

Steve Wozniak Leads Suit Against YouTube Over Bitcoin Scam

By **Mike LaSusa**

Law360 (July 22, 2020, 10:01 PM EDT) -- Apple co-founder Steve Wozniak is leading a lawsuit against YouTube and its parent company Google, accusing the tech giants of allowing the spread of a scam that has fleeced Bitcoin investors by using Wozniak's image to convince them to send cryptocurrency to online crooks.

Wozniak, along with 17 victims of so-called "Bitcoin giveaway" schemes, hit YouTube LLC and Google LLC with a suit in California court on Tuesday, comparing YouTube's behavior with Twitter's response to **a cryptocurrency scam** that hit the company last week.

Wozniak and the others said Twitter reacted to that scam quickly and took steps to protect its users.

"In stark contrast, for months now, defendant YouTube has been unapologetically hosting, promoting, and directly profiting from similar scams," they said.

According to the complaint, the Bitcoin giveaway scammers typically use YouTube accounts with deceptive names to post "live" videos featuring images of Wozniak and other well-known technology industry figures. The videos purport that Wozniak or another prominent person is hosting a Bitcoin giveaway, and if users send in Bitcoin, they'll receive twice as much in return.

Wozniak said he's tried to get YouTube to take action to stop such scams that use his likeness. But he says the Silicon Valley behemoth has "consistently failed or refused to timely intervene, or even to have a human being respond, to stop the scam videos and promotions and to stop selling ads to the scammers."

Additionally, Wozniak and the others said YouTube can't seek protection under Section 230 of the Communications Decency Act, a legal shield that has long protected tech giants from being held liable for content posted by third parties.

"These videos are criminally fraudulent financial enterprises, pure and simple," they said.

"Defendants have improperly refused to act, to warn their users, or to otherwise play a constructive role in stopping this criminal enterprise."

Wozniak is claiming an alleged violation of California's right of publicity law, as well as misappropriation of name or likeness. He and the scam victims are suing for fraud and misrepresentation, aiding and abetting fraud, unfair business practices and negligent failure to warn.

They want the court to order YouTube to take action to stop the Bitcoin giveaway scams, and to warn its users about them. They're also seeking damages, costs and attorney fees.

Brain Danitz of Cotchett Pitre & McCarthy LLP, who represents Wozniak and the scam victims, said in a statement Wednesday that the Bitcoin giveaway scam is vast and ongoing.

"The fraud victims bringing this complaint come from around the world, including the U.S., U.K., Canada, Japan, Malaysia, China and all over Europe," he said. "The complaint alleges tens of millions of dollars in cryptocurrency have been lost in this scam which could have been prevented by

YouTube."

YouTube told Law360 on Thursday that it takes steps to protect users from scams.

"We take abuse of our platform seriously, and take action quickly when we detect violations of our policies, such as scams or impersonation," a spokesperson said.

The plaintiffs are represented by Joseph W. Cotchett, Brian Danitz, Julia Q. Peng, Andrew F. Kirtley and Noorjahan Rahman of Cotchett Pitre & McCarthy LLP.

Counsel information for Google wasn't immediately available Wednesday.

The case is Steve Wozniak et al v. YouTube LLC et al, case number 20-CIV-03032, in the Superior Court of California, County of San Mateo.

--Editing by Rebecca Flanagan.

Update: This article has been updated to include comment from YouTube.