

Music industry rejoices over file-sharing victory

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A decision in the legal case against a 22-year-old man surnamed Chung who shared music files over the Internet without the permission of record labels was hailed by the music industry yesterday as a landmark in the fight against online piracy.

"This case proves that peer-to-peer file-sharing infringes copyright," International Federation of the Phonographic Industry (IFPI) Taiwan branch secretary-general Robin Lee (李瑞斌) told the *Taipei Times* in an interview yesterday.

The music industry has claimed since 2000 that peer-to-peer Web sites break the law as they allow subscribers to download music via the Internet without paying royalty fees to the rights holder.

After successfully closing only one Web site — Napster — the industry changed tack earlier this year and started going after site users.

"We will use this case to let everybody know that users of peer-to-peer Web sites are breaking the law, and we will bring more cases to court if peer-to-peer doesn't stop," Lee said.

In Taiwan, the IFPI — which represents 12 local and international record companies — launched three cases against individuals, and two against the peer-to-peer Web sites Ezpeer.com.tw and kuro.com.tw (Kuro, 飛行網).

The decision against Chung is the first result in the court cases. Last week, the prosecutors office of the Panchiao District Court decided to defer prosecution in the case against Ezpeer subscriber

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Chung after he admitted that he infringed the copyright law and agreed to publish an apology in the local press. The apology appeared last Friday.

Chung also signed agreements that he would not use peer-to-peer Web sites again, or share music files without the prior permission of rights holders. Under the deferred prosecution framework, Chung could be dragged back in front of the courts if he breaks the agreement and starts sharing files again.

One legal expert said the decision was important, but not final.

"This represents some kind of

victory for the music industry," said Liu Yen-ling (劉彥玲), a copyright lawyer with Winkler Partners (博仲法律事務所) in Taipei. "It shows that prosecutors at least think Chung is guilty, but it is not a complete victory."

The news comes as Taiwan's music industry struggles to survive. Taiwan's legitimate market in recorded music has dropped dramatically in value from NT\$12 billion in 1997 to NT\$4.9 billion last year, according to IFPI figures.

Meanwhile, peer-to-peer sites are raking in the cash. Kuro charges its 500,000 users NT\$99 per month, netting the company NT\$600 million per year. Ezpeer charges NT\$100 per month with 300,000 members, which means NT\$360 million per year.

Officials from Ezpeer and Kuro were not available for comment yesterday afternoon, but both have repeatedly claimed that their services are legal as they do not store songs on their servers, or charge subscribers to download music.

Consumers in Taiwan can buy music over the Internet without fear of prosecution. Earlier this month, iBIZ Entertainment Technology Corp (艾比茲娛樂科技) launched a music download site in Taiwan in cooperation with 14 record labels, charging between NT\$10 and NT\$30 for each song.

Chunghwa Telecom Co's (中華電信) Hinet Internet service and computer giant Acer Inc have also negotiated deals for music sites, and five other companies are in discussions, IFPI's Lee said.

"If you go the legal way, the record industry will support you," he said yesterday.