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A new copyright battlefield: Veoh Networks

By Greg Sandoval
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One of the last places you might expect to find copyright violations is on a Web site backed by Time Warner and former Disney CEO Michael Eisner.

Nonetheless, Veoh Networks CEO Dmitry Shapiro acknowledges that only a week after the company's official debut, Veoh.com is host to a wide range of unauthorized and full-length copies of popular programs. But Shapiro says it's not his upstart video company's fault: Blame the people who are posting the material.

"We have a policy that specifically states that when we see copyright material posted, we take it down," Shapiro said. "This problem is the democratization of publishing. Anyone can now post a video to the Internet. Sometimes the material belongs to someone else. We take this very seriously."

Veoh has raised about \$12 million from investors such as Eisner and Time Warner, and it wants to be **more than just another YouTube**. Executives have their sights on distributing long-format video for networks and media companies, and Veoh claims its peer-to-peer technology enables content creators to transmit higher-quality video much more efficiently.

The problem, of course, is dealing with the content piracy that nearly every video-sharing and peer-to-peer company has faced. While executives at these companies have argued that their customers aren't so easily discouraged. The law requires a company to remove copyright-infringing videos once notified by a copyright holder, but a company doesn't have to screen material or actively police the site.

Veoh's ambitious plan to distribute long-format videos adds another wrinkle to the fight between technology companies and content owners. Even YouTube, which has come under fire from a range of content owners because of copyright issues, tries to prevent people from uploading full-length films and TV shows by limiting clips to 10 minutes. Now content owners have to worry about their entire programs getting posted.

"I can't believe Hollywood is going to let (Veoh) get away with this," said Josh Martin, an analyst at the research firm Yankee Group. "The environment is different now. The media companies know that it's wrong now and I can't imagine that they are going to sit still about entire episodes being posted. You have to remember that YouTube"--which gained early notoriety from postings of copyrighted material--"was at the right place at the right time, and I don't see that happening again."

A review of Veoh found an extensive list of professionally made shows, including an hourlong animated feature produced by Disney called *Cinderella III: A Twist in Time* (the video was removed over the weekend), and a two-hour video of a soccer

"I can't believe Hollywood is going to let (Veoh) get away with this. The



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match between [England and Spain](#). Also on Veoh, users need only turn off a "family filter" to find a wide assortment of adult material.

The appearance of unauthorized videos at Veoh is surprising to some analysts because the San Diego company has strong ties to the entertainment sector. Another thing that has industry insiders scratching their heads is why Veoh would attempt a strategy that looks like YouTube on steroids at a time when YouTube continues to butt heads with media powerhouses over copyright issues.

Two weeks ago, entertainment conglomerate Viacom demanded that YouTube remove 100,000 videos from the site that featured material from its TV shows and films. Viacom announced Tuesday that it has [signed a licensing deal with Joost](#), the start-up backed by the founders of Skype and Kazaa, which promises to prevent infringement of intellectual property. Earlier this month, NBC's new CEO, Jeff Zucker, also blasted YouTube for failing to deliver a promised technology that would help screen the site for copyright content.

YouTube is hardly the only Internet video company running into copyright controversy. Sony's video-sharing offering, Grouper, and Bolt.com have been accused of violating copyrights. [TVU Networks](#), a peer-to-peer start-up that allows users to stream TV shows to the Web, has also run afoul of some large media companies in recent months: some have sent TVU "take-down" notices, including Major League Baseball and HBO, demanding that the company remove their content.

One reason Hollywood and big media companies have yet to react to the copyright infringement at Veoh may be because the site has yet to draw much attention. Having officially launched only a week ago, the site is just now building an audience.

Asked about the full-length episodes at Veoh, Jeremy Zweig, a spokesman at Viacom, said the company has concentrated on fighting the copyright battle at places where the most violations occur--YouTube, MySpace and Google Video.

"We allocate our resources based on where we think the most harm is being done," Zweig said. "We haven't focused on Veoh at this point."

Privately held Veoh is planning to use P2P technology to [distribute DVD-quality video](#) and allow it to be posted to other Web sites, including YouTube's. The site currently requires a software download, but company officials say its technology enables content creators to distribute their video much more efficiently than other methods. The company is also offering a syndication service that will distribute video across the Web and can also embed ads.

Shapiro insists that the copyright material found on the site is only temporary.

"We're all inventing a new medium," Shapiro said. "When you start off you have some issues, but all of us in this industry are working to solve those issues."

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environment is different now. The media companies know that it's wrong now and I can't imagine that they are going to sit still about entire episodes being posted."

--Josh Martin, analyst,
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Veoh was sued in June 2006

Veoh has been sued for copyright already. Specifically, in June 2006 by Titan Media, a publisher of gay adult videos. I think it was the first online video lawsuit.

Posted by [sabyrant1000](#) (1 comment)
February 21, 2007 8:44 AM (PST)

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It's All About the Risk

Anyone who uses an open-forum content model that invites people to post whatever they want is putting themselves at higher risk of copyright infringement. While I absolutely agree that the onus should be on whoever posts the content, it's unfortunately almost never perceived that way. Since the poster is usually relatively unknown, we seek familiarity in the content's presenter, which in this case is the

forum site.

So at the end of the day, yeah there might be higher gains to be made, as the open-forum is generally applauded by most Internet users. But we also shouldn't forget that the cost of rogue illegitimate content can be much higher too.

Posted by [phantomsoul](#) (47 comments)
February 21, 2007 12:14 PM (PST)

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Yeah

I agree. If someone were to walk into Disney World right now and kill someone, then would it be Disney's fault?? No. Just because an illegal activity has occurred within a company's property (in this case, web service), doesn't make it their fault.

Posted by [adv89](#) (68 comments)
February 21, 2007 1:08 PM (PST)

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It is simple just change the copyright laws back to having to actually register your work and reduce the term back down to the original 14 years!!! The major portion of the economic lifespan of a copyrighted work is over just 5 years after publication. Most books are out of print by then and films are littering the bargain basement bins. There is no reason to keep monopoly of a work for lifetime + 70 !!!

Our politician have been paid off by big media and the public and public domain has been screwed!

Posted by [dddienst](#) (17 comments)
December 25, 2008 11:29 AM (PST)

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