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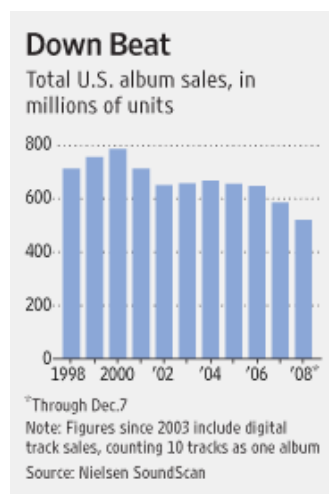
Music Industry to Abandon Mass Suits

By SARAH MCBRIDE and ETHAN SMITH

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After years of suing thousands of people for allegedly stealing music via the Internet, the recording industry is set to drop its legal assault as it searches for more effective ways to combat online music piracy.

The decision represents an abrupt shift of strategy for the industry, which has opened legal proceedings against about 35,000 people since 2003. Critics say the legal offensive ultimately did little to stem the tide of illegally downloaded music. And it created a public-relations disaster for the industry, whose lawsuits targeted, among others, several single mothers, a dead person and a 13-year-old girl.



Instead, the Recording Industry Association of America said it plans to try an approach that relies on the cooperation of Internet-service providers. The trade group said it has hashed out preliminary agreements with major ISPs under which it will send an email to the provider when it finds a provider's customers making music available online for others to take.

Depending on the agreement, the ISP will either forward the note to customers, or alert customers that they appear to be uploading music illegally, and ask them to stop. If the customers continue the file-sharing, they will get one or two more emails, perhaps accompanied by slower service from the provider. Finally, the ISP may cut off their access altogether.

The RIAA said it has agreements in principle with some ISPs, but declined to say which ones. But ISPs, which are increasingly cutting content deals of their own with entertainment companies, may have more

incentive to work with the music labels now than in previous years.

The new approach dispenses with one of the most contentious parts of the lawsuit strategy, which involved filing lawsuits requiring ISPs to disclose the identities of file sharers. Under the new strategy, the RIAA would forward its emails to the ISPs without demanding to know the customers' identity.

Though the industry group is reserving the right to sue people who are particularly heavy file sharers, or who ignore repeated warnings, it expects its lawsuits to decline to a trickle. The group stopped filing mass lawsuits early this fall.

It isn't clear that the new strategy will work or how effective the collaboration with the ISPs will be. "There isn't any silver-bullet anti-piracy solution," said Eric Garland, president of BigChampagne LLC, a piracy consulting company.

Mr. Garland said he likes the idea of a solution that works more with consumers. In the years since the

"I'd give them credit for stopping what they've already been doing because it's been so destructive," said Brian Toder, who represents a Minnesota mother involved in a high-profile file-sharing case. But his client isn't off the hook. The RIAA said it plans to continue with outstanding lawsuits.

Over the summer, New York State Attorney General Andrew Cuomo began brokering an agreement between the recording industry and the ISPs that would address both sides' piracy concerns. "We wanted to end the litigation," said Steven Cohen, Mr. Cuomo's chief of staff. "It's not helpful."

As the RIAA worked to cut deals with individual ISPs, Mr. Cuomo's office started working on a broader plan under which major ISPs would agree to work to prevent illegal file-sharing.

The RIAA believes the new strategy will reach more people, which itself is a deterrent. "Part of the issue with infringement is for people to be aware that their actions are not anonymous," said Mitch Bainwol, the group's chairman.

Mr. Bainwol said that while he thought the litigation had been effective in some regards, new methods were now available to the industry. "Over the course of five years, the marketplace has changed," he said in an interview. Litigation, he said, was successful in raising the public's awareness that file-sharing is illegal, but now he wants to try a strategy he thinks could prove more successful.

The RIAA says piracy would have been even worse without the lawsuits. Citing data from consulting firm NPD Group Inc., the industry says the percentage of Internet users who download music over the Internet has remained fairly constant, hovering around 19% over the past few years. However, the volume of music files shared over the Internet has grown steadily.

Meanwhile, music sales continue to fall. In 2003, the industry sold 656 million albums. In 2007, the number fell to 500 million CDs and digital albums, plus 844 million paid individual song downloads -- hardly enough to make up the decline in album sales.

—Amol Sharma contributed to this article.

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