

## How are platforms regulated?

Any Internet-enabled company that hosts content created and uploaded by its users is a platform. While people tend to think only of large social media companies, Internet platforms include websites with comment sections, apps that let users share messages, and services that let users rate and review products they've bought. Under current laws, Internet platforms are able to host and moderate their users' content at their discretion without fear of being held legally liable for what users say or share. In the copyright space, this liability is governed by the Digital Millennium Copyright Act (DMCA), which sets up a system for platforms to respond to complaints about user-uploaded infringing content. Outside of that context, platform liability is protected by Section 230 of the Communications Decency Act.

## Key Takeaways:

- Laws that protect Internet platforms from being held responsible for their users' speech are crucial for startups that host user-generated content. Without these protections, platforms could easily be sued out of existence.
- Startups are especially vulnerable to legal changes in this area as compared to the big tech companies that can afford to hire thousands of content moderators or build expensive filtering tools.

## Why does it matter to startups?

Startups stand to lose the most if these laws about platform liability are changed. A small, new company that hosts user content will be unable to get investment, get off the ground, and grow its business if it has to constantly be prepared to face costly, time-consuming lawsuits over the content its users post. And unlike the largest tech companies, startups do not have the time and resources to hire thousands of people or build expensive tools to monitor what their users share.

## Where are we now?

Since 1996 and 1998, respectively, Section 230 and the DMCA have done a good job of ensuring that new Internet platforms can get off the ground and compete with the biggest players without incurring ruinous legal costs. In recent years, Section 230 has come under attack from a variety of angles, starting with the passage of the Stop Enabling Sex Traffickers Act in 2018. The law was purportedly aimed at illegal sex trafficking online, but it effectively opened up Internet platforms operating in good faith to legal action while disincentivizing content moderation to curb sex trafficking content. Since then, policymakers have repeatedly threatened to further change Section 230 as a means to addressing a variety of problems online, including political misinformation, hate speech, opioid abuse, and alleged political censorship.

At the same time, there has been a push among copyright holders and some lawmakers to change copyright law to make it easier to bring legal action for alleged copyright infringement, despite the successful and balanced framework established by the DMCA.