Chris Ancliff
General Counsel, International

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INTERNET PIRACY: CHALLENGES AND ENFORCEMENT

MOSCOW
6 OCTOBER 2010

GLOBAL INVESTMENT IN MUSIC

- US$5 billion invested annually on developing and marketing artists
- 16% of revenue spent on R&D
- US$1 million spent on breaking one artist

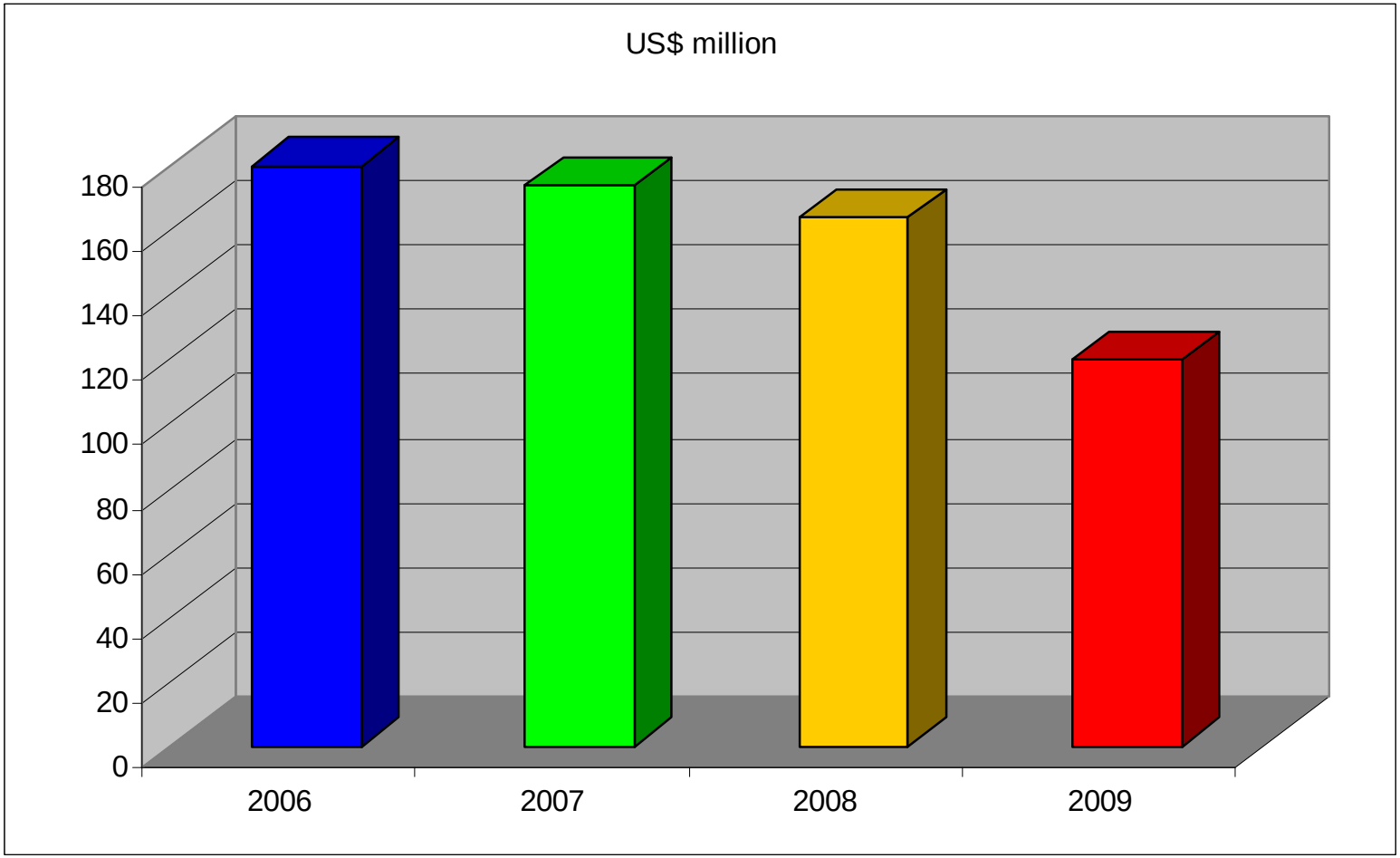
IMPACT OF ONLINE PIRACY

€10 billion in 2008

€240 billion in 2015? *

* Source – IFPI – Recording Industry in Numbers 2010

DECLINE IN THE RUSSIAN MUSIC BUSINESS



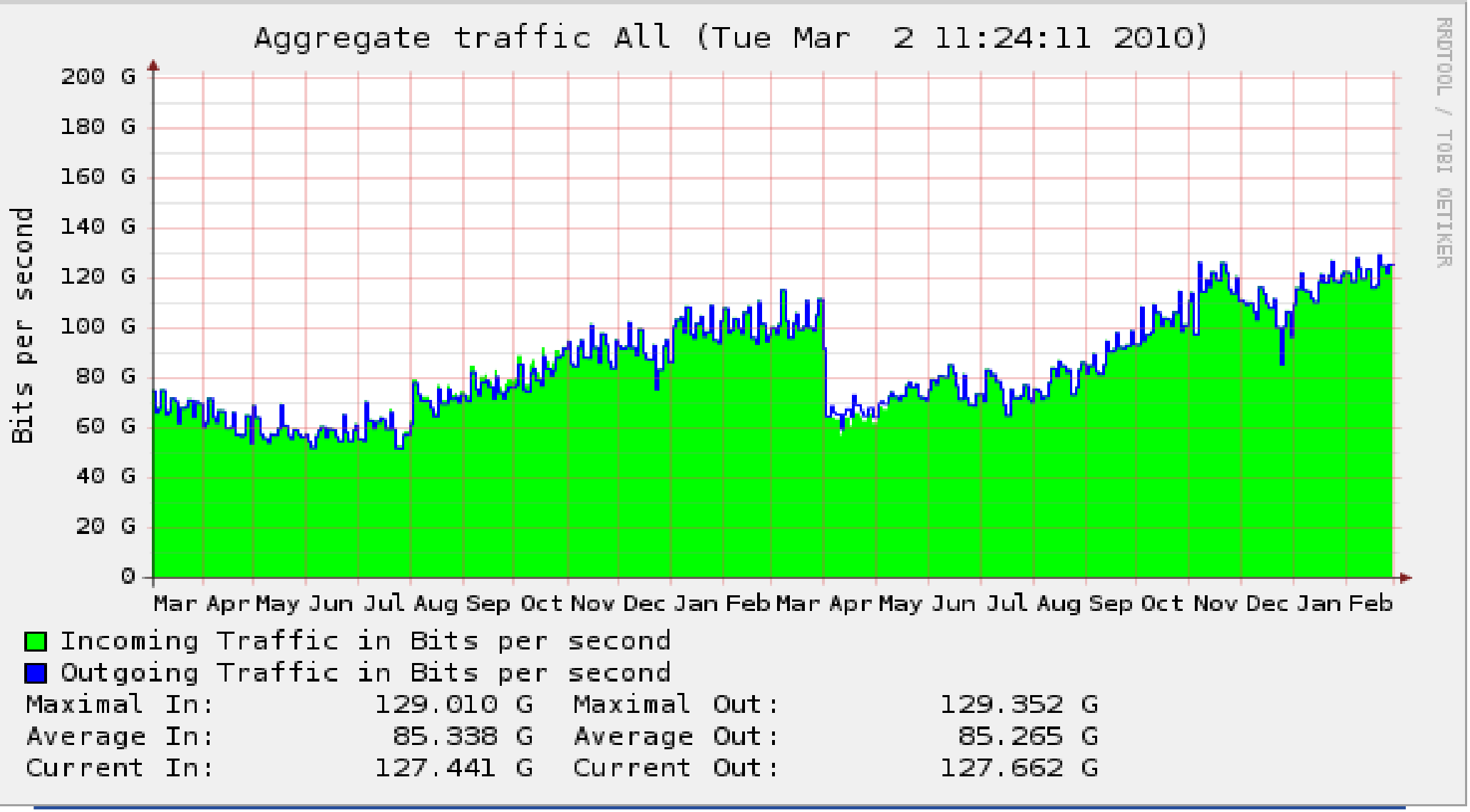
LEGISLATION

UK – Digital Economy Act 2010
France – HADOPI law 2009

Similar laws proposed or enacted in

- New Zealand
- Korea
- Taiwan

Announcement of IPRED law in Sweden



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LEGITIMATE SERVICES IN RUSSIA

Internet	Mobile
muz.ru fidel.ru yota.ru yandex.ru imobilko.ru ivi.ru omlet.ru trava.ru and a few others	Inform Mobile (MTS) Temafon (Beeline) Iricom (Megafon) + smaller regional aggregators

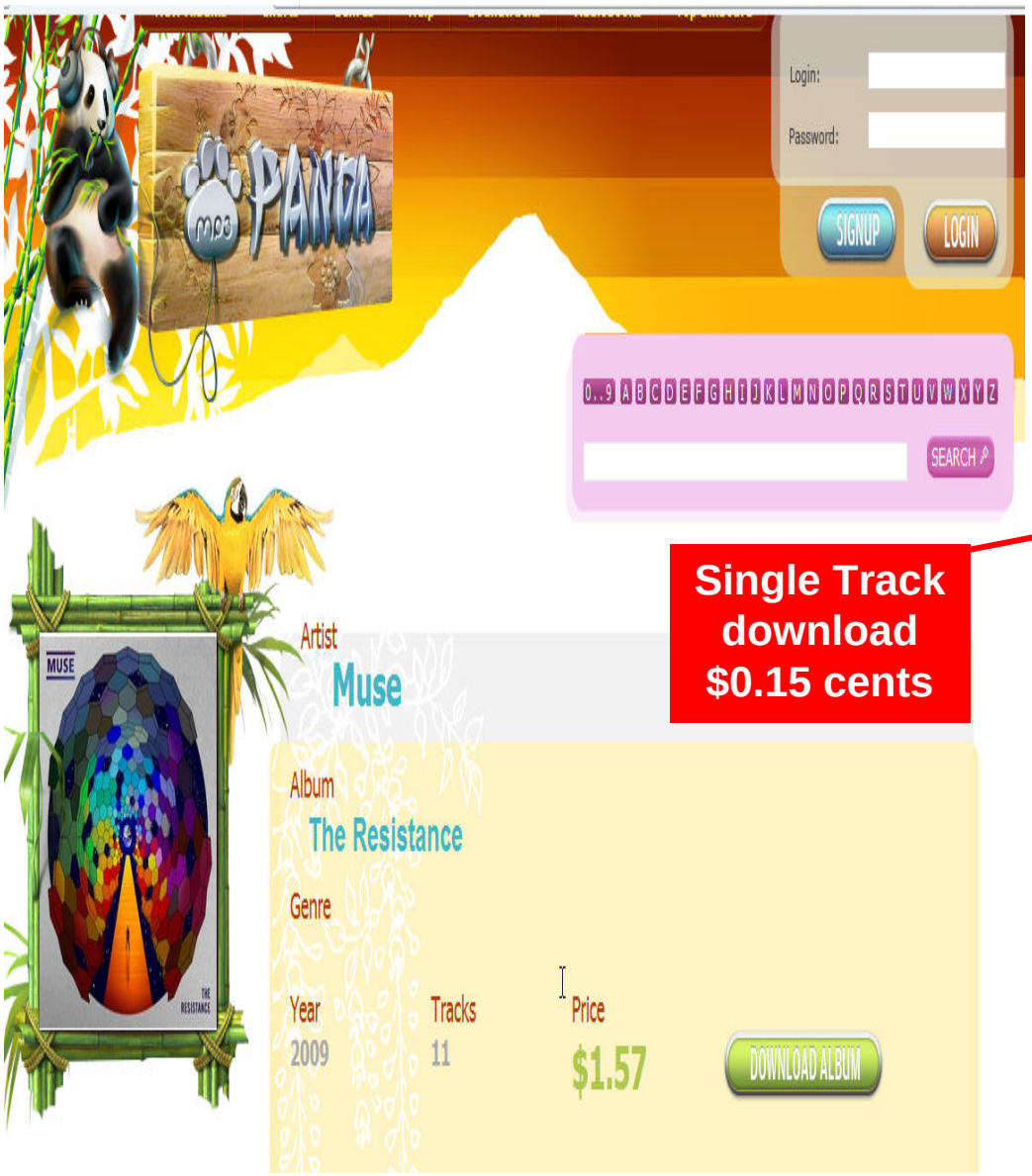
Russian & Ukrainian Music Download Sites

30 + Russian and Ukrainian websites distributing unlicensed sound recordings via download for payment

Current albums sold for as little as Euro **0.64 cents**

Allofmp3 – second in popularity to iTunes in 2006 with estimated revenue of **$ 30 million** (site no longer offering music for download)

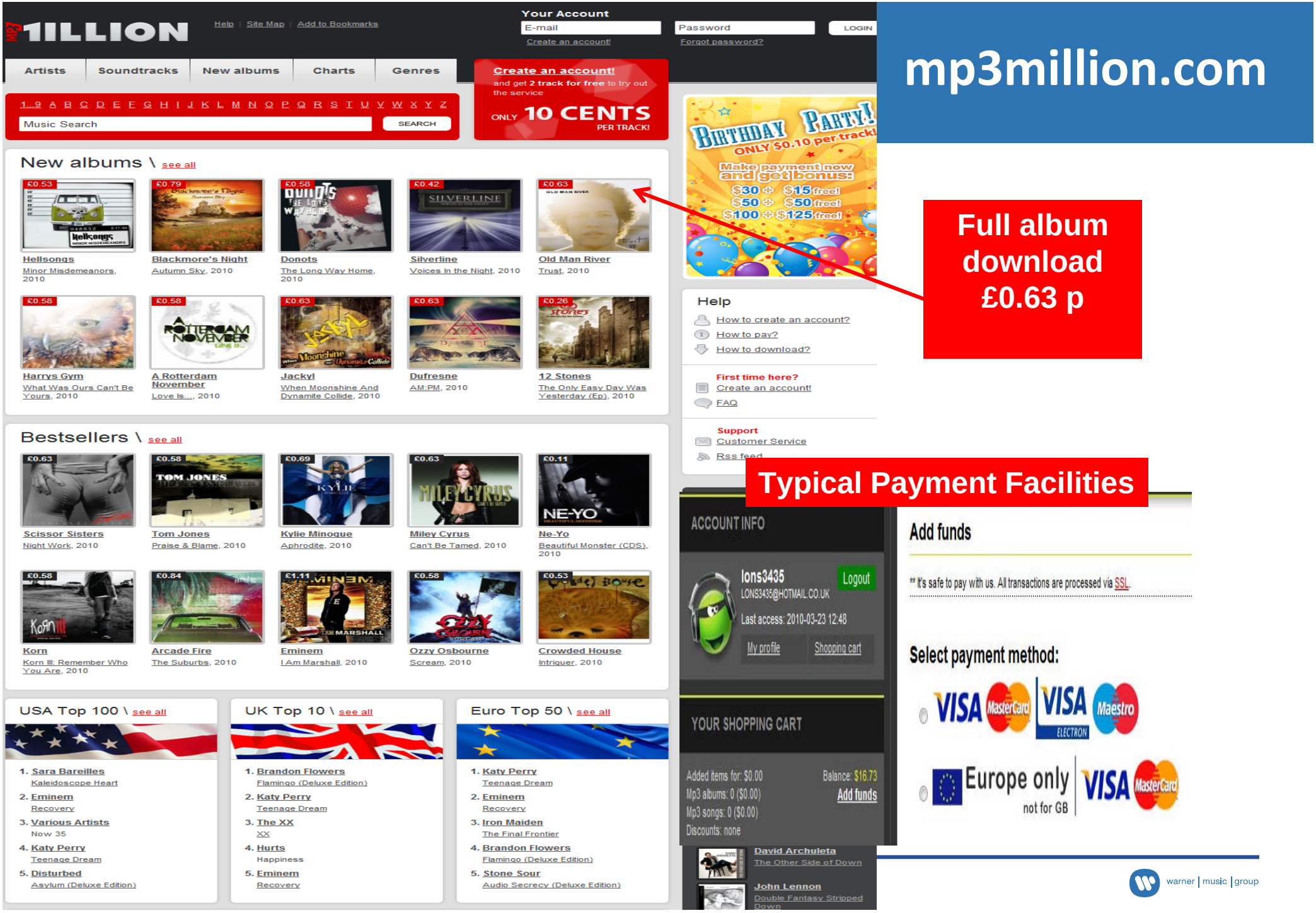
mp3panda.com – a typical site



Single Track download $0.15 cents

Tracks List

Preview	#	Title	Mode	Length	Size	Price	
	01	Uprising	320kbps	5:05	12.02	$0.15	DOWNLOAD
	02	Resistance	320kbps	5:47	13.61	$0.16	DOWNLOAD
	03	Undisclosed Desires	320kbps	3:56	9.40	$0.15	DOWNLOAD
	04	United States Of Eurasia (Collateral Damage)	320kbps	5:48	13.66	$0.16	DOWNLOAD
	05	Guiding Light	320kbps	4:14	10.06	$0.15	DOWNLOAD
	06	Unnatural Selection	320kbps	6:55	16.22	$0.21	DOWNLOAD
	07	Mk Ultra	320kbps	4:06	9.78	$0.15	DOWNLOAD
	08	I Belong To You-Mon Cur Souvre A Ta Voix	320kbps	5:39	13.32	$0.16	DOWNLOAD
	09	Exogenesis- Symphony, Pt. 1- Overture	320kbps	4:19	10.25	$0.15	DOWNLOAD
	10	Exogenesis- Symphony, Pt. 2- Cross-Pollination	320kbps	3:56	9.40	$0.15	DOWNLOAD


MP3 1ILLION
Help | Site Map | Add to Bookmarks
Your Account
E-mail
Password
LOGIN
Create an account!
Forgot password?
Artists
Soundtracks
New albums
Charts
Genres
1...9 A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
Music Search
SEARCH
Create an account!
and get 2 track for free to try out the service
ONLY 10 CENTS PER TRACK!
mp3million.com
New albums \ see all
Hellsongs
Minor Misdemeanors, 2010
Blackmore's Night
Autumn Sky, 2010
Donots
The Long Way Home, 2010
Silverline
Voices In the Night, 2010
Old Man River
Trust, 2010
Harrys Gym
What Was Ours Can't Be Yours, 2010
A Rotterdam November
Love Is..., 2010
Jackyl
When Moonshine And Dynamite Collide, 2010
Dufresne
AM:PM, 2010
12 Stones
The Only Easy Day Was Yesterday (Ep), 2010
Bestsellers \ see all
Scissor Sisters
Night Work, 2010
Tom Jones
Praise & Blame, 2010
Kylie Minogue
Aphrodite, 2010
Miley Cyrus
Can't Be Tamed, 2010
Ne-Yo
Beautiful Monster (CDS), 2010
Korn
Korn III: Remember Who You Are, 2010
Arcade Fire
The Suburbs, 2010
Eminem
I Am Marshall, 2010
Ozzy Osbourne
Scream, 2010
Crowded House
Intriguer, 2010
USA Top 100 \ see all
1. Sara Bareilles
Kaleidoscope Heart
2. Eminem
Recovery
3. Various Artists
Now 35
4. Katy Perry
Teenage Dream
5. Disturbed
Asylum (Deluxe Edition)
UK Top 10 \ see all
1. Brandon Flowers
Flamingo (Deluxe Edition)
2. Katy Perry
Teenage Dream
3. The XX
XX
4. Hurts
Happiness
5. Eminem
Recovery
Euro Top 50 \ see all
1. Katy Perry
Teenage Dream
2. Eminem
Recovery
3. Iron Maiden
The Final Frontier
4. Brandon Flowers
Flamingo (Deluxe Edition)
5. Stone Sour
Audio Secrecy (Deluxe Edition)
BIRTHDAY PARTY!
ONLY $0.10 per track!
Make payment now and get bonus:
$30 + $15 free!
$50 + $50 free!
$100 + $125 free!
Help
How to create an account?
How to pay?
How to download?
First time here?
Create an account!
FAQ
Support
Customer Service
Rss feed
Full album download £0.63 p
Typical Payment Facilities
ACCOUNT INFO
lons3435
LONS3435@HOTMAIL.CO.UK
Logout
Last access: 2010-03-23 12:48
My profile
Shopping cart
YOUR SHOPPING CART
Added items for: $0.00
Mp3 albums: 0 ($0.00)
Mp3 songs: 0 ($0.00)
Discounts: none
Balance: $16.73
Add funds
David Archuleta
The Other Side of Down
John Lennon
Double Fantasy Stripped Down
Add funds
** It's safe to pay with us. All transactions are processed via SSL.
Select payment method:
VISA MasterCard VISA ELECTRON Maestro
Europe only not for GB VISA MasterCard
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vKontakte

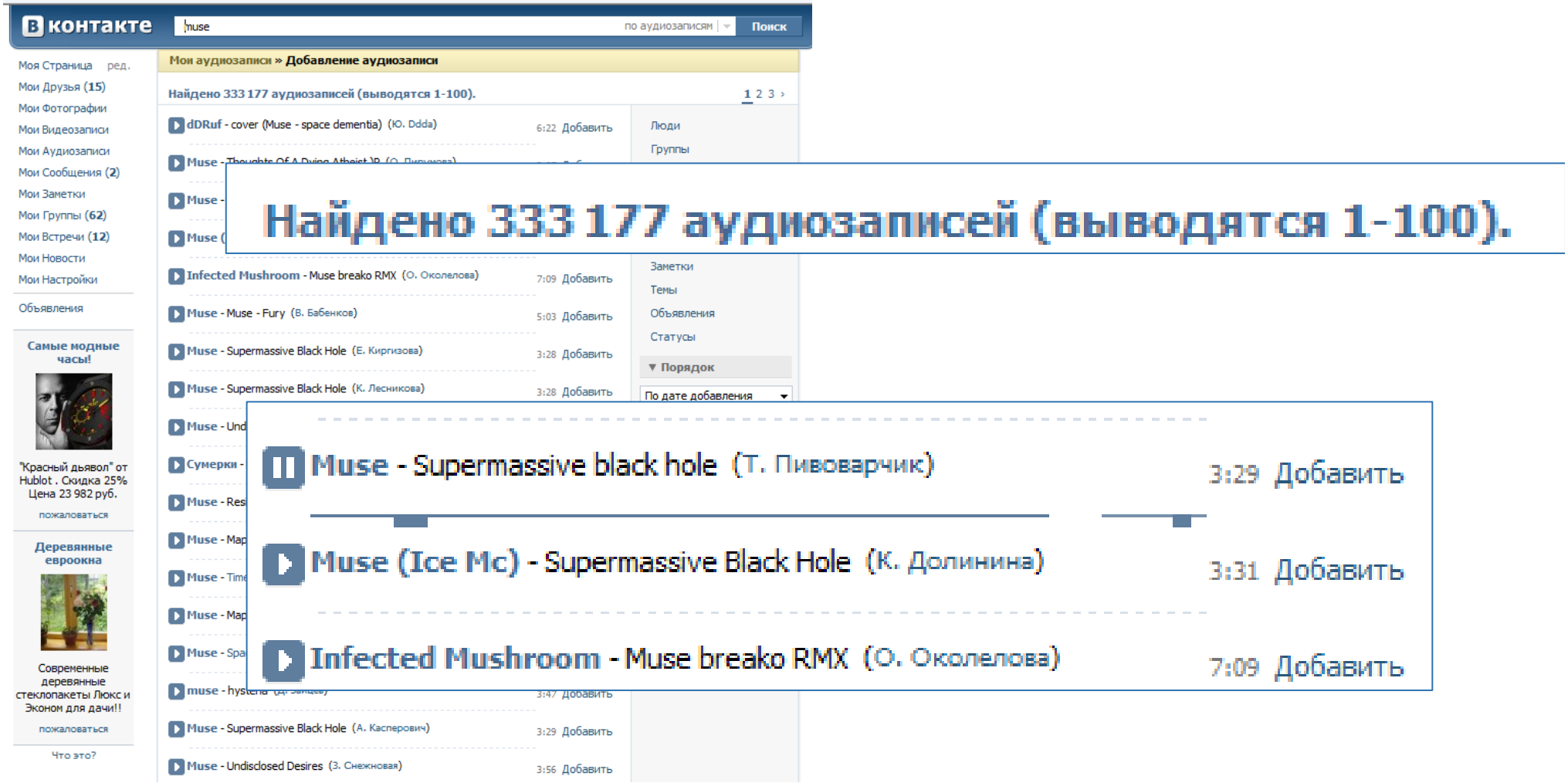
Russia's largest social networking site, over 89 million registered users

Unlike other popular International social networking sites vKontakte hosts a significant number of infringing music files

3rd party mobile applications and software i.e. Mulve now being written to search for, download and stream files hosted on vKontakte

In 2010 IFPI has contacted vKontakte to request the removal of 58,737 infringing files; to date none of the files have been removed

vKontakte – ‘muse’ search



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Solutions

- Action to shut down sites offering unauthorised content
- Co-operation from social networking sites
- Graduated response to deal with P2P

Peer to Peer

- Graduated response of warning letters sent by ISPs
- Browser redirect
- Bandwith shaping
- Account suspension

Benefits of Graduated Response

- Reasonableness – a series of warnings
- Consumers are not criminalised
- Does not fill courts with individual cases
- Consumer's privacy is preserved

If we do nothing?

- artists and creators suffer
- the economy does not benefit/investment reduces
- tax revenues fall
- unemployment increases
- slower broadband speeds for everyone

Thank you!