Kluwer Copyright Blog

BGH: uploading a free-trial version of Microsoft Office is also making available to the public

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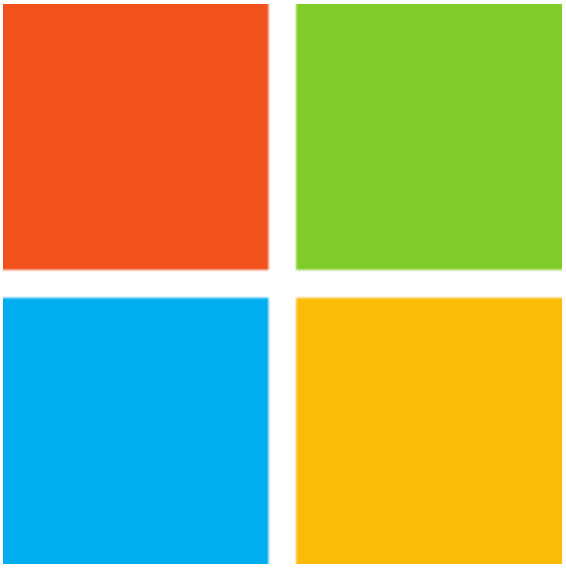

On 28 March 2019, the German Federal Court (BGH) was asked to review a lower court's decision on the legality of the unauthorised uploading of the 30 day free trial version of Microsoft software on an online trader's website. This gave the BGH the chance to further clarify the applicability of the German Copyright Act (UhrG) and related EU legal instruments to the growing online market for used software and product-keys, and especially the scope of liability for resellers.

Facts

The dispute originated due to the commercial activities of the defendant, an online trader, on its webshop and on eBay, where it would offer relatively cheap product keys for software programs, including a volume licensing version of Microsoft Office. After completing their purchase, customers would receive an email containing a product key, presented as a licence for use, along with a link to download the software from a portal located on the defendant's website. Alternatively, customers could opt for a 30 day free trial version of the same software, which Microsoft also offered on its own website.

Microsoft brought an action against the defendant, claiming a violation of its exclusive rights to make available to the public, (§ 69c (4) UhrG, implementing Art. 3 (1) Infosoc Directive), and to authorise reproduction (§ 69c (1) UhrG, implementing Art. 4 (1)a Software Directive). The court of appeal did not accept the latter claim, holding that the distribution of product keys could not per se amount to an act of reproduction of the software, but merely to unfair competition (as previously ruled in **Green-IT BGH 19.03.2015**).

The BGH was therefore left to rule only on whether making the free trial version of the Office

package available for download constituted an infringement of Microsoft's right of making available to the public (§ 69c (4) in conjunction with §19a UhrG).

Distribution or communication to the public?

As a preliminary remark, it is interesting to note that the CJEU had previously analysed similar circumstances through the lens of the rightsholders' exclusive right of distribution in Art. 4 (1) and (2) Software Directive. This follows from the *UsedSoft* judgment, according to which the defendant could not rely on its right of making available to the public to prevent the uploading of protected software on an unauthorised website, but merely on its right to exclusively distribute it. However, as pointed out by the lower court in the present dispute, the CJEU also subjected its ruling to the requirement that users be able to permanently acquire a copy after download, which would not be the case for a temporary free trial version.

In the present case, the BGH was also confronted with the absence of an autonomous right to authorise communication to the public – encompassing the right of making available – in the Software Directive. This Directive recognises only a sui generis form of protection under the non-exhaustive list of rights in Art. 4. In order to apply § 69c (4) UhrG in a manner consistent with EU law, the BGH examined whether this interpretative loophole could be solved by borrowing the concept of communication to the public under Art. 3 InfoSoc Directive from the CJEU's case law, without overstepping the level of protection envisaged in both Directives. The answer was in the affirmative, with the BGH stating that where national law is implemented for the purpose of filling in conceptual loopholes in EU law, and where the national legislature intended to regulate the same concept homogeneously under different provisions, nothing prevents a domestic court from applying the same interpretative criteria.

A new public?

The BGH then moved on to dissect the concept of making available to the public in light of the criteria developed by the CJEU. First, it recognised in the present case an act of communication, by which the defendant intentionally allowed third parties to access protected subject matter. Secondly, it assessed whether the work was made available (1) to a public, namely an indefinite and sufficient number of potential addressees, (2) which constitutes a "new public" not originally envisaged by the rightsholder (see e.g. C-161/17, ***Renckhoff***, paras 22-24). While no issue arose in establishing the existence of a "public", considering that the portal could be potentially accessed by any internet user, the BGH was more careful in determining the existence of a new public; especially due to the fact that Microsoft had made available for download the same trial version on its website. Similarly to the CJEU in *Renckhoff*, the BGH drew a distinction between the direct uploading of a protected software program on an unauthorised website –which implies addressing a new public not envisaged by the rightsholder –and the mere insertion of a hyperlink redirecting to another website authorised by the rightsholder (compare to C-466/12, *Svensson*). Accordingly, had the defendant adopted the latter form of communication, it would not have infringed Microsoft's right under §19a and § 69c (4) UhrG. However, the defendant retained a copy of the work on its own device (i.e. computer or server) and was therefore capable of exercising control over its availability to the public independently from the original source. As such, by making the software available for download through a link on its webpage, the defendant made it available to a new public, and could therefore not escape liability.

Conclusion

If one accepts that the right of communication to the public under the InfoSoc Directive also applies to software, the BGH's findings are unsurprising in light of CJEU case law. The assessment of the new public requirement revolved around the destination to which the impugned hyperlink led, and the degree of control that the rightsholder was capable of exercising over the downloading of the protected subject matter. Nonetheless, the application of this requirement to software is worthy of mention given the consideration of the Software Directive as *lex specialis* to the InfoSoc Directive in previous cases, such as *UsedSoft*. The present case highlights the role national courts may play in fixing legal loopholes in EU law, by connecting dots between national and European rules. Here, this was seen in the construction of a right of communication to the public for software rightsholders, based on the interpretative criteria developed by the CJEU for Art. 3 (1) InfoSoc Directive. This approach ultimately shows how the various regimes of EU copyright law are not self-standing islands, but rather constellations interacting with one another on the basis of autonomous concepts of Community law (such as the notion of communication to the public), arguably providing national courts with a degree of flexibility in the adjudication of national law.

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