

China Internet firms sue Baidu in piracy battle

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A Sohu.com employee inspects the Sohu.com website in Beijing, October 23, 2007

Two major Chinese Internet firms—backed by Hollywood—are suing the Asian giant's leading search engine Baidu over copyright violations, they said Wednesday, in a rare internal challenge to the country's rampant piracy.

The two firms—leading Web portal Sohu and top online video company

Youku Tudou—are seeking as much as 300 million yuan (\$49 million) in compensation from Baidu, which they say has committed a "serious violation" of their rights by letting users access pirated material online.

"We cannot keep competing because where thieves and robbers are having their way, law-abiding companies cannot survive," Sohu Group chairman and CEO Charles Zhang said in a statement.

If such practices continue, he added, "nobody will invest in content, and China's online video industry will face the (same) sad situation as the music industry, which has already been destroyed by piracy".

The Motion Picture Association of America is backing the move, as are Chinese Internet titan Tencent, Wanda Films and TV producer Huayi Brothers.

In a statement, Baidu defended its anti-piracy efforts, noting that it filters out unauthorised content through an automated mechanism and also aims to take down pirated material within 24 hours of users flagging it.



Baidu headquarters in Beijing on July 22, 2010

"Piracy is a difficult problem in the domestic video industry," it said in the Chinese-language statement. "In the future, Baidu will continue to step up its efforts to support the development of legal video."

Baidu, founded in 2000, held more than 80 percent of China's search market in the first quarter of this year, according to a recent report by independent analysts iResearch.

The search giant has in recent months moved to consolidate its position in China's mobile internet, but faces accusations from online video firms that it is "distributing content without authorisation while engaging in activities that are beyond the scope of a search engine".

In a joint statement, the video and film companies accused Baidu of harming their business by using links that allow users to directly access

content without having to visit third-party sites.

They also charged that Baidu has profited from advertising revenue-sharing agreements with illegal online video sites.

"It's very technical, but we have to explain to the public that (Baidu's) behaviour is 100% piracy," Zhang told AFP, adding that the online video industry will be "completely destroyed" if the current trend continues.

China has the world's largest online population, with 564 million Internet users at the end of last year according to authorities.

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