

Judge rejects airbnb's bid to halt san francisco ordinance

[Engineering](#), [Aviation](#)



A U. S. judge on Tuesday rejected Airbnb's request to block a San Francisco ordinance that forbids the home-rental company from taking bookings from hosts who have not registered their home with the city.

The decision dealt a major blow to an argument Airbnb has come to rely on to fight regulatory crackdowns in cities across the United States, and could have implications for other online companies such as Amazon. com.

The San Francisco ordinance, enacted in August, makes it illegal for Airbnb to collect fees for providing booking services for rentals that had not been properly registered with the city. Airbnb makes money by charging a service fee on bookings.

The ruling from U. S. District Judge James Donato in San Francisco rejected Airbnb's contention that the ordinance violated a broad federal law that protects internet companies from liability for content posted on their platforms.

The San Francisco ordinance " does not regulate what can or cannot be said or posted in the listings," Donato wrote.

Further, Airbnb's argument that the city violated the First Amendment is moot because the ordinance " was not motivated by a desire to suppress speech," Donato wrote.

An Airbnb spokesman did not immediately respond to a request for comment.

While Donato denied Airbnb's request for a preliminary injunction blocking the ordinance and picked apart the company's legal arguments, he did call for further proceedings on how exactly the new ordinance should be enforced.

He also said San Francisco shares some of the responsibility as it lacks an "effective registration verification" system for hosts.

Airbnb, which provides a website to connect hosts with short-term renters, had invoked Section 230 of the U. S. Communications Decency Act, a 20-year-old statute designed to protect free speech online, to sue San Francisco and two other California cities.

Without the protection of Section 230, Airbnb could be much more vulnerable to local efforts to introduce tougher laws aimed at limiting Airbnb's impact on housing stock and rent prices.

Airbnb is likely to appeal the ruling, which could have broad implications for other online commerce operations if upheld.

"The judge's ruling creates a major new hole in Section 230's immunity that other regulators will exploit with glee," said Eric Goldman, a professor at Santa Clara University School of Law. "This should be disconcerting to major marketplaces like eBay and Amazon, who historically have been immune from liability for user transactions."

Other cities around the country, including New York, Santa Monica and Anaheim, have also watched the San Francisco case closely as they pursue their own Airbnb regulations.

(Reporting by Dan Levine and Heather Somerville; editing by Jonathan Weber and Tom Brown)