

US film studios sue Megaupload for piracy

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Megaupload founder Kim Dotcom speaks at Bowen House in Wellington on July 3, 2013

The top US film studios have filed a copyright infringement lawsuit against defunct file-sharing website Megaupload, shut down by US authorities as part of a criminal probe of online piracy.

The complaint filed Monday in a US federal court in Virginia seeks damages that could amount to hundreds of millions of dollars from Megaupload and its founder Kim Dotcom, who is in New Zealand

fighting a US extradition request.

"When Megaupload.com was shut down in 2012 by US law enforcement, it was by all estimates the largest and most active infringing website targeting creative content in the world," said Steven Fabrizio, global general counsel of the Motion Picture Association of America, a trade group representing the studios.

"Infringing content on Megaupload.com and its affiliates was available in at least 20 languages, targeting a broad global audience. According to the government's indictment, the site reported more than \$175 million in criminal proceeds and cost US copyright owners more than half a billion dollars."

The lawsuit was filed by Twentieth Century Fox, Disney Enterprises, Paramount Pictures, Universal City Studios, Columbia Pictures and Warner Bros. Entertainment against Megaupload, Kim Dotcom and others involved in the group.

The US Justice Department and FBI are seeking to extradite Dotcom to face charges of racketeering fraud, money laundering and copyright theft in a US court, which could see him jailed for up to 20 years if convicted.

The latest lawsuit would add civil damages to the case against Megaupload and Dotcom, who is currently free on bail in New Zealand and has started a new file-sharing venture called Mega.

Dotcom and his attorney Ira Rothken both ridiculed the new lawsuit in comments on Twitter.

"MPAA files a meritless civil action against @KimDotcom, who's already facing meritless criminal charges," Rothken tweeted.

Similarly, Dotcom said on Twitter, "Just like the DOJ criminal case against #Megaupload the @MPAA case is a load of nonsense and won't succeed after scrutiny of the facts."

The German national, who changed his name from Kim Schmitz, hopes the new venture will repeat the success of Megaupload, which boasted 50 million visitors daily.

Earlier this year, a New Zealand appeals court ruled that police acted legally when armed officers raided Dotcom's Auckland mansion, overturning an earlier finding that the January 2012 dawn raid was unlawful because the search warrants police used were too broad to be considered reasonable.

However, the appeals court upheld an earlier ruling that the New Zealand police should not have allowed the FBI to clone much of the data and take it back to the United States to be analyzed for evidence in the investigation.

The seized data relates to Dotcom's Megaupload file-sharing business, which accounted for an estimated four percent of all Internet traffic before it was shut down in the wake of the raid.

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