



DCIA Welcomes Kazaa Settlements Conflict Resolution Represents Positive Step in Industry Development

July 27, 2006 – Chester, MD – The Distributed Computing Industry Association (www.DCIA.info), a trade organization with eighty (80) Members representing peer-to-peer (P2P) software providers, content rights holders, and service-and-support companies, welcomed public announcements today that Sharman Networks and Altnet, Members since the DCIA's inception in July 2003, have reached settlements with the entertainment industries. These agreements bring to an end longstanding disputes regarding claims of copyright infringement by users of Kazaa Media Desktop (KMD), the popular P2P software application distributed by Sharman.

"The Kazaa settlements should help advance commercial development of the P2P distribution channel. Such conflict resolution represents a positive step for industry growth, removing an impediment to progress towards realizing the full potential of file-sharing technologies," said DCIA CEO Marty Lafferty.

The DCIA welcomed the US Supreme Court's decision in the MGM v. Grokster case just over a year ago, anticipating that it would help guide greater clarification of rules of engagement between content providers and technology suppliers, which in turn would ultimately lead to continued expansion of the distributed computing industry.

This week's settlements provide impetus for the P2P distribution channel to grow and flourish. P2P digital rights management (DRM) technologies, interactive advertising, and micro-payment solutions have been proven to work with Kazaa and other P2P programs for computer games, software, and independent music and films. Now major music labels and movie studios can also avail themselves of these tools and related new advances to develop viable marketplace solutions.

P2P file-sharing technologies are part of the larger movement to an increasingly distributed computing environment. As the Supreme Court affirmed in June 2005, this kind of technological progress is inevitable – embracing it to harness its capabilities will benefit all affected parties. The DCIA urges an increased focus on deploying new business models for content distribution that are non-infringing and expand the marketplace for digital content.

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.

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 Digital Watermark Working Group (PDWG), P2P PATROL, and the P2P Revenue Engine (P2PRE). It also publishes the weekly online newsletter DCINFO.

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