the country where the works were digitised.

This legal position, which had been successfully argued in the earlier case of SAIF v. Google (Paris District Court, 28 May 2008), would have allowed Google to assert the “fair use” exception under U.S. law, thereby entitling it to present the works found by the Google Books service in the form of short excerpts. In countries that apply the common law of copyright, and in the United States in particular, the exceptions to authors' rights are interpreted broadly, whereas under French law authors are afforded significant protection and exceptions to their rights are construed narrowly.

However, the Court held that the law applicable in cases of torts comprising multiple acts is the law of the place where damage is caused, and found that France was the country that had the closest ties to the dispute.

Based on the fact that the works were those of French authors, that the principal parties had their head offices in France and that the domain name of the [www.books.google.fr](http://www.books.google.fr) website had an “.fr” extension and was drafted in French, the Court held that French law should apply, specifically Articles L.122-4 and

L.335-2 of the Intellectual Property Code concerning copyright infringement.

Although the claimants also asserted trade mark infringement and parasitism, only the copyright infringement cause of action was successful.

The Court held that infringement of the authors' patrimonial rights had been proved by the fact that, first, Google's digitisation of the works constituted an act of reproduction and, second, that Google had presented the works without authorisation because the service at issue displayed to the public the covers of the works and excerpts therefrom.

Moreover, the Court refused to accept the short quotation exception asserted by Google, on two grounds. First, the Court found that although the size of the reproductions was small, the covers of the digitised works were presented to the public in full. This holding is consistent with prior decisions which had held that “*the reproduction of an entire work, regardless of its format, cannot be considered a short quotation*” (Supreme Court *Cour de cassation*, plenary session, 5 November 1993).

This exception to an author's exclusive rights requires not only that the quotation be brief but, according to Article L.122-5, paragraph 3, of the Intellectual Property Code, that the use thereof be “justified by the critical, argumentative, scientific or informational nature of the work incorporating the quotation”. Second, the Court considered that the random manner in which the excerpts were displayed was inconsistent with any informational purpose and, therefore, Google was not entitled to avail itself of the short quotation exception.

Finally, the Court held that the integrity of the works of the six named authors had been infringed because the excerpts taken from the works had been randomly truncated and displayed in the form of strips of torn paper.

Only Google Inc. (but not Google France) was held liable for the digitisation of the works and was ordered to pay €300,000 in damages to Editions du Seuil, Delachaux & Niestle and Harry N. Abrams, as well as one euro to SNE and SGDL. In addition, the Court enjoined further infringement and imposed a fine of €10,000 per day in the event of non-compliance.

The publishing sector has expressed its satisfaction with this judgment. However, it appears that Google has decided to appeal, which is unsurprising.

## News

### ■ Internet service providers owe an absolute obligation

In a decision rendered on 19 November 2009, the French Supreme Court (*Cour de Cassation*) once again held an internet service provider liable for breaching an absolute obligation.

In this case, a customer had subscribed to the “Free broadband unbundling” service offered by Free, which included a connection using a router known as a “Freebox”. This subscription was advertised as providing customers with a “triple play” service (internet, telephone and television), which depended *inter alia* on certain technical features of their telephone lines. After having received and installed the modem furnished by Free, the customer discovered that he could not access the television service and brought suit against Free on the grounds of breach of contract.

In a judgment rendered on 1 July 2008, the Orléans local court denied all of the claimant’s claims on the grounds that at the time the customer had subscribed to the service he had been informed, both by the contract’s general terms and conditions and by e-mail, of the access limitations applicable to the offer. Therefore, the court held that “*due to the fact that Free has no control over the equipment [...], and because it fulfilled the obligation it owed as a professional to inform non-professionals of the technical features of the services offered and the inability to provide television service, which it justified on the basis of a reason that exonerated it from liability, and because it provided [the claimant] with access to generic offers in accordance with the contract [...], Free is not liable for any breach*”.

The Supreme Court reversed this decision. As the Court had held in a similar case decided on 8 November 2007, it is now established that an internet service provider cannot avoid liability to its customers in the event of a technical malfunction unless such malfunction is due to a force majeure event, which is defined as “an event that is unforeseeable at the time the contract is entered into and that is beyond the parties’ control at the time it occurs”.

Therefore, an internet service provider has an absolute obligation to provide the service it advertises and cannot absolve itself of liability on the grounds of a foreseeable default of a third party, such as France Telecom, even if such third party controls some of the facilities required to provide the service (which is the case for subscriber hubs and local loops).

### ■ eBay held liable once again

In a case that was brought against eBay by the fragrance companies holding the Christian Dior, Kenzo, Givenchy and Guerlain trade marks, all of which are subsidiaries of the LVMH group, the Paris Commercial Court ordered eBay, first, to cease and prohibit the posting of advertisements for counterfeit products and, second, to cease and prevent the use of the claimants’ trade marks in the titles and content of advertisements posted on its website (Paris Commercial Court, 30 June 2008).

The shopping website petitioned the Paris Court of Appeal to stop the immediate enforcement of the judgment, which the Court of Appeal refused to do on 11 July 2008.

The Court held that “*the measures required of eBay to comply with the trial court’s orders were in no way disproportionate to the loss sustained by the respondents*” and that *eBay had failed to prove that “the immediate enforcement of the judgment appealed would cause it [the company] manifestly excessive consequences, within the meaning of Article 524 of the Code of Civil Procedure*”.

When eBay had still not complied with the Court’s orders three months later, the companies of the LVMH group petitioned the Paris Commercial Court to order eBay to pay the fine for non-compliance, as specified in the judgment of 30 June 2008. On 30 November 2009, the court granted the petition on the grounds that “*eBay, a large multinational, has not shown that it lacks the human and technological resources or the financial capacity to allocate the resources necessary to configure the parameters of its websites*”.

However, the Court reduced the amount of the fine from €50,000 to €2,500 per day, taking into account the very short period allotted to carry out what it acknowledged to be a complex and extensive operation. Nevertheless, the amount of the fine to be paid totals €1.7 million.

This decision, which eBay has appealed, was handed down at about the same time that a code of conduct was signed (on 15 December 2009) concerning sales of counterfeit merchandise on the internet, which provides for greater co-operation between e-commerce platforms and trade mark holders.

### ■ Refinements to the Nikon case law: the French Supreme Court holds that the fact that the title of a computer file is an employee’s first name is not sufficient to make it personal in nature

The Supreme Court has refined its position with respect to the criteria used to define a personal computer file and the use thereof as proof in disputes between employers and employees.

In a decision rendered on 8 December 2009, the Court held that the fact that a computer file’s title was an employee’s first name was not in and of itself sufficient to identify such file as personal and, therefore, the employer had the right to inspect its content.

In reaching this conclusion, the Court reminded that “unless an employee identifies files as personal, files created by the employee using the IT tools made available to him by his employer for the requirements of his work are presumed to be of a business nature, and the employer is entitled to open such files without the employee being present”.

Also noteworthy in this decision is the Court’s finding that the fact that the employee’s workstation was protected by a password was irrelevant because the company’s IT technicians knew the password and its purpose was simply to prevent persons outside the company from breaking into the company’s IT system.

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