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MOVIE STUDIOS FILE LAWSUIT AGAINST MEGAUPLOAD AND ITS OPERATORS OVER MASSIVE COPYRIGHT INFRINGEMENT

Washington, DC – The major U.S. movie studios today filed a lawsuit against Megaupload and its key operators, alleging that the defendants facilitated, encouraged, and profited from massive copyright infringement of movies and television shows before the defendants were indicted on federal criminal charges and Megaupload was shut down.

“When Megaupload.com was shut down in 2012 by U.S. law enforcement, it was by all estimates the largest and most active infringing website targeting creative content in the world,” said Steven Fabrizio, Senior Executive Vice President and Global General Counsel of the Motion Picture Association of America. “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 U.S. copyright owners more than half a billion dollars.”

The lawsuit was filed by Twentieth Century Fox Film Corporation, Disney Enterprises, Inc., Paramount Pictures Corporation, Universal City Studios Productions LLLP, Columbia Pictures Industries, Inc., and Warner Bros. Entertainment Inc., in the U.S. District Court for the Eastern District of Virginia.

The defendants named in the lawsuit are Megaupload Limited, the registered owner of the website; Vester Limited, the majority shareholder of Megaupload Limited; Megaupload founder Kim Dotcom (aka Kim Schmitz and Kim Tim Jim Vistor); Mathias Ortmann, the Chief Technical Officer; and Bram van der Kolk, who oversaw programming.

“Megaupload was built on an incentive system that rewarded users for uploading the most popular content to the site, which was almost always stolen movies, TV shows and other commercial entertainment content. It paid users based on how many times the content was downloaded by others – and didn’t pay at all until that infringing content was downloaded 10,000 times. Megaupload wasn’t a cloud storage service at all, it was an unlawful hub for mass distribution,” Fabrizio said. “To be clear, if a user uploaded his term paper to store it, he got nothing – and, in fact, unless he was a paying subscriber, Megaupload would delete the paper if it was not downloaded frequently enough. But if that same user uploaded a stolen full-length film that was repeatedly infringed, he was paid for his efforts. That’s not a storage facility; that’s

a business model designed to encourage theft – and make its owners very rich in the process. There's nothing new or innovative about that. That's just a profiteer using existing technology to try to get rich off of someone else's hard work.”

Fabrizio noted that the television and movie community is working every day to develop new and innovative ways to watch content online. “Today, it's easier than ever to watch the shows and movies you love where you want them, when you want them. Our industry is committed to giving consumers more choices, and to delivering the high-quality, fast viewing experience that audiences expect and deserve. But Megaupload -- and sites like it that are built on stolen works -- damage the consumer experience online and undermine the creators who don't get compensated for their work.”

A copy of the complaint can be found [here](#).

About the MPAA

The Motion Picture Association of America, Inc. (MPAA) serves as the voice and advocate of the American motion picture, home video and television industries from its offices in Los Angeles and Washington, D.C. Its members include: Walt Disney Studios Motion Pictures; Paramount Pictures Corporation; Sony Pictures Entertainment Inc.; Twentieth Century Fox Film Corporation; Universal City Studios LLC; and Warner Bros. Entertainment Inc.

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