

Link Tax Failures

Global Efforts Continue To Uproot the Internet’s Foundation and Journalism Ecosystem

As the mandate of mandatory payments for online news content—often referred to as “link taxes”—spreads at the global, state, and federal levels, so do the negative and comprehensive consequences of the movement on the internet’s users, journalists themselves, and local publications. At a time when community-centered and well-researched journalism is critical, this ongoing effort drastically reduces traffic to news websites, harms the information ecosystem, and prioritizes wealth distribution to the largest media and broadcasting conglomerates. Despite proponents saying these bills will save publications by giving them more funding, the reality of the situation is this effort is an ongoing failure that results in the closing of more publications due to less traffic being driven to websites, an increase in “ghost papers” and an undermining of the internet’s basic tenets.

<p>Germany: <i>Leistungsschutzrecht</i></p>	<p>In 2013, the “Ancillary Copyright for Press Publishers” (also known as the LSR) law was approved by the German Parliament. This “quotation tax” forced search engines to pay money for the ability to quote German news publishers on digital services.</p> <p>The law resulted in:</p> <ul style="list-style-type: none"> ● Significant decrease in traffic to German publications ● Incompatibility with the Berne Convention and related trade laws ● Benefits to large media conglomerates and harm to smaller services
<p>Spain: Article 32.2</p>	<p>Spain introduced a snippet levy within an omnibus reform of its “ley de propiedad intelectual” in 2014. The article declared that news publishers were prohibited from negotiating and money must be paid for by digital services for the links whether desired by publications or not. The legislation went into effect the following year and did not change until 2022 when the country adopted the EU’s new copyright directive.</p> <p>The law resulted in:</p> <ul style="list-style-type: none"> ● An interpretation of the law that could cover any content online <ul style="list-style-type: none"> ○ A shutdown of Google News that lasted eight years ○ Shutdowns of other domestic online service providers such as InfoAliment ● Disagreement with national copyright laws and the Berne Convention ● A 6% reduction in traffic to Spanish publishers’ websites overall, a 14% fall in traffic to smaller publishers and a loss of €10 million in revenue

<p>France: Transposition of EU Copyright Directive (Article 15)</p>	<p>Following the EU’s passage of a new copyright directive that, among other things, made digital services liable for content uploaded to their sites and forced them to pay for snippets of “individual words or very short extracts”, Google announced it would show stripped-back results on Google News in France.</p> <p>The law resulted in:</p> <ul style="list-style-type: none">● A reduction in the 8 billion website visits to news sites in Europe via Google per year● Conflict with national copyright laws and the Berne Convention● Decreased user experience on search results from all Google services due to lack of content previews
<p>Canada: Online News Act (Bill C-18)</p>	<p>In 2023, Canada enacted the Online News Act, a law that requires certain online service providers to reach payment agreements with Canadian news organizations to display their content, but includes a litany of consequences for users, smaller publications, and democracy.</p> <p>The law resulted in:</p> <ul style="list-style-type: none">● The undermining of commitments under the Berne Convention and the U.S.-Mexico-Canada Free Trade Agreement● The unavailability of news content on a targeted online service provider’s platform crucial to informing communities● A lack of traffic being driven to smaller publications due to links being blocked on a targeted social media platform, causing smaller publications to suffer and some to near closure● Financial struggles from publications as anticipated positive impacts do not reach publishers and newsrooms

Australia:
News Media
Bargaining Code

In 2021, Australia passed a law designed to require digital services to pay domestic news publishers for content linked on their platforms. With many of the bargaining agreements up for renewal in 2024, the disruptions to the news ecosystem in the country and online could be vast.

The law has already resulted in:

- The divide between urban and regional Australian news outlets deepening, with news production in regional areas declining dramatically after the passage of the law

The law could also result in:

- The blocking of news on social media
- A potentially disproportionate impact on younger women who rely on social media for news
- Money from bargaining deals flowing to media conglomerates and hedge funds
- Mandated sharing by the Australian Competition and Consumer Commission (ACCC) to force companies to hand over sensitive commercial agreements made with media companies

Sources:

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