

Web video site Veoh filing for bankruptcy protection

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Veoh Networks Inc. logo. Video website Veoh, which has been locked in a two-year legal battle with Vivendi's Universal Music Group over copyright infringement, is filing for bankruptcy protection, its founder announced.

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"The distraction of the legal battles, and the challenges of the broader macro-economic climate have led to our Chapter 7 bankruptcy," Dmitry Shapiro, founder and chief executive of Veoh Networks Inc., said in a blog post.

"While we made every effort to convince (UMG) that we were not their enemy and had not infringed on their content, they pursued a relentless war of attrition against us in federal court," Shapiro said.

"We eventually prevailed in a decisive summary judgment that has set an important precedent for the entire industry.

"Unfortunately, great vision, a passionate team, tens of millions of users, millions in revenues and victory in court were not enough," Shapiro added.

The southern California-based Veoh launched in September 2005 as a platform for professional [video](#) content and user-generated video like that offered by Google's [YouTube](#) or France's Daily Motion.

Veoh's partners include ABC, CBS, ESPN and Warner Brothers.

Shapiro said Veoh's audience had grown to more than 28 million users per month and investors had put 70 million dollars into the company.

Veoh's investors include Shelter Capital, Spark Capital, Michael Eisner's Tornante Co., Goldman Sachs and [Time Warner](#) Inc. among others, according to its website.

Veoh's demise comes eight months after that of another online video portal, Joost, which was launched by the creators of Skype, the popular Web telephony service.

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