VG Bild-Kunst: the saga on legality of linking continues

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Can a copyright holder restrict the use of its copyright-protected works by means of framing by contractually requiring licensed users to implement effective technological measures so as to restrict access to the copyright holder’s work?

In a new judgment of 9 March 2021 (C-392/19), the EU Court of Justice (CJEU) confirmed that copyright holders can contractually impose the implementation of effective technological measures on their licensees to restrict access to their works before they allow the publication of their work on their website.

If a third party website provides access to those copyright-protected works by using the technique of framing, thereby circumventing the access restrictions adopted or imposed by the copyright holder in respect of the original website, it is communicating the work to a ‘new public’ without the copyright holder’s consent, thereby infringing the copyright holder’s exclusive right of communication to the public.

Legal background

The rights granted to authors (copyright or authors’ rights) include the right to authorise (or prohibit) reproduction of the work (i.e. the making and distribution of copies) and the right to authorise (or prohibit) communication of the work to the public. In respect of the latter, article 3(1) of the InfoSoc Directive 2001/29/EC (which regulates aspects of intellectual property in the information society) states:

“Member States shall provide authors with the exclusive right to authorise or prohibit any communication to the public of their works in such a way that members of the public may access them from a place and a time individually chosen by them.”

With the current fast pace of digital developments, new methods of sharing copyright-protected content through the internet continue to raise new questions as to whether, and when, these acts fall within the scope of the author’s exclusive right of communication to the public. A recurring question in the case-law of the CJEU is whether, and to what extent, hyperlinking to other websites, on which copyright-protected materials are stored, can be considered a “communication to the public” (which requires the copyright holder’s consent). The different circumstances underpinning each case required a different approach, leading to subsequent clarifications and further refinements by the CJEU.

In 2014, the CJEU decided in the Svensson case (C-466/12, 13 February 2014) that the exclusive rights of the copyright holder were not infringed by a website providing clickable links to a protected work that is freely available on another website. The main reason was that the work was not transmitted to a “new public”, as the access to the work on the original website was not subject to any restrictive measures and all internet users could therefore access it. This reasoning was also followed in the BestWater case (C-348/13, 21 October 2014), where the CJEU held that embedding content from another website does not constitute a communication to the public if access to the content was not restricted.
on the website on which the content was originally uploaded.

In the GS Media case (C-160/15, 8 September 2016), the CJEU was asked to confirm whether, and in what possible circumstances, the fact of providing a hyperlink to protected works that are freely available on another website without the consent of the copyright holder, constitutes a communication to the public. In this case, the CJEU ruled that "it is to be determined whether those links are provided without the pursuit of financial gain by a person who did not know or could not reasonably have known the illegal nature of the publication of those works on that other website, or whether, on the contrary, those links are provided for such a purpose, a situation in which that knowledge must be presumed" (see §55). On this basis, it was concluded that knowingly linking to an unauthorised post of a copyrighted work for commercial gain did indeed constitute infringement of the exclusive right of communication to the public. The focus in these cases had thus been on the questions as to whether the initial publication of the works had been authorised or not, and whether access to the works on the original web page was subject to technological measures restricting access.

In the Filmspeler case (C-527/15, 26 April 2017), the CJEU ruled that the concept of communication to the public must be interpreted to include the sale of a multimedia player on which there are pre-installed add-ons, available on the internet, containing hyperlinks to websites — that are freely accessible to the public — on which copyright-protected works have been made available to the public without the consent of the right holders. In the Ziggo case (C-610/15, 14 June 2017), the CJEU held that the making available and management of an online sharing platform which, by means of indexation of metadata relating to protected works and the provision of a search engine, allows users of that platform to locate those works and to share them in the context of a peer-to-peer network, must be considered as an act of communication to the public.

It was thus already clear from the CJEU’s case-law that there is an act of communication to the public when a link communicates protected works to a ‘new public’, meaning a public that was not taken into account when the copyright holder authorised the initial publication of their work on a website, notably when access to the work on the original website was restricted by technical measures and the link at issue would circumvent such technical access restrictions.

In the new VG Bild-Kunst case (C-392/19, 9 March 2021), as further discussed below, the question was raised as to whether the copyright holder can also impose contractual obligations on its licensees to implement such technical restrictions.

**Facts and dispute giving rise to the preliminary question**

SPK, a German cultural heritage foundation, is the operator of the Deutsche Digitale Bibliothek (called DDB) which contains links to digitised content stored on the internet portals of participating institutions. As a “digital showcase”, the DDB itself only stores thumbnails, which are smaller versions of the original images of the works. By clicking on such a thumbnail, users can see an enlarged version of the original image. The ‘display object on original site’ button contains a direct link to the website of the institution providing the original image.

VG Bild-Kunst, a visual arts copyright-collecting society in Germany, refused to conclude a licence agreement with SPK to use its catalogue of works as long as SPK refuses a clause obliging SPK, as a licensee, to implement effective technological measures to prevent the framing, by third parties, of such protected works (also known as ‘embedding’, which allows third-party content to be included within an online web page).

SPK considered this licensing condition not reasonable in light of the copyright legislation, and brought an action before the courts in Germany seeking a declaration that VG Bild-Kunst would be required to grant a licence to SPK without being able to impose the implementation of technical measures on SPK. In the context of these proceedings, the German Bundesgerichtshof referred the following question to the CJEU for a preliminary ruling:

“Does the embedding of a work – which is available on a freely accessible website with the consent of the right holder – in the website of a third party by way of framing constitute communication to the public of that work within the meaning of Article 3(1) of Directive 2001/29 where it circumvents protection measures against framing adopted or imposed by the right holder?”
In other words, does the embedding of a work in a website of a third party by way of framing, constitute a communication to the public of that work, where it circumvents protection measures against framing taken by the copyright holder or imposed by the copyright holder on a licensee?

**The CJEU judgment**

In its judgment, the CJEU pointed out that a distinction must be made between two situations:

- On the one hand, if an author gives prior, explicit and unqualified authorisation to the publication of his or her work on a website, without making use of technological measures restricting access to that work from other websites, then that author may be regarded as having authorised the communication of that work to all internet users.
- Where, on the other hand, the copyright holder has established or imposed from the outset restrictive measures linked to the publication of the work, then the author cannot be regarded as having authorised the communication of the work to all internet users. As a result, where a clickable link on a website would grant free access to a work stored on a webpage with restricted access by circumventing technical measures, then the users who would otherwise not be able to access the work without this link, must be considered as a ‘new public’.

Further, the CJEU noted that the precise goal of VG Bild-Kunst was to make the grant of a licence subject to the implementation of measures to restrict framing in order to limit access to the licensed works from websites aside from those of the licensees. In such circumstances, the copyright holder could not be regarded as having consented to third parties being able to freely communicate the works to the public.

Consequently, where the copyright holder has adopted or imposed measures to restrict framing, the initial act of making available on the original website and the secondary act of making available by a technique of framing, constitute different communications to the public. The same findings apply where a third party communicates protected works that are freely accessible on certain websites with the authorisation of the copyright holder, when that copyright holder has adopted (or imposed on its licensees) technological measures limiting access from other websites and thus limiting access to the work of the users of the original website.

According to the CJEU, ruling otherwise would amount to creating a rule on exhaustion of the right of communication, which would contradict article 3(3) of the InfoSoc Directive and states that the right of communication to the public cannot be exhausted by any act consisting of a communication to the public pursuant to article 3(1) or 3(2) of the InfoSoc Directive.

The CJEU also emphasised that, for reasons of legal certainty and the smooth functioning of the internet, the copyright holder cannot be allowed to limit his or her consent by means other than effective technological measures – users must indeed be able to rely on the fact that they may access a copyright protected work if there are no (contractual) restrictions preventing their access.

**Key take-aways**

It follows from this judgment that a copyright holder can indeed restrict the use of links to his or her works by imposing a contractual obligation on users/licensees to implement effective technological measures to restrict access to the work. For the avoidance of doubt, such restrictions must be implemented by means of technological measures and the copyright holder may not limit their consent for the publication of their work by making it subject to the implementation of other means than effective technological measures. The meaning of ‘effective’ and how to apply it in this context, however, was not specified by the CJEU.

A website displaying links to copyright-protected works by way of framing may thus infringe the copyright holder’s exclusive right of communication to the public where that link grants access of the work to a ‘new public’ by circumventing technological measures imposed by the copyright holder in respect of the publication on the original website.

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