



## **DCIA Addresses Supreme Court Decision in MGM v. Grokster Case Trade Association Sees No Need for Legislative Intervention at This Time**

**June 27, 2005 – Arlington, VA** – The Distributed Computing Industry Association ([www.dcia.info](http://www.dcia.info)), which focuses on peer-to-peer (P2P) file sharing and last week celebrated the milestone of recruiting fifty (50) [Members](#) in less than two years, responded to today's US Supreme Court ruling in the MGM v. Grokster case by committing to redouble its efforts to foster the industry's commercial development.

"The DCIA welcomes the Court's refusal to rework the Betamax decision, and is optimistic that the grounds for secondary liability that it announced today will prove to be fair and workable. As the case works its way back through the lower courts, we anticipate clarification of the rules of engagement between content providers and technology suppliers in the digital realm generally, and with respect to peer-to-peer (P2P) file sharing in particular. We are confident that today's decision in the MGM v. Grokster case will ultimately lead to the continued expansion of our industry," said DCIA CEO Marty Lafferty in making the announcement.

"We urge all affected parties to focus now on deploying new business models for content distribution that are non-infringing and expand the marketplace for digital content, and not to pursue legislative intervention, which would only be counter-productive. The private sector, with added clarity that will result from such lower court outcomes, should manage the process from here," he added.

"This ruling provides impetus for the P2P distribution channel to grow and flourish. P2P digital rights management (DRM) technologies and micro-payment services have been proven with computer games, software, and independent music and films. Major labels and studios can avail themselves of these tools to develop marketplace solutions – starting today."

"We hope the Court's decision will lead to a shift away from conflict and toward commerce, and we encourage everyone to come to the table and develop new business partnerships. The MPAA and RIAA and their powerful members control 90% of popular entertainment content distribution and can now move forward to license responsible P2P companies using this highly efficient and extremely popular channel for the distribution of their copyrighted works to create new markets and revenue opportunities. P2P file-sharing technologies are part of the larger movement to an increasingly distributed computing environment. As the Court affirmed, this kind of technological progress is inevitable – embracing it to harness its capabilities will prove to be much more gainful than resisting or trying to stop it," Lafferty concluded.

Representatives of DCIA Member companies and officials of the trade organization are available to comment on today's decision. Please contact DCIA Communications leader Kelly Larabee to arrange interviews.

These DCIA Member company representatives are available to comment: INTENT MediaWorks CEO Les Ottolenghi, RazorPop CE Marc Freedman, Shared Media Licensing John Beezer, and SMARTguard Software CEO Jerald Block.

These DCIA officials are available: DCIA Chief Executive Officer (CEO) Marty Lafferty, DCIA Government Relations leader Doug Campbell, DCIA Member Services leader Karen Kaplowitz, and DCIA Best Practices leader Elaine Reiss.

### **About the DCIA:**

[The Distributed Computing Industry Association \(DCIA\)](#) is a non-profit trade organization focused on commercial development of peer-to-peer (P2P) file sharing and related distributed computing technologies.

Its Members include [33rd Street Records](#), [A Matter of Substance](#), [Alston & Bird](#), [Altnet](#), [Bennett Lincoff](#), [BlueMaze Entertainment](#), [City Canyons Records](#), [Claria Corporation](#), [Clickshare Service](#), [Cybersky-TV](#), [DeviantART](#), [Digital Containers](#), [Digital River](#), [Digital Static](#), [EZTV](#), [Good Witch Records](#), [Go-Kart Records](#), [Grokster](#), [Indie911](#), [INTENT MediaWorks](#), [Javien](#), [Jeftel](#), [Jillian Ann](#), [Jun Group](#), [KlikVU](#), [Kufala Recordings](#), [MasurLaw](#), [MusicDish Network](#), [NuCore Vision](#), [One Love Channel](#), [P2P Cash](#), [PlayFirst](#), [Predixis](#), [Project V-G](#), [Rap Station](#), [RazorPop](#), [Relatable](#), [RightsLine](#), [Scooter Scudieri](#), [Seamless P2P](#), [Shared Media Licensing](#), [Sharman Networks](#), [Silverton Consulting](#), [Skype](#), [SMARTguard Software](#), [Softwrap](#), [Sovereign Artists](#), [SVC Financial](#), [Telcordia](#), [Trymedia Systems](#), [V2 Records](#), and [Vmedia Research](#). [BigChampagne](#) serves as the DCIA's official industry data resource.

DCIA Membership is organized into three Groups: Content, Operations, and Platform. The DCIA conducts working groups and special projects, such as the [Consumer Disclosures Working Group \(CDWG\)](#), [P2P PATROL](#), and the [P2P Revenue Engine \(P2PRE\)](#). It also publishes the weekly online newsletter [DCINFO](#).

### **Media Contact:**

Kelly Larabee  
602-258-1416  
[kelly@dcia.info](mailto:kelly@dcia.info)

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