Google takes hits from YouTube's use of video clips

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By Jefferson Graham, USA TODAY

LOS ANGELES — Internet search giant Google is under fire from Hollywood, mostly about the many unlicensed clips available on its YouTube video-sharing site.

The studios have become more aggressive in demanding removal of the clips, and in a shot at Google itself, several entertainment companies have filed a lawsuit against two website owners over their use of Google's highly profitable search-advertising network.

Sony, Warner Bros., 20th Century Fox, NBC Universal and Paramount are suing two website owners who allegedly used Google's search-advertising system to promote the free trading of copyrighted movies.

In a statement responding to a Wall Street Journal article about the lawsuit, Google on Monday said, "We prohibit advertisers from using our advertising program to promote the sale of copyright infringing materials."

Google will continue to be at odds with the studios until it licenses the clips or comes up with some kind of filtering techniques to keep the clips off YouTube, says Ross Dannenberg, an intellectual property attorney at Washington, D.C.-based Banner & Witcoff. "But the technology isn't there yet," Dannenberg says.

"As long as people are copying or posting copyrighted programs on YouTube, and Google makes money off that, this problem (the studios vs. Google) won't go way," he says.

Last week, Viacom demanded that Google take down more than 100,000 copyrighted clips from YouTube, most from programs such as The Daily Show with Jon Stewart and The Colbert Report, which fans taped and uploaded themselves.

Google says it responds instantly to such requests. As of Monday afternoon, Viacom clips were hard to find on YouTube.

However, plenty of other copyrighted clips were in abundance, including the reunion of The Police singing Roxanne from Sunday's CBS Grammy Awards telecast, Prince's halftime show at the Super Bowl and snippets from the Fox TV shows Family Guy and Madtv.

The entertainment community banded together to fight the original song-swap service, Napster, in 2000, on concerns about copyright infringement. Napster tried to settle with the labels, but most of the record companies refused, and the service was shut down.

YouTube has deals with several networks, including CBS and NBC, to show their authorized clips. And Google says it has been in talks to come to terms with other copyright holders.

"I still think YouTube will end up being a good purchase for Google, as long as they can get things under control," says Danny Sullivan, who runs the SearchEngineLand.com website.

"The problem for Google is YouTube went from a little underdog with no money and lots of traffic, to being part of Google, which has oodles of money and deep pockets. That makes it a very attractive target."

Google spent $1.65 billion for YouTube in 2006.

John Battelle, who runs the Searchblog website, says Google vs. the studios isn't Napster all over again.
"Both sides need each other far too much. This feels more like some strong positioning moves."