

Youtube has a huge problem and they have dug a hole so deep they are never going to be able to fix it unless they change their approach to copyright.

There is no reason to discuss further whether or not Youtube or Google Video is eligible for protection from the DMCA. That topic will be decided by the courts. The question now is whether or not using the DMCA is a good business decision.

The fundamental business issue in claiming protection behind the DMCA is that it requires Youtube to not know what videos are on its site. Unless an uploader is copyright owner that has signed a deal with Youtube giving them knowledge of the videos they will be uploading, by law Youtube can't have any idea what videos are on the site or where.

Think about that for a minute.

How hard is it to sell advertising around content when you have no idea what the content is ? Its impossible. Its like selling advertisers a lottery ticket , and we all know how good an investment a lottery ticket is for the ticket buyer. For some reason the media seems to think that there isn't advertising on Youtube because of advertisers fear of User Generated Content. Thats not it. Volume impressions are still sellable. As is volume video. There is a huge market for mass video. Unfortunately for Google, they take a huge risk of liability from the DMCA in generating revenue next to copyrighted materials they don't have permission for. So to play it safe , they don't sell advertising around videos they don't have licenses for.

So what is happening amounts to Google basically subsidizing the hosting of video for the entire internet. Fortunately for Google, they are probably the only company that could afford to lose that much money a year which has to run into the 100s of millions of dollars per year at this point.

Unfortunately for Google, even with their new attempts to protect copyright, it doesn't change the particulars of how they have to follow the DMCA and what their advertising sales options are.

Which leads to this question. Should Google start proactively checking uploaded videos for copyright violations and if they did, how would it change Youtube and its relationship with copyright owners, visitors , advertisers and their bottom line ?

It wouldn't be a technical challenge to review for copyright. It wouldn't be a financial challenge in hiring and training the thousands it would take to review the videos after all, this process would allow Google to finally know what content they have and sell ads around the videos. And it wouldnt be a difficult evaluation process. A quick smell test would be easy, with any uncertainty being sent to uploader for confirmation of ownership,

Would the number of videos uploaded and allowed fall off a cliff ? Does the take down notice process actually work, which would mean that there is no real net affect on the number of videos available to visitors ? Would users get so upset they would find another site that flaunted the DMCA as a replacement ?

If there is a chance that Google loses any of the many lawsuits and faces Billions in damages, which there is, how big a chance is that and should Google start to cut their losses now by making the change.

Taken as purely a financial decision, I