

# Apple co-founder Steve Wozniak wins latest round in lawsuit vs. YouTube over Bitcoin scam

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Credit: Unsplash/CC0 Public Domain

Steve Wozniak has won the latest round in a legal battle of Silicon Valley titans after a San Jose appeals court ruled YouTube can't count on a

controversial communications law to shield itself from responsibility for a scam that used the legendary Apple's co-founders' likeness.

In doctored videos circulated on YouTube, Wozniak was shown speaking at technology conferences, while images and text added to the clips promised free Bitcoin. Viewers were instructed to send some of the popular cryptocurrency and they would receive double back. It was too good to be true.

Wozniak and 17 alleged fraud victims sued YouTube and its parent company Google in 2020 over the videos the tech giant allegedly failed to take down. Such videos, they claimed, defrauded YouTube users out of millions of dollars, while Google and YouTube "unapologetically" hosted and promoted them for profit. Images and video of Wozniak, and text of his name, were used to create an impression he was hosting "Bitcoin Giveaways," the lawsuit alleged.

Wozniak repeatedly tried to get YouTube to stop the "unauthorized use of his name and likeness, but the company was "unresponsive," claimed the lawsuit in Santa Clara County Superior court. "Wozniak has suffered, and continues to suffer, irreparable harm to his reputation," the lawsuit alleged.

Google did not respond to a request for comment.

Other tech luminaries whose likenesses were used in the scams included Bill Gates, Elon Musk and Michael Dell, according to the lawsuit.

But a Santa Clara County Superior Court judge ruled in 2022 that the companies were protected from liability by a controversial federal law, Section 230 of the Communications Decency Act.

Now Wozniak's lawsuit has received a second chance. A panel of

appeals-court judges on Friday reversed the lower court's ruling, finding that Google and YouTube may not be completely shielded after all.

The three judges in the California Court of Appeal's Sixth District said the scam was common. Popular YouTube channels, they said in their decision, "are hijacked to show fake videos depicting a tech celebrity hosting a live event, during which anyone who sends cryptocurrency to a specified account will receive twice as much in return." However, the judges added, "Users who send their cryptocurrency in response actually receive nothing in return."

Central to the appeal is Section 230, which protects internet companies from liability over content posted by third parties, and over firms' removal of content. Designed to allow the existence of companies built around user-posted material—like YouTube, Facebook, Twitter and many others—the law has raised ire across the political spectrum.

Conservatives claim Section 230 promotes online censorship, while critics from both the right and left argue that it allows companies to evade accountability for hosting damaging content from illegal drug sales to disinformation to child pornography.

The appeals court judges in the Sixth District in San Jose said the claim by Wozniak and the other plaintiffs that Google and YouTube "materially contributed" to the scam by "providing verification badges to hijacked YouTube channels" means the companies may not be protected by Section 230 immunity.

According to Google's support website, a verification check mark beside a YouTube channel's name "means that YouTube has verified that channel," and the company said it will not "verify channels that are trying to impersonate another creator or brand." If a channel is verified, "it's the official channel of a creator, artist, company, or public figure,"

the Google website said.

The judges noted the plaintiffs' claims that YouTube knew specific channels had been hijacked but failed to remove their verification badges, and that in at least one case, allegedly, "YouTube issued a verification badge to a channel while it was perpetrating the scam."

In their ruling, the judges found that while fraudsters had created the scam content, "under Section 230, YouTube is responsible for creating the information in the verification badges."

The order kicks the case back to Santa Clara County Superior Court, with Wozniak and his co-plaintiffs allowed to amend their lawsuit to include claims specifying how the badges allegedly contributed to illegal behavior. Wozniak and the other plaintiffs are seeking unspecified damages, and an order forcing YouTube to warn users about the Bitcoin Giveaway scam and prevent it from being perpetrated on its platform

Wozniak told the British Broadcasting Corporation last year that he believed artificial intelligence would enable more deceptive online behavior. "It's open to the bad players," Wozniak said, "the ones that want to trick you about who they are."

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