

# Viacom Sues YouTube

In-House News:

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By Anique Gonzalez

On March 13, Viacom, Inc., parent company of such cable mainstays as MTV, VH1, and Comedy Central, sued YouTube and its parent company, Google, for more than \$1 billion, claiming copyright infringement. This is the latest development in a long-standing battle between the two companies as they have sparred over the use of clips shown on the popular video-sharing website. In addition to its request for substantial monetary damages, Viacom is also hoping to obtain an injunction that would prohibit all Viacom clips from being posted on YouTube or Google.

The copyright-infringement suit was filed in a U.S. District Court in New York and marks the first strike by a major media organization against the video-sharing site. At the crux of these events is the role that such sites play in individuals' television viewing habits. Media outlets fear that with the rise of websites such as YouTube, they will lose viewers and the valuable ad revenue that comes with them. Viacom, in particular, is extremely vulnerable because its target market is comprised of a younger demographic whose members are more likely to be Internet users and, thus, utilize websites such as YouTube.

Tensions between the two have been simmering since Viacom and YouTube failed to reach an acceptable licensing agreement several weeks ago, resulting in Viacom's demand that YouTube remove more than 100,000 clips it claimed

were in violation of copyrights. Since that skirmish, Viacom claims that it has found an additional 50,000 unauthorized clips on the website—which, Viacom said in the complaint, have been viewed 1.5 billion times.

In a statement, Viacom said that YouTube has "built a lucrative business out of exploiting the devotion of fans to others' creative works in order to enrich itself and its corporate parent Google." They further stated that the video-sharing site "is based on building traffic and selling advertising off of unlicensed content, is clearly illegal, and is in obvious conflict with copyright laws."

Viacom also blames YouTube for putting the burden of finding these unauthorized clips on the company whose copyrights are being infringed upon. Thus far, YouTube has typically taken down clips only after companies such as Viacom have found the clips, notified the company, and requested that they be removed by filing "takedown notices."

This same process must be employed for every clip found on the site; and often after the clips have been removed, they are reposted again within a short period of time. So instead of relying on sites such as YouTube, organizations such as Viacom are starting to retool their own websites in order to gain and maintain audiences.

Google, which bought YouTube in November for more than \$1.6 billion, released a statement that said, "We are confident that YouTube has respected the legal rights of copyright holders and believe the courts will agree. YouTube is great for users and offers real opportunities to rights holders: the opportunity to interact with users; to promote their content to a young and growing audience; and to tap into the online advertising market. We will certainly not let

this suit become a distraction to the continuing growth and strong performance of YouTube and its ability to attract more users, more traffic, and build a stronger community."

As Viacom is the first media conglomerate to legally confront YouTube, many other media outlets are paying close attention to the developments of the suit. Interestingly, though, only a week after Viacom filed suit against YouTube, YouTube announced that a licensing agreement had been reached with CBS, Inc. (Sumner Redstone controls Viacom as well as CBS, Inc.)

According to the arrangement, highlights from NCAA Basketball Tournament games that are shown on CBS will be available almost instantaneously on YouTube. A licensing agreement between YouTube and the British Broadcasting Company was also recently reached, according to which clips from various entertainment and news shows will be shown via BBC channels.

YouTube has had run-ins with major media outlets before, chiefly with Universal Music Group, a subsidiary of Vivendi SA. Before a licensing agreement was reached between the two companies, Universal had also threatened YouTube with a copyright-infringement lawsuit.

## **On the Net**

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