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Copyright troubles surface vs. YouTube

By Verne Kopytoff

SAN FRANCISCO CHRONICLE

YouTube, the popular video Web site, is facing the biggest challenge of its brief but gilded life: complaints about copyright infringement that could destroy its cool factor.

The proliferation of pirated video and music uploaded by users — everything from concert foot-age of pop band Death Cab for Cutie to clips of "Gone With the Wind" — has made the San Bruno, Calif., startup a target of the entertainment industry, prompted by fears that the illegal free-for-all will crimp its profits.

The problem was hammered home last week when the Japanese Society for Rights of Authors, Composers and Publishers, representing 23 entertainment companies, said it had asked YouTube to remove nearly 30,000 pirated video clips from the Web site.

It was just one in a series of examples of studios fighting back.

The question remains whether YouTube will lose its renegade image if stripped of all its pirated clips.

Could cleaning up the site make it boring?

"It wouldn't be as popular," said Phil Leigh, president of Inside Digital Media Inc.

"But the odds of them being stuck with only home videos is pretty slim."

YouTube is trying to avoid any problem by making friends with entertainment companies and sharing revenue their clips generate.

Recent deals with a half-dozen major studios, including CBS Corp., NBC and Warner Music, guarantee that the Web site will get access to at least a small archive of Hollywood hits.

But perhaps more important, the partnerships protect YouTube from liability if it is sued for copyright infringement.

The bulls-eye on YouTube's back will probably grow after the Web site is acquired by Internet giant Google Inc. for \$1.65 billion.

Google's deep pockets — it has \$10.4 billion in cash — offers a big potential payday for aggrieved copyright holders.

Indeed, YouTube faces continued threats from studios that it has yet to sign up as partners. Negotiations with at least some of them are under way.

"Is there legal exposure?" said Karen Frank, a San Francisco attorney who handles intellectual property issues at Howard Rice Nemerovski Canady Falk & Rabkin and who has no business ties to YouTube. "Absolutely. Is YouTube trying to do something about it? Yes."

By the numbers

100 million

YouTube video views every day

65,000

New videos uploaded daily to YouTube

Source: YouTube

Since its founding last year by three former PayPal employees, YouTube has become an international superstar.

The company had 81 million unique visitors across the globe in September, according to ComScore Media Metrix.

By the numbers

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New videos uploaded daily to YouTube

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