

**RIAA Ex. C-120-DP****Recording industry launches fresh wave of actions against illegal file-sharing**

- Over 8,000 cases launched in 17 countries
- Thousands have paid settlement fees averaging 2,400 euros
- Actions for the first time in Brazil, Mexico and Poland
- Legal action and virus fears driving people away from illegal file-sharing
- Parental education campaign now reaches 15 countries in 10 languages

London, 17th October 2006

Legal actions against thousands of music file-sharers across the world were announced today as the recording industry stepped up its campaign to deter copyright theft and promote legitimate use of music on the internet.

Over 8,000 new cases in 17 countries are being announced today, including the first ever cases against illegal file-sharing in the two biggest markets of South America and in Eastern Europe. A total of more than 13,000 legal actions have now been taken outside the United States.

Legal actions are being extended to Brazil, where more than one billion music tracks were illegally downloaded last year and a country where record company revenues have nearly halved since 2000.

Mexico and Poland are also seeing actions for the first time - while a further 14 countries are launching fresh actions against illegal file-sharing.

Over 2,300 of people have already paid the price for illegally file-sharing copyrighted material, with average legal settlements of €2,420.

Legal actions are being brought against a wide variety of people, ranging from a laboratory assistant in Finland to a German parson.

Many of those on the receiving end of legal action are parents whose children have been illegally file-sharing. They are finding that in many countries they are liable for any activities third parties undertake using their internet connection. In Argentina, one mother made her son sell off his car to pay her back the settlement fee.

The actions are being taken in Argentina, Austria, Brazil, a combination of criminal and civil suits, are aimed at 'uploaders' - people who have put hundreds or thousands of copyrighted songs onto internet file-sharing networks and offered them to millions of people worldwide without permission from the copyright owners. The industry is targeting uploaders using all the major unauthorised P2P services, including BitTorrent, eDonkey, DirectConnect, Gnutella, Limewire, SoulSeek and WinMX.

The campaign involves illegal file-sharers in Argentina, Austria, Brazil, Denmark, Finland, France, Germany, Hong Kong, Iceland, Ireland, Italy, Mexico, Netherlands, Poland, Portugal, Singapore and Switzerland.

John Kennedy, chairman and chief executive of IFPI, said: "Consumers today can get music legally in ways that were unimaginable just a few years ago with over three million tracks available on nearly 400 sites worldwide as well as an array of mobile platforms. Yet some people continue to consume their music illegally, refusing to respect the creative work of artists, songwriters and record producers.

"As a result we reluctantly continue with our legal actions and today sees the latest escalation of that campaign to show that file-sharing copyrighted music does carry real legal risks - apart from the risks to privacy and the risks from spyware and viruses. Around the world many people have already paid a heavy price for their illegal file-sharing. They all thought they were unlikely to be caught, but teachers, postal workers, IT managers, scientists and people in a host of other occupations, as well as parents, have ended up having to dig deeply into their pockets. The money they have had to pay as a result of the court cases could have been spent on other things.

"In each of the 17 countries involved in today's actions there are legal music services available to consumers.

There is no excuse. People should understand that they can be caught whatever network they are using. The next time a series of law suits are announced you could be on the receiving end if you are an illegal file-sharer."

### **Concerns growing over viruses and malware on P2P**

New third party research shows that internet users' fear of viruses, spyware and malware, as well as worries about legal action, are also proving a major deterrent to illegal p2p file-sharing. The findings show:

- In the UK, six out of 10 people who plan to cut back or stop file-sharing say that fear of computer viruses is a major reason for their planned change in behaviour<sup>1</sup>.
- In Japan, 46 per cent of internet users who have stopped using P2P networks cited viruses as a major reason for swapping to use legal sites.<sup>2</sup>
- Fear of viruses was the main reason why 20 per cent of those who switched from illegal to legal sites in the US stopped their illegal activities<sup>3</sup>
- In Poland, 25 per cent of internet users who shun P2P say that viruses are the main reason for their decision to stick with legal sites<sup>4</sup>.

### **Improving legal landscape**

The new wave of lawsuits comes at a time of significant change in the legal landscape for p2p networks. A series of court judgments across the world established the liability of p2p operators for infringement that they facilitate or promote and from which they benefit - rejecting the notion that illegal file-sharing is innocent, legal or victimless. In the wake of these judgments, significant settlements with services such as Kazaa, BearShare, eDonkey and Kuro have followed.

### **Campaign spreads internationally**

IFPI is today announcing that it is extending the campaign to Brazil, Mexico and Poland for the first time, bringing more than 100 actions across the three countries.

Record company revenues in Brazil, the largest market in Latin America, have fallen from US\$724.7m in 2000 to US\$394.2m last year. Much of this is accounted for by the phenomenal rise in illegal file-sharing across the country. The cases are being brought by ABPD, IFPI's Brazilian affiliate.

AMPROFON, IFPI's national affiliate in Mexico, will target individual uploaders and cyber café owners who are notorious for encouraging and supporting illegal P2P file-sharing.

In Poland, ZPAV, the record industry body, is collaborating closely with the police who are starting criminal investigations - including raids to gather further evidence - against identified uploaders.

### **Education stepped up**

IFPI has worked with the music sector alliance [www.pro-music.org](http://www.pro-music.org) to assist the education work around online music by children's charity Childnet International. Childnet's educational leaflet "Young People, Music and the Internet" has been rolled out in 15 countries and 11 languages, with the latest versions in Mexico, Brazil and Poland.

Recent research from Lingnan University in Hong Kong has shown that the education campaign there has had a major impact on children and their parents. More than a third of parents (36%) have guided their children to refrain from illegal downloading in the last year and 67 per cent of people said that legal action is an effective way of reducing illegal p2p file-sharing.

Digital File Check, a freely-available software programme developed by IFPI that is available on disc or from the IFPI website, has now been launched in 15 countries. It can help remove or block any of the unwanted file-sharing programmes commonly used to distribute copyrighted files illegally. It can therefore help to stop people becoming illegal file-sharers.

Childnet has recently launched a new education programme aimed at 100,000 families in the UK, talking about the legal and security risks of using p2p networks. The charities campaign includes distributing copies of Digital File Check.

<sup>1</sup>EMR, September 2006

<sup>2</sup>RIAJ, August 2006

<sup>3</sup>NPD, June 2006

<sup>4</sup>ZPAV, July 2006

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#### Notes to Editors

- IFPI is also today publishing a number of other accompanying materials:
  - Fact Sheet on the legitimate digital music market
  - Round-up of educational programmes
  - Quotes from spokespeople in those countries involved in the campaign
  - Chronology of judgements and settlements involving P2P operators

**IFPI** is the organisation that promotes the interests of the international recording industry worldwide. Its membership comprises over 1400 major and independent companies in more than 70 countries. It also has affiliated industry national groups in 48 countries. IFPI's mission is to fight music piracy; promote fair market access and good copyright laws; help develop the legal conditions and the technologies for the recording industry to prosper in the digital era; and to promote the value of music.

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