

News Release

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IMMEDIATE RELEASE

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How To Protect Yourself From The Potential Of A \$220,000 Judgment: SafeMedia's P2PD Technology Solutions Are The Answer

RIAA wins jury award for \$220,000 for making available just 24 copyrighted songs

Boca Raton, Fla. & Hollywood, CA – “The recent Minnesota copyright infringement precedent-setting case gives the Recording Industry Association of America (RIAA) the right ammunition to stop people from downloading and distributing unauthorized copyrighted digital files over contaminated Peer-to-Peer (P2P) networks,” said CEO & Chairman Safwat Fahmy SafeMedia Corp., Boca Raton, FL. “SafeMedia products are the only technology that was designed and created to block all contaminated encrypted and non-encrypted P2P networks and to protect internet users from such costly judgment. SafeMedia products installed on a university/schools, government and ISP networks or at internet users home would make it virtually impossible for anyone to commit illegal file sharing.”

RIAA won its first trial last week when a jury ordered Jammie Thomas of Duluth, Minnesota to pay \$220,000 to a half dozen separate record companies -- Sony BMG, Arista Records, Interscope Records, UMG Recordings, Capitol Records, and Warner Bros. Records. The settlement involves 24 copyrighted songs illegally downloaded and shared with others over a Kazaa file-sharing network on her computer. Thomas' lawyer argued that someone else could have downloaded the songs either in-person or remotely, but the Minnesota jury ruled in favor of the recording industry.

In a previous case in Arizona Judge Neil V. Wake provided the legal foundation for the Recording Industry Association of America (RIAA) recent victory. The case *Atlantic v. Howell*, where Judge Wake, in a summary judgment, shot down the Howell's arguments and handed the RIAA \$40,500 in statutory damages, \$350 in court costs, and a permanent injunction against future copyright infringement by the Howells.

“This landmark decision was based on ‘The Made Available Theory’ that anyone who has P2P programs on their computer, which connect to a contaminated P2P network (even without downloading files) is committing copyright infringement since the only reason to have the programs is to make copyrighted files available to all other users,” said Fahmy. (Contaminated P2P networks are known to contain illegal copyrighted files, classified business information, national security data and personal identification documents).

According to Tom Sydnor, senior fellow and director of the Center for the Study of Digital Property at *The Progress & Freedom Foundation*, the Jammie Thomas case is a double-edge sword for Internet pirates. "First, by rejecting the defendant's “a-neighbor-could-have-done-it defense,” the jury indicated that the holder of an internet-access account is responsible for illegal uses of their account. This helps dispel the myth that you can download with impunity and then blame on your roommate when get caught.

"Second, by awarding damages of \$9250 per song—well above the \$750-per-song minimum—the jury spoke to both the illegality and immorality of unauthorized downloading. Some say that this verdict will not deter file-sharing because the number of people using file-sharing programs has increased since the lawsuits began. They miss the point. The defendant here was sued because she was allegedly uploading over 1700 songs. Studies show that the percentage of users uploading files on these networks has plunged since the lawsuits began. As users learn to stop uploading infringing files, the problem of infringing downloaders will resolve itself," explained Sydnor, who also authored a study for the US Patent Office on dangers of file sharing, and recently testified in Washington DC, along with SafeMedia Corporation.

In another RIAA lawsuit, *Elektra v. Santangelo*, AOL has been enjoined as a third party defendant and sued for \$4 million. The lawsuit against AOL is based on information and belief that, AOL failed to use its controls to prevent illegal downloading (from Contaminated P2P networks) of copyrighted music, even though it had the information, superior knowledge, ability, skill, techniques, tools, power and authority to prevent such downloading.

"The verdict should also send a message to distributors of file-sharing programs," said Sydnor. "Yet again, a consumer made an utterly foreseeable use of a file-sharing program and suffered dire consequences. Distributors that care about their users will get the hint and start using the best-available technology to prevent infringing uses of their programs and networks."

SafeMedia's P2P Disaggregator (P2PD) technology is embedded in DSL and Cable modems in the home or work environment or as a standalone subnet appliance for universities, government agencies and corporate networks. Our strategy of subnet implementation eliminates any network latency; controls darknets file sharing between subnets and reduces exposure to backbone failure.

"These cases are likely to send a strong message on piracy throughout cyberspace," said Fahmy. "We believe universities and campuses across the country are trying to end piracy on campus. A university, based on the AOL lawsuit may be found liable for allowing the infringing conduct of staff and/or students where the university has provided access to the equipment used to carry out the infringing conduct and not taken reasonable steps to ensure that their network infrastructure is not used to infringe copyrighted material."

SafeMedia's products were created specifically to give universities, corporations, government agencies and ISP's a complete long term cost effective solution for protecting their users and winning the war on Internet piracy associated with contaminated P2P networks.

[Editors: For media interviews contact: George McQuade, at MAYO Communications, 818-340-5300 or 818-618-9229 or PR@MayoCommunications.com. For more information about SafeMedia Corp.'s new product line visit: www.SafeMedia.com.]

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