## Exhibit P

From:

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To: Sent:

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Subject:

MediaPost.com Article: MPAA Charges Digital Storage Site With Encouraging Piracy

A MediaPostPublications.com article sent to you by: editorial@mediapost.com

MPAA Charges Digital Storage Site With Encouraging Piracy Wendy Davis

☑ Lockers	After successfully suing peer-to-peer companies like Napster, Grokster and IsoHunt,
	the entertainment industry is turning its attention to digital storage sites. The Motion
	Picture Association of America filed a copyright infringement complaint against
	Hotfile and its operator, Anton Titov, for allegedly encouraging people to distribute
	pirated videos.
•	
	"Defendants are responsible every single day for the infringement of thousands
of plaintiffs' copy	righted works, including movies still playing in theaters," the MPAA says in its complaint, filed in
U.S. District Cour	

Hotfile allows people to upload and distribute files for free, but at restricted speeds. The company also offers premium memberships without the speed limits at prices ranging from \$9 a month to \$55 a year. The digital locker company allegedly operates an affiliate program that compensates users who upload popular files.

The MPAA argues that this set-up encourages users to upload copyrighted videos and promote the links on other sites in order to gamer referral fees. "The content for which users are willing to pay to download in large volumes is overwhelmingly -- and indeed almost exclusively -- copyrighted. It is this popular, infringing content, available for download at a click of a button, that Hotfile uses as the draw to attract downloading users, which Hotfile then converts into paying subscribers."

The Hollywood studios also assert that Hotfile could discourage infringement by terminating accounts of repeat offenders, but that "instead of terminating infringing users, Hotfile compensates them for their infringement."

Hotfile did not respond to a request for comment, but the company says on its site that it complies with the Digital Millennium Copyright Act by honoring requests to take down copyrighted material. The DMCA's safe harbors generally provide that companies are immune from copyright infringement liability when users upload pirated material, provided that the companies remove the clips upon request. Those safe harbors were why YouTube was able to <u>defeat</u> a copyright infringement lawsuit brought by Viacom.

But the safe harbors have some exceptions, including ones for companies that are aware of infringement, <u>induce</u> it, or profit from it.

The MPAA's allegations that Hotfile profits financially from infringement, if true, could make it hard for Hotfile to claim immunity under the DMCA, says Brooklyn Law professor Jason Mazzone. "Unless Hotfile can show that its house is in complete DMCA order, it is on the hook," he says. Allegations that the site gains financially from piracy and that it doesn't terminate the accounts of infringers could be particularly damaging, Mazzone adds.

The MPAA is seeking monetary damages and an injunction against Hotfile.

Hotfile also faces two other copyright infringement lawsuits -- one filed last month by Liberty Media Holdings, and the other filed in September by adult entertainment company Perfect 10.

A separate digital storage company, RapidShare, recently scored a preliminary victory in a copyright infringement

lawsuit when a judge refused to issue an injunction shutting down the service. In that case, also brought by Perfect 10, U.S. District Court Judge Marilyn Huff in the Central District of California <u>ruled</u> that the site did not appear to contribute to users' piracy.

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