

US record company sues Vietnam site for copyright

January 28 2014, by Chris Brummitt

A record company that accuses a Vietnamese entertainment portal of making its songs available for free download has filed suit in an American court against the U.S- venture capital firm which invested in the website, seeking millions in damages for copyright violations.

The complaint filed last week in Boston points to a possible vulnerability for venture capital funds looking to tap into Asia's Internet industry. Some of the sites that generate the most traffic do so because of free song and movie downloads with little concern for [intellectual property rights](#).

The suit was filed on behalf of Lang Van against Massachusetts-based International Data Group, its [venture capital](#) arms IDG Ventures and IDG Ventures Vietnam, and VNG, which is the owner of the alleged pirate site Zing.vn. IDG Ventures Vietnam invested in VNG in 2005.

California-based Lang Van is a well-known brand in Vietnamese music, and holds the right to a large catalog of songs and albums. It alleges that Zing.vn makes available 3,000 of its songs on its website, which uses free downloads as a way to get traffic and generate advertising revenue and opportunities for other online business. The company claims it has repeatedly sought to get Zing to pay royalties or take down the content.

VNG's head in Vietnam declined comment. A statement from IDG said IDG Ventures Vietnam had sold its shares in VNG in 2009.

According to the complaint filed Jan. 22 in the United States District Court for the Central District of California, "the U.S.-based fund IDG Ventures directly contributed to the exponential growth of Zing.vn's website as well as the launch of the Zing Music website, bringing expertise, guidance and financial backing to help VNG grow its business."

Zing has experienced explosive growth on the back of fast growing internet use in Vietnam and increased broadband use. It is one of the most visited websites inside Vietnam, and is often accessed abroad. IDG Ventures Vietnam is run by Henry Nguyen, the son-in-law of the Vietnamese prime minister.

"Just because you can fund it, it doesn't mean you escape the consequences of an infringing business," said Ryan Becker, a lawyer for Lang Van. According to the complaint, Lang Van is seeking damages of \$150,000 per infringement on the site, meaning a maximum of 3,000 times that amount if judges rule in its favor.

Whether investors can be held liable for copyright infringement is a complicated. In this case, it would appear to rest on whether IDG had knowledge of, or ability to control, the business activities of VNG inside Vietnam.

Zing is allegedly one of the largest infringing websites within Asia. The United States Trade Representative has put it on list of "notorious" copyright abusers. In 2012, Samsung and Coca-Cola pulled their advertising from the site, citing concerns over [intellectual property](#). The US Embassy in Vietnam also took down a social media account it had on the site, for the same reasons.

"We can't comment on the specifics of the case, but believe that no U.S. business should be involved in, much less profit from, sites that are

based on piracy," said Neil Turkewitz, executive vice president of the Recording Industry Association of America.

Vietnam has laws that protect intellectual property rights, but they are rarely enforced.

At least one Vietnamese singer has attempted to sue Zing, which is one of several sites in Vietnam that provide access to allegedly infringing material.

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