

European Commission, Internal Market and Services DG, Unit E.3 – Online services

via E-Mail markt-consultationnoticeaction@ec.europa.eu

Vienna, 3<sup>rd</sup> September 2012

## ISPA CONTRIBUTION ON THE PUBLIC CONSULTATION ON PROCEDURES FOR NOTIFYING AND ACTING ON ILLEGAL CONTENT HOSTED BY ONLINE INTERMEDIARIES

Dear Sir / Madam,

ISPA (Internet Service Providers Austria; Identification Number: 56028372438-43) is pleased that the Commission has issued this consultation on Notice and Action procedures.

Nevertheless, ISPA would like to emphasize that it sees room for improvement in regard to the current questionnaire format, which only allows for specification and comments when the options "no" or "other" are selected. The limit of 500 characters might also be seen as too restrictive. Therefore, ISPA has chosen to answer the questionnaire via e-mail which allows explaining its reasoning.

In conclusion, ISPA would like to stress the importance of separate procedures for different categories of illegal content. Procedures concerning manifestly illegal content should enable public authorities to conduct investigations and to identify perpetrators. Notice and Action procedures concerning for instance child sexual abuse material (CSAM) should under no circumstances jeopardize the success of criminal investigation by obliging notice providers to contact content providers first.

ISPA wants to point out that the issue of notices (cease and desist letters) is increasingly becoming a business model for lawyers. This practice has to be countered by providing sanctions against abusive, false and fraudulent notices.

Furthermore, ISPA would like to underline that ISPs must not be obligated to monitor the information they are storing for their customers.



Public authority / Law enforcement

Intellectual property rights holder

Research institution / Think tank

**Business federation** 

Other

#### 1. Background Information

1. Please indicate your role for the purpose of this consultation:\*

- Individual
- Civil society association
- Hosting service provider
- Internet access provider
- Private company (not hosting service provider or Internet access provider)
- Hotline

#### Please specify:

ISPA is the association of Internet Services Providers in Austria (ISPs) representing the interests of 200 Austrian ISPs. ISPA is the voice of the Internet industry in Austria on information society subjects such as cybercrime, data protection, e-commerce regulation, EU telecommunications law and safe use of the Internet.

2. Please indicate your place of residence or establishment:*							
Austria	Finland	Poland					
Belgium	France	Portugal					
Bulgaria	Hungary	Romania					
Czech Republic	Ireland	Slovakia					
Cyprus	Italy	Slovenia					
Germany	Lithuania	Sweden					
Denmark	Luxembourg	United Kingdom					
Estonia	Latvia	EU association					
Greece	Malta	<ul> <li>Non-EU country</li> </ul>					
Spain	The Netherlands	Other					

### Please specify:

ISPA is the Association of Internet Service Providers Austria. We represent the interests of 200 Austrian ISPs.

#### 3. Please provide your contact information (name, address and e-mail address):\*

Dr. Maximilian Schubert Internet Service Providers Austria Interest Representative Register ID Number: 56028372438-43 Währingerstraße 3/18 1090 Wien <u>Maximilian.Schubert@ispa.at</u> +43 1 409 55 76 www.ispa.at



#### 4. Is your organisation registered in the Interest Representative Register?\*

- Yes
- No
- Not relevant

# 5. What is /are the category /ies of illegal content of greatest relevance to you in the context of N&A procedures?\*

- Illegal offer of goods and services (e.g. illegal arms, fake medicines, unauthorised gambling services etc.).
- Illegal promotion of goods and services.
- Content facilitating phishing, pharming or hacking.
- Infringements of copyright and related rights
- Infringements of trademarks
- Infringement of consumer protection rules.
- Incitement to hatred or violence (on the basis of race, religion, gender, sexual orientation etc.)
- Child abuse content
- Terrorism related content (e.g. content inciting the commitment of terrorist offences and training material)
- Defamation
- Privacy infringements
- Other:
- Not applicable

#### Please specify:

For ISPA the purpose of this question appears unclear. The scope of Article 14 of the E-Commerce Directive encompasses all illegal content, whether it is illegal under criminal law or a violation of civil law.

ISPA emphasizes that in society different kinds of unwanted behaviour are handled differently. This principle should also be applied to online illegal content. Manifestly illegal content such as CSAM calls for different procedures than defamation.

ISPA wants to stress, that the assessment of whether content is illegal or not is in practice very difficult and therefore has to be placed within the competence of courts. Hosting providers in the majority of cases lack knowledge and resources to judge whether a notice that alleges a violation has merit or not, especially in notoriously complicated areas such as copyright.

This value judgment should therefore remain in principle with the courts, which are directly bound to the fundamental rights.



## 2. Notice and Action procedures in Europe

<ul> <li>6. To what extent do you agree with the fol procedures?</li> <li>a) I completely agree</li> <li>b) I agree</li> <li>c) I disagree</li> <li>d) I completely disagree</li> <li>e) No opinion</li> </ul>	lowing s	tatements	on notice	e-and-actio	on
Action against illegal content is often ineffective* (1) Action against illegal content is often too	а	b	С	d x x	е
slow* (2) Hosting service providers often take action against <i>legal</i> content* (3) There is too much legal fragmentation and uncertainty for hosting service providers and notice providers* (4)				x	×

Although no specification is possible on the online form for this question, ISPA would like to make the following comments:

The problem that hosting providers face is to a lesser degree the removal of the alleged illegal content. The difficulty primarily arises out of deciding whether the content is actually illegal or not. Clear cut cases are few and far between. This value judgment cannot be required to be made by a private entity, apart from raising questions about the rule of law and the adherence to fundamental rights, small and midsize enterprises entirely lack the resources to investigate notifications in depth.

If a system lets a host provider face immediate liability for any content from the moment it receives a notification, host providers will have no interest in examining whether a notification has merit or not.

Therefore ISPA supports the introduction of sanctions in case of abusive or false notifications and calls for procedures to report such fraudulent notifications. Furthermore ISPA suggests to clarify that hosting providers cannot be held liable in cases where legal content was removed or disabled following a notice.



<ul> <li>7. To what extent do you agree with the ference of the commerce Directive?</li> <li>a) I completely agree</li> <li>b) I agree</li> <li>c) I disagree</li> <li>d) I completely disagree</li> <li>a) No explaine</li> </ul>	ollov	ving sta	atements	on Articl	e 14 of the	€-
e) No opinion The exact scope of 'hosting' is sufficiently	x	а	b	С	d	е
clear* (1)	^					
The terms "actual knowledge" and "awareness" are sufficiently clear* (2)	x					
The term "expeditiously" is sufficiently clear* (3)	x					

Although no specification is possible on the online form for this question, ISPA would like to make the following comments:

# The exact scope of "hosting" is sufficiently clear:

The E-Commerce Directive and the decisions of the ECJ have helped tremendously to define the exact scope of hosting, in particular the case "L'Oréal – eBay" (C-324/09). In this judgment the ECJ held that hosting of content should be distinguished from the other activities that a service may provide. A content provider for instance, which operates a message board on its website is in regard to the message board a hosting provider, yet it remains a content provider for the rest of the site.

## The terms "actual knowledge" and "awareness" are sufficiently clear

For ISPA the term "actual knowledge" means that a court or a public authority has already determined that the content is illegal.

"Awareness", as understood by ISPA, comes from a notice by a private entity. The ECJ has held in its decision about "L'Oréal – eBay" (C-324/09, mn 122) that awareness can only be assumed if the notice is sufficiently precise and adequately substantiated. As mentioned above even when a notice meets these requirements the decision about whether the content is legal or not remains difficult, an alleged copyright violation may in fact be protected by an exemption in the respective laws of the member state, e.g. by an exemption for parodies. A hosting provider cannot be required to become a legal expert in all legal areas. By putting these decisions into the hands of private entities the EU risks the widespread removal of legal content, therefore these judgments must remain in the hands of the courts and public authorities.



Another challenge hosting providers in Austria face is that lawyers increasingly try to establish a business model out of sending cease and desist letters (so called "*Unterlassungsaufforderungen*"). These lawyers automatically assume awareness once the notice is sent by registered mail. ISPA therefore calls for measures against this abuse of the judicial system and suggests imposing sanctions and calls for clear procedures to report such fraudulent notices.

# The term "expeditiously" is sufficiently clear

The term "expeditiously" is sufficiently clear to ISPA, it allows for the flexibility that is needed when dealing with different kinds of illegal content. Please see comments to question 19 for further clarifications.

The public consultation on e-commerce of 2010 has demonstrated that most stakeholders consider hosting of websites to be hosting, but that there is less unanimity on other services that could be hosting. The CJEU has stated that hosting may in principle be the services of online market places, referencing services and social networks.

8. In your opinion, what activities should be considered as 'hosting'?\*

Social networks

- Blogs and interactive dictionaries
- Cloud based services
- Video-sharing sitesE-commerce platforms
- Search engines
- Cyberlockers

- Other
- None of the above
- No opinion

#### Please specify:

ISPA does not understand the purpose of this question, because in its first Report on the application of the E-Commerce Directive (Com 2003/702 final) the Commission stated that "the limitations on liability in the Directive apply to certain clearly delimited activities carried out by internet intermediaries, rather than to categories of service providers or types of information."

ISPA therefore suggests that the definition of hosting remains broad in order to allow for a wide variety of services to continue to exist and not hinder the development of new and innovative services in the future.



## 3. Notifying illegal content to hosting service providers

<ul> <li>9. To what extent do you agree with the</li> <li>a) I completely agree</li> <li>b) I agree</li> <li>c) I disagree</li> <li>d) I completely disagree</li> <li>e) No opinion</li> </ul>	following s	tatements	?		
It is easy to find pages or tools to notify illegal content* (1) It is easy to use pages or tools to notify illegal content* (2)	a x x	b	C	d	е

Although no specification is possible on the online form for this question, ISPA would like to make the following comments:

ISPA would like to point out that e.g. hotlines like <u>www.stopline.at</u>, which aim at removing CSAM and nationalist socialist offences from the internet, are easy to find and easy to use. Notice providers are only required to fill out a contact form containing an URL and a short comment about why they believe the content is illegal.

The Austrian hotline <u>www.stopline.at</u> closely cooperates with the Austrian law enforcement agencies and the international INHOPE network, to ensure most efficient and timely investigations.

10. Should all hosting service providers have a procedure in place which allows them to be easily notified of illegal content that they may be hosting?\*

- Yes
- No
- No opinion

#### Please explain:

ISPA would like to encourage the use of non-binding guide-lines that would promote hotlines such as <u>www.stopline.at.</u> ISPA opposes the mandatory introduction of reporting tools, since this would burden small enterprises disproportionately and could lend weight to the argument that "awareness" is given upon receiving the notification.



Some hosting service providers have voluntarily put in place mechanisms to receive notifications of illegal content. Some of these providers have complained that their mechanisms are not always used and that concerns about content are not notified in a manner that would be easy to process (e.g. by fax, without sufficient information to assess the alleged illegal character of content etc.). Providers also claim that this creates delays in taking action against illegal content, because the hosting service provider would for instance have to contact the notice provider to ask for additional information.

11. If a hosting service provider has a procedure for notifying illegal content (such as a web form designed for that purpose) that is easy to find and easy to use, should illegal content exclusively be notified by means of that procedure?\*

- Yes
- No
- No opinion

Although the CJEU indicated that a notice should be sufficiently precise and adequately substantiated to have effect, it has not indicated how these requirements should be met for this purpose. Nor has this been specified in the E-commerce Directive.

12. Do you agree with the following statements?			
	Yes	No	No Opinion
A notice should be submitted by electronic means* (1)	×		
A notice should contain contact details of the sender* (2)			x
A notice should make it easy to identify the			
alleged illegal content (for instance by providing a URL)*(3)	×		
A notice should contain a detailed description of the alleged illegal nature of the content* (4)	×		
A notice should contain evidence that the content			
provider could not be contacted before contacting		x	
the hosting service provider or that the content		•	
provider was contacted first but did not act* (5)			

(2) Can you please specify why you do not agree with the statement: "A notice should contain contact details of the sender":

ISPA emphasizes that in case of manifestly illegal content such as e.g. CSAM anonymous reporting must be allowed.

ISPA stresses again that different categories of illegality must be treated differently in a future Notice and Action initiative.



(5) Can you please specify why you do not agree with the statement: "A notice should contain evidence that the content provider could not be contacted before contacting the hosting service provider or that the content provider was contacted first but did not act": ISPA believes that this should primarily apply to civil law infringements. In case of manifestly illegal content such as CSAM notice providers should not be forced to interact with the alleged criminals, as such an obligation could threaten a police investigation and greatly hinder law enforcement.

Both civil rights organisations and hosting service providers have complained about a significant proportion of unjustified or even abusive notices. Some stakeholders have proposed more effective sanctions and remedies for this purpose.

13. Should there be rules to avoid unjustified notifications?\*

- Yes
- No
- No opinion

## Please explain:

In Austria it is increasingly becoming a business model for lawyers to contact host providers with notifications. In case of extra-judicial procedures, ISPs require legal certainty because they often lack the knowledge to correctly assess the alleged illegality of content.

To be valid, notifications would need to include a statement by notice providers that has good faith that the information provided is accurate. In addition to the information on good faith of the notice provider, the notice should also include a minimum set of requirements.

ISPA therefore calls for measures against this practice and suggests imposing sanctions and calls for clear procedures to report such fraudulent notices. ISPA calls for safe-guards that guarantee that the notice provider is held liable if the notice was abusive or fraudulent.

This of course should not apply as explained above when dealing with manifestly illegal content as e.g. CSAM.

#### 14. How can unjustified notifications be best prevented?\*

- By requiring notice providers to give their contact details
- By publishing (statistics on) notices
- By providing for sanctions against abusive notices
- Other
- No action required
- No opinion



## 4. Action against illegal content by hosting service providers

15. Should hosting service providers provide feedback to notice providers about the status of their notice?\*

- Yes
- No
- No opinion

#### Please specify:

In cases of notices provided by lawyers (please see comment to questions 7 and 13) any answer might lead to an increase of legal fees that the hosting provider may eventually have to pay.

ISPA therefore opposes any obligation that requires hosting providers to respond to the notice provider as long as lawyers use notifications for their own economic gain.

Furthermore some providers receive hundreds of automated notices daily; to answer them all would completely stop the day to day operations of their business.

#### 16. Should hosting service providers consult the providers of alleged illegal content?\*

- Yes
- No
- No opinion

#### Multiple choice \*

- Upon reception of a notice, but before any action on the alleged illegal content is taken. This would avoid the disabling of legal content or it been taken down
- Once any action against the content is taken. If it appears that the content was actually legal, it should be re-uploaded.
- Other

#### Please specify:

(No:) ISPA would like to point out that the answer strongly depends on the content in question. In civil law cases it might be less problematic for the host provider to contact the provider of the content in question.

Once again the course of action must be different when it comes to manifestly illegal content. Any contact could warn the alleged criminals of an investigation and jeopardize its success.



# Please specify:

(Other:) In regard to civil law cases notice providers and content providers when disagreeing about the legality of the content should be bound to settle their differences in court.

In case of the re-uploading of illegal content, hosting providers should receive notice about this by the notice provider or by court.

This mechanism would counter abusive or unjustified notifications and be compliant with article 15 of the E-Commerce Directive, which prohibits a general obligation to monitor.

According to the E-commerce Directive, the hosting provider should act "to remove or to disable access to the information"

One may interpret "removing" as permanently taking down or deleting content.
"Disabling access" can be understood as any technique that ensures that a user does not have access to the content. Some hosting service providers for instance use geosoftware to impede access exclusively to users with an IP address from a country where the content is question is considered illegal. Similarly, some hosting service providers firstly impede access to all users without permanently deleting it. This can for instance allow law enforcement authorities to further analyse the alleged illegal content in the context of criminal investigations. If deleting would not any longer hinder the investigation, the hosting service provider may still remove the content.

17. Assuming that certain content is illegal, how should a hosting service provider act? \*

- The hosting service provider should remove the illegal content
- The hosting service provider should first disable access to the illegal content
- The hosting service provider should either remove or disable access. The sequence is not important.
- Other
- No opinion

#### Please specify:

Any notification should be validated by a third party (e.g. a court or government appointed official) before an ISP serving as a hosting provider can be required to act on it in order to relieve the ISP from having to judge the validity of the notification.

Whether the content in question is removed or made inaccessible should depend on the type of content and what the notice provider states in his or her notification.

A private notice provider may have different needs than a public authority.



Several providers may host the same content on a particular website. For instance, a particular 'wall post' on the site of a social network may be hosted by the social network and by the hosting service provider that leases server capacity to the social network. It may be that this hosting service provider that leases server capacity is in a position to act against the alleged illegal content, but not without acting against other (legal) content.

18. When the same item of illegal content is hosted by several providers, which hosting service provider should act against it? \*

- The hosting service provider that is aware of the illegal content, but is not technically in a position to remove or disable only that illegal content and would for instance have to take down an entire site
- The hosting service provider that is aware of the illegal content and is technically in a
  position to remove exclusively the notified illegal content
- Other
- No opinion

#### Please specify:

ISPA opposes any actions that could lead to the widespread take down of entire sites as this would inevitably also affect legal content ("*overblocking*"). This appears furthermore not to be adherent with the principle of proportionality laid down by article 52 of the Charter of Fundamental Rights of the European Union.

ISPA opposes any proposals which aim towards the introduction of censorship.

As soon as the illegal nature of certain content has been confirmed, the E-commerce Directive requires the hosting service provider to act "expeditiously" if the provider is to be exempted from liability. However, the Directive does not further specify the concept of "expeditiously". Some stakeholders consider that a pre-defined timeframe for action should be established, whereas others consider that the required speed of action depends on the circumstances of the specific case. In a specific case it may be difficult to assess the legality of content (for instance in a case of defamation) or it may be easy to do so (for instance in a manifest case of child abuse content). This may have an impact on the speed of action. Similarly, what is expeditious for a specific category of content may not be sufficiently expeditious for another. For instance, the taking down of content within 6 hours will generally be considered very fast, but may not be sufficiently fast for the live-streaming of sports events (that are not any longer relevant once a match is finished).

19. Once a hosting service provider becomes aware of illegal content, how fast should it act? \*

- As fast as possible depending on the concrete circumstances of the case
- Within a predefined time period
- Other



# Please specify:

ISPA considers the term "expeditiously" sufficiently clear and would like to explicitly point out that the terms "as fast as possible" and "expeditiously" cannot be used interchangeably.

When it comes to manifestly illegal content, hosting providers should not be required to act against the interest of the public authorities just to protect themselves from liability. "Expeditious" allows for the flexibility needed by member states to set an appropriate timeframe for different circumstances.

In individual cases, law enforcement authorities may ask hosting service providers not to act expeditiously on certain illegal content that are the subject of criminal investigations. Acting expeditiously could alert law infringers of the existence of a criminal investigation and would impede analysing the traffic on a particular site.

20. Should hosting service providers act expeditiously on illegal content, even when there is a request from law enforcement authorities not to do so? \*

- Yes
- No
- No opinion

## Please explain:

ISPA is of the opinion that in case of a criminal investigation, or upon order from a judge or a public authority, a different course of action has to be possible. ISPA does not consider it helpful to hinder the apprehension of the individuals actually responsible for the manifestly illegal content.

Civil rights organisations complain that hosting service providers sometimes take down or disable access to *legal* content. They claim that some hosting service providers automatically act on notices without assessing the validity of the notices. In this context, the CJEU has held that blocking of legal content could potentially undermine the freedom of expression and information.

21. How can unjustified action against legal content be best addressed/prevented?\*

- By requiring detailed notices
- By consulting the content provider before any action is taken
- By providing easy and accessible appeal procedures (1)
- By publishing (statistics on) notices
- By providing for sanctions against abusive notices
- No action required
- Other
- No opinion



#### Please specify:

ISPA fully agrees with the concerns of the aforementioned civil rights groups.

False and fraudulent notices are furthermore especially harmful for small and midsize enterprises which lack the resources to inquire the notices in detail and as a result impair them in terms of competition. Legal certainty is essential for hosting service providers. Any notification should be validated by a third party (e.g., a court or a government appointed official) before an ISP serving as a hosting provider can be required to act on it in order to relieve the ISP from having to judge the validity of the notification.

Some hosting service providers are hesitant to take pro-active measures to prevent illegal content. They claim that taking such measures could be interpreted by courts as automatically leading to "actual knowledge" or "awareness" of all the content that they host. This would accordingly lead to a loss of the liability exemption they enjoy under the respective national implementation of the E-commerce Directive. In at least one national ruling, a court has interpreted actual knowledge in this sense. At the same time, the CJEU has held that awareness can result from own initiative investigations (Judgment of the Court of Justice of the European Union of 12 July 2011 in case C-324/09 (L'Oréal – eBay), points 121-122).

22. In your opinion, should hosting service providers be protected against liability that could result from taking pro-active measures? \*

- Yes
- No
- No opinion

#### Please explain:

In the "L'Oréal – eBay" case, the CJEU rules that:

"122. [...] given that notifications of allegedly illegal activities or information may turn out to be insufficiently precise or inadequately substantiated, the fact remains that such notification represents, as a general rule, a factor of which the national court must take account when determining, in the light of the information so transmitted to the operator, whether the latter was actually aware of facts or circumstances on the basis of which a diligent economic operator should have identified the illegality."

The ECJ rules that awareness cannot be assumed automatically. Whether the hosting provider has been aware of the illegal content remains to be decided by the national court in each case depending on the specific circumstances.

ISPA is sceptical about pro-active measures and once more underlines that ISPs must not be under the obligation to monitor their customers stored or transmitted information. Pro-active measures encompass the danger of becoming a slippery slope leading to a general monitoring obligation.



## 5. The role of the EU in notice-and-action procedures

23. Should the EU play a role in contributing to the functioning of N&A procedures?\*

- Yes
- No
- No opinion

#### Please specify: \*

- By encouraging self-regulation
- By providing non-binding guidelines
- By providing some binding minimum rules
- By providing binding detailed rules
- A combination of these options
- Other

#### Please explain:

ISPA opposes the re-opening of the E-Commerce Directive and would like to point to the Commission's Communication of 11th January 2012 (COM 2011/942 final) which stated that it would not re-open the E-Commerce Directive. ISPA would prefer non-binding guidelines, as this would help avoid a modification of the provisions of the E-Commerce Directive.

Any modification of the E-Commerce Directive might endanger the business model of especially small and midsized hosting providers, who often lack the funds to see through lengthy legal battles in the quest for legal certainty which would be gone once new legislative action has been taken.

Saying that, we would welcome guidance from the European Commission to ensure further harmonization of N&A procedures by encouraging self-regulation as well as providing non-binding guidelines to ensure a consistent application and interpretation of the relevant legal frameworks. We believe that these could include a minimum set of requirements for notices without jeopardizing business activities.



Article 14 of the E-commerce Directive does not specify the illegal content to which it relates. Consequently, this article can be understood to apply horizontally to any kind of illegal content. In response to the public consultation on e-commerce of 2010, stakeholders indicated that they did not wish to make modifications in this regard.

24. Do you consider that different categories of illegal content require different policy approaches as regards notice-and-action procedures?\*
Yes

• 10

• No

# Please clarify giving concrete examples relating to the question above:

As a society we distinguish the legal consequences of illegal activities depending on the harm caused (custodial sentence vs administrative penalty, civil law vs criminal law), thus in regard to illegal content on the internet a similar approach should be taken.



In conclusion, ISPA would like to stress the importance of separate procedures for different categories of illegal content. Procedures concerning manifestly illegal content should allow the public authorities to conduct their investigation and to identify perpetrators. Notice and Action procedures concerning for instance child sexual abuse material should under no circumstances jeopardize the success of criminal investigation by obliging notice providers to contact content providers first. ISPA wants to point out that the issue of notices (cease and desist letters) is increasingly becoming a business model for lawyers. This practice has to be controlled by providing sanctions against abusive, false and fraudulent notices. Furthermore, ISPA would like to reiterate that ISPs must not be obligated to monitor their customers' content.

For further information or any questions please do not hesitate to contact us.

Sincerely,

ISPA Internet Service Providers Austria

Dr. Maximilian Schubert General Secretary

About ISPA: ISPA is the Austrian association of Internet Service Providers (Identification Number: 56028372438-43), representing approximately 200 ISPs. ISPA is a major voice of the Austrian Internet industry. Our goal is to shape the economic and legal framework supporting optimal growth of the Internet and Internet services. We regard the use of the Internet as an important cultural skill and acknowledge the resulting socio-political responsibilities.