



October 2, 2017

Elizabeth Kendall,
Acting Assistant U.S. Trade Representative for Innovation and Intellectual Property
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

In re: Docket No. USTR-2017-0015

Dear Ms. Kendall:

Attached please find RIAA's submission in response to your request for comments identifying Internet and physical markets based outside the United States that should be included in forthcoming Notorious Markets List (List). The online and physical markets identified in our comments are harming American creators, businesses, and the American economy. We were pleased that last year's Notorious Markets review included stream ripping as an issue of special focus. Our submission this year highlights the growing complexity of this problem.

The U.S. music industry is highly dependent on the Internet and, in turn fuels various social media, e-commerce services and similar internet companies, as well as mobile and broadband penetration generally. In the first half of 2017, approximately 80% of U.S. record label revenue came from a wide array of digital sources, with 62% of our revenue coming from digital streaming sources. The growth in streaming and digital services has resulted in a major step in our economic recovery, with a 17% year over year growth in retail revenues in the first half of 2017. Our members continue to invest heavily in discovering, nurturing and promoting artists. In 2015, record labels invested over \$4.5 billion globally in such activities. Today, RIAA members license their music globally, and more than 400 licensed music platforms operate around the world, with new services added constantly. This contributes significantly to the U.S. digital trade services surplus.

While this recovery is promising, it is fragile, and continues to be threatened by online marketplaces that infringe our members' music, as well as by sales of counterfeit products over ecommerce platforms, outdated and abused laws, and lack of proper enforcement mechanisms.

In this submission, we have identified some of the major online actors that threaten our industry's recovery and jeopardize the U.S. competitive advantage in digital trade. Simply put, the prosperity of the music industry and America's cultural production, which contributes significantly to the U.S. services trade surplus, is greatly undermined by

distortions in the marketplace that flow from what is essentially illegal trafficking in stolen goods – our sound recordings. The weight of the academic literature acknowledges that such online pirate services cause significant economic harm to the music industry.

In addition, we have also identified physical markets that are flooding eCommerce platforms with high quality counterfeit CDs that unwitting buyers are purchasing at full retail price. These counterfeits result in a one-for-one displacement of legitimate sales.

We hope you find this information useful, and we look forward to continuing to work with the U.S. government to find solutions to these problems.

Sincerely yours,

A handwritten signature in black ink, appearing to read "George York". The signature is fluid and cursive, with the first name "George" written in a larger, more prominent script than the last name "York".

George York
Senior Vice President, International Policy
Recording Industry Association of America (RIAA)



2017 SPECIAL 301 OUT-OF-CYCLE REVIEW OF NOTORIOUS MARKETS

ONLINE MARKETPLACES

The following is a list of online markets based outside the United States that engage in the unlicensed sale, streaming and/or distribution/downloading of sound recordings that significantly damage the rights of U.S. companies that we request to be included on the 2017 Notorious Markets List.

These services harm U.S. artists, record labels, and music publishing companies by (i) disseminating music without authorization and without providing any compensation to the creators and owners of the music, and (ii) artificially distorting the market value of the music, thereby reducing the compensation to the creators and owners from licensed services. The cost of such music piracy is potentially enormous. One recent study quantified the commercial value of music digital piracy in 2015 at \$29 billion worldwide, and estimated that it could grow to \$53-\$117 billion in 2022.¹ As noted in that study, the weight of academic research notes that this piracy imposes significant economic harm on legitimate music revenues.²

Many of the services in this year's submission unfortunately have been included in the past. However, this year several major services have been removed, particularly in two key areas.

First, there has been a significant turnover with respect to sites engaged in stream-ripping, an area of piracy that the USTR highlighted in last year's Notorious Market Report. The most popular YouTube ripping site, youtube-mp3.org, based in Germany and included in last year's list of notorious markets, recently shut down in response to a civil action brought by major record labels. In addition, either following the complaint filed against youtube-mp3.org or following the stipulated judgement against youtube-mp3.org, several other illegal stream ripping services named in our filing last year no longer permit the conversion and download of music videos on YouTube. Unfortunately, several other stream-ripping sites have "doubled down" and carry on in this illegal behavior, continuing to make this form of theft a major concern for the music industry.

¹ Frontier Economics Ltd, "*The Economic Impacts of Counterfeiting and Piracy, A Report Prepared for BASCAP and INTA*", p28-33 (2017), available at <https://cdn.iccwbo.org/content/uploads/sites/3/2017/02/ICC-BASCAP-Frontier-report-2016.pdf>.

² *Id.*, citing Smith M. D. and R. Telang (2012) "Assessing The Academic Literature Regarding the Impact of Media Piracy on Sales"; Danaher B., M. D. Smith and R. Telang (2013) "Piracy and Copyright Enforcement Mechanisms," *Innovation Policy and the Economy*, Vol. 14, pp. 25-61; and Danaher B., M. D. Smith and R. Telang (2015) "Copyright Enforcement in the Digital Age: Empirical Economic Evidence and Conclusions", Advisory Committee on Enforcement, Tenth Session, Geneva, November 23 to 25, 2015, World Intellectual Property Organization.

Second, several mp3 search and download sites listed in last year's filing have also shut down, including *Emp3world*, *AudioCastle*, *Viperial*, *AlbumKings*, and *im1music*. Each of these sites at one point used the services of rogue cyberlocker *Sharebeast* to host and distribute infringing music files. Shortly before formal charges were filed by Federal prosecutors against the operator of *Sharebeast* and a plea agreement was announced, these sites abruptly announced they were shutting down for good.

We highlight the examples noted above to show that enforcement, both civil and criminal, along with efforts to highlight the problems and engage other governments in solutions, such as through the Notorious Market Report, can help to modify the behavior of other illegal services.

However, a challenge we face is that the sites that have shut down can reappear as quickly as they disappeared. In some cases they reemerge with the same domain name, from the same hosting Internet service provider (ISP), and with the same functionality. In other instances, however, they can return with slightly altered domain names with new hosting ISPs and new registrant information. In addition, we often see "copycat" infringing services pop up as well. The dynamic and low cost nature of the internet presents unique challenges in comprehensively identifying notorious markets.

In addition, it remains exceedingly difficult to track, enforce against, and accurately associate various notorious websites because of widespread use of:

- **Reverse Proxy Services** – Such services hide the identity and location of actual hosting ISPs for pirate sites. More and more pirate sites employ reverse proxy services, most commonly Cloudflare, to obfuscate their IP address, creating obstacles to enforcement against such sites; and
- **Privacy Protected Domain Name Registration** – Operators of pirate sites typically hide their identity behind privacy/proxy services or appear to submit false or incomplete registrant information, further creating obstacles to enforcement against these sites.

In fact, there are thousands of websites on the Internet that are dedicated to piracy, with new ones appearing all the time and existing ones frequently changing their online location (whether domain or hosting environment or both) to avoid enforcement. This list of notorious markets is therefore by no means comprehensive. We focus instead on those sites and services that inflict the most damage on the U.S. recording industry either globally or in specific country markets. We monitor traffic to the sites using Alexa rankings and SimilarWeb, a web traffic analytics company that measures website visits. The ranking and traffic data used in this submission is based on the data available at the end of September, 2017 from these two sources.

1. Stream Ripping Sites

A major development in the music copyright infringement world has been the rapid escalation of sites that engage in the unauthorized reproduction and distribution of the popular copyrighted music that appears on YouTube and other licensed music streaming services. These illegal sites violate YouTube's and other licensed streaming services' terms of use, and

circumvent the technological measures that YouTube and other licensed services employ to prevent copying and distribution of music streamed through their service. These stream ripping sites turn content licensed for streaming into unlicensed free downloads and monetize their infringing activity through advertising. Some estimate that as many as one in three internet users have used a stream-ripping service to illegally acquire music.³ The distribution of permanent downloads of files from streaming services deprive the record companies and artists of streaming revenue by eliminating the need for users to return to YouTube and other licensed services every time they listen to the music. At the same time these services damage pay for download sites like iTunes, GooglePlay and Amazon by offering the tracks for free. The overall popularity of these sites and the staggering volume of traffic it attracts evidences the enormous damage being inflicted on the U.S. record industry.

We are currently tracking more than 70 active ripper sites. The most popular and hence the most damaging of these stream ripping sites are:

Mp3juices

Domain: mp3juices.cc
Registrant: Contact Privacy, Inc. Toronto, Canada
Registrar: Tucows Domains, Inc.
Hosting Provider: Obscured – served through Cloudflare, U.S.
Traffic: Global Alexa Ranking of 4311, with over 1.7 billion visits in the past year.
Revenue Source: Advertising

Mp3juices utilizes a separate service as the backend for its distribution of mp3 downloads from of it service. When users request an mp3 download, *mp3juices* utilizes a separate site, not otherwise publically accessible, to access and present the file for download. This site *mjcdn.cc* has the same whois registrar and privacy proxy service and both use Cloudflare as a reverse proxy service masking the true location of the hosting service. The last publicly available whois information identified the operator as an individual in Turkey.

Convert2mp3

Domain: convert2mp3.net
Registrant: Marius Seipp, Linden, Germany
Registrar: easyDNS Technologies, Inc.
Hosting Provider: Obscured – served through Cloudflare, U.S.
Traffic: Global Alexa Ranking of 577, with 2.3 billion visits in the past year.
Revenue Source: Advertising

Convert2mp3 continues to be a highly popular site. Although it appears to have taken some steps to limited ripping using desktop browsers, the site still provides ripping and downloads of all popular content for users accessing the site through a mobile device. Since the bulk of traffic going to the sites comes from mobile users the disruption of ripping from desktop devices has had little impact on the overall popularity of the site.

Savefrom

Domain: savefrom.net
Registrant: DomainsByProxy, LLC
Registrar: GoDaddy
Hosting Provider: Hosting Services Inc., UK
Traffic: Global Alexa Ranking of 201, with almost 2.7 billion visits in the past year.

³ See IFPI Music Consumer Insight Report, September, 2017, available at <http://www.ifpi.org/downloads/Music-Consumer-Insight-Report-2017.pdf>

Revenue Source: Advertising, and selling software that will perform format conversions on the users' computer.

Savefrom rips or extracts an m4a audio file from a YouTube video for free download. It also induces the user to purchase software that will run on the user's computer to allow for more flexibility by for example copying and converting the m4a audio file to a more efficient mp3 audio file. Even though *Savefrom* does not perform the conversion to mp3 on its own servers, it does violate YouTube's terms of use and circumvents YouTube's technological measure designed to protect the content from copying. Information on the site and the software it distributes reveal that the site is operated by a Russian operated company Megabit, Inc.

Youtube2mp3

Domain: ytmp3.cc (formerly youtube2mp3.cc)

Registrant: Contact Privacy Inc., Toronto, Canada

Registrar: Tucows

Hosting Provider: Obscured – served through Cloudflare, U.S. (previously on OVH – France)

Traffic: Global Alexa Ranking of 3020, with over 827 million visits combined to the two domains in the past year.

Revenue Source: Advertising

Like *mp3juices*, *youtube2mp3* uses a separate backend to actually copy, convert and deliver the download file to the users. Content for this site is delivered from a site that is not publically accessible – *ymcdn.cc* – that operates from the same IP address as *mjcdn.cc*, the site that delivers downloads for *mp3juices*. *Mp3juices* and its backend *djend.cc* and *youtube2mp3* and its backend, *mjcdn.cc*, all use the same registrar, privacy proxy service and the reverse proxy to hide the true identity of the operator and the location of the hosting provider.

Convertmp3

Domain: convertmp3.io (formerly youtubeinmp3.com)

Registrant: No registrant information available for .io TLD

Registrar: NameCheap, Inc.

Hosting Provider: Obscured – served through Cloudflare, U.S. (previously on OVH – France)

Traffic: Global Alexa Ranking of 17,456, with over 1.5 billion visits combined to the two domains in the past year.

Revenue Source: Advertising

Convertmp3 provides easy access to downloadable mp3 files for YouTube music videos. The conversion and distribution of downloads appears to come directly from *convermp3* servers.

FLVTO & 2Conv

Domain: Flvto.biz and 2conv.com

Registrant: DomainsbyProxy – disclosed the operator of both sites as Tatyana Levchenko, Taganrog, Russian Federation

Registrar: GoDaddy

Hosting Provider: Obscured – served through Cloudflare, U.S., content delivered from German IPS Hetzner Online GmbH

Traffic: Global Alexa Ranking of 1337 for Flvto.biz and 5701 for 2conv.com, with nearly 1 billion visits to the two domains in the past year.

Revenue Source: Advertising of questionable software downloads

Flvto.biz and *2Conv* are essentially the same service operating from different frontend domains. They are operated by the same individual in Russia, and serve downloads of converted YouTube videos to users as mp3 audio files from the same servers in Germany. In addition to converting YouTube links that users copy and paste into the conversion bar, both sites also offer up a list of the most popular YouTube videos being converted. All the user needs to do is to click on a “convert to mp3” button.

2. Mp3 Search and Download Sites

This class of sites directly or indirectly offers unauthorized on-demand streaming and/or downloading of our members’ music, including their most popular and valuable content. Several of these sites go further, providing unauthorized downloading of pre-release music, i.e., albums slated for commercial release that have not yet been commercially released to the public. As noted above, such infringing activity clearly harms U.S. artists, songwriters, record labels and music publishers by disseminating their work without authorization and severely diminishing the commercial value of those works.

Newalbumreleases

Domain: newalbumreleases.net

Registrant: Sergey Kobilin, Svetogorsk, Russia

Registrar: DomainSite.com

Hosting Provider: WIBO (Czech Republic)

Traffic: Global Alexa ranking of 8,733 with nearly 80 million visits in the last year

Revenue Sources: Advertising

Newalbumreleases makes available a substantial library of newly-released popular music content, as well as albums not yet commercially released. The site features the most recently uploaded albums on the home page using album artwork. In addition it organizes earlier posts by genre under menu tabs for Rock, Pop, Metal, etc. The home page also offers a search capability for content by artist or title. The site hosts its content on cyberlockers and provides users with links to services like Rapidgator.net and Hitfile.net from where the files are available for download. All of the files appear to have been uploaded to the cyberlocker sites by *Newalbumreleases* as the download files usually include “newalbumreleases” in the file name. As the uploaders they are direct infringers. Takedown notices sent by rights holders to this site are ineffective.

Rnbexclusive

Domain: rnbexclusive.top (formerly rnbexclusive.me)

Registrant: Andrew, Kiev, UA

Registrar: PDR, Ltd

Hosting Provider: Obscured – served through Cloudflare, U.S.

Traffic: Global Alexa ranking of 8,733 with over 8.4 million combined visits to the two domains in the past year.

Revenue Sources: Advertising

Rnbexclusive is a popular Ukrainian based service providing downloads for popular RnB and Hip-hop recordings, both full albums and popular tracks for free download. The sites uses various problematic cyberlockers to host and distribute the files, *zippyshare*, *uploaded*, and others.

DailyNewJams

Domain: DNJ.to

Registrant: No registrant information provided for .to TLD

Registrar: PDR, Ltd

Hosting Provider: INFIUM, Ukraine

Traffic: Global Alexa ranking of 8,733 with over 8.4 million combined visits to the two domains in the past year.

Revenue Sources: Advertising

DailyNewJams is another popular Ukrainian-based service that provides free downloads of a broad range of popular American music. The site offers downloads through a Ukrainian cyberlocker, *OBCDrive* that shares the same IP address as *DNJ.to*. Thus it appears that the site and the cyberlocker distributing the music are operated by the same person or entity.

3. BitTorrent Indexing Sites

BitTorrent indexing sites provide a searchable index of links to content which can be downloaded by users running the appropriate client software. Indexing services can, generate revenue from advertising and/or user donations. The particular financial model, structure and approach varies from site to site.

The following popular sites are the most egregious, based on: (i) the extent of the infringement i.e., the number of users visiting the site to infringe copyright; (ii) the amount of unlicensed content on the site; and (iii) the site's failure to take steps to address the massive piracy problem across its network. Moreover these BitTorrent index sites demonstrate they are dedicated to infringement by the way they organize and display the files they index. Files are typically organized into categories of movie, music, software and games with file names clearly and unmistakably describing content in a way that the operators know they are distributing torrents for copyright-protected content.

Increasingly BitTorrent sites are registering multiple domains in order to mitigate the problem of their sites going off line if one of their domains are seized or blocked, and to work around search engine demotion algorithms. A simple change in the country code or other top level domain allows the site to reappear in top search results. In addition, more sites are now employing services of Cloudflare, a content delivery network and distributed domain name server service. BitTorrent sites, like many other pirate sites, are increasing turning to Cloudflare because routing their site through Cloudflare obfuscates the IP address of the actual hosting provider, masking the location of the site.

ThePirateBay

Domain: thepiratebay.org (formerly thepiratebay.se and thepiratebay.vg)

Registrant: Fredrik Neij, Stockholm, Sweden

Registrar: easyDNS Technologies Inc.

Hosting Provider: Unknown - Obscured by Cloudflare (U.S.)

Traffic: Global Alexa ranking of 90 with over 3.26 billion visits in the last year.

Revenue Sources: Advertising, pay-per-install of potential malware.

Thepiratebay has fully recovered from raids by Swedish police in Stockholm in early December 2014, shut the site down for a period of time. It has now reestablished itself as the single most popular bittorrent index site in the world. This is despite the fact that

courts in a multitude of countries around the world (including: Austria, Belgium, Denmark, Finland, Iceland, Ireland, Italy, Portugal, Spain and the UK) have issued orders blocking access to the site in their jurisdictions. The world's most popular and newly released films and vast catalogues of music can be downloaded via the site. The site make no pretense of legitimacy and fails to respond to any take down notices and has previously ridiculed those who have sent them such notices.

Rarbg

Domain: Rarbg.to

Registrant: None provided for .to TLD

Hosting Provider: S A and A Stroi Proekt EOOD, Bosnia and Herzegovina

Traffic: Global Alexa ranking of 262 with 1.5 billion visits in the last year.

Revenue Sources: Advertising, pay-per-install of potential malware.

1337x

Domain: 1337x.to

Registrant: None provided for .to TLD

Hosting Provider: Unknown - Obscured by Cloudflare (U.S.)

Traffic: Global Alexa ranking of 342 with 798 million visits in the last year.

Revenue Sources: Advertising, pay-per-install of potential malware.

Torrentdownloads

Domain: torrentdownloads.me

Registrant: WhoisGuard, Inc., Panama

Registrar: NameCheap, Inc.

Hosting Provider: Obscured by Cloudflare (U.S.)

Traffic: Global Alexa ranking of 1993 with almost 214 million visits in the last year.

Revenue Sources: Advertising, pay-per-install of potential malware.

4. Cyberlockers

A “cyberlocker”, also known as a one click file-host, typically refers to a type of website which enables users to upload, store and distribute digital files on a dedicated storage infrastructure on the internet that is controlled, managed and maintained by the website's operator.

Although on first glance there appears to be some similarity between cyberlockers and legitimate cloud storage services (as they both allow users to upload files to servers which can then be shared), their business models are strikingly different. The business model for legitimate storage services is principally based around personal file storage whereas the business model for cyberlockers is based on the distribution of unlicensed content.

Cyberlockers typically earn revenue from one or more of the following means: advertising such as banner and “pop-up” ads which typically appear on the pages where the files to be downloaded are accessed; and the sale of “premium accounts” which offer users benefits such as greatly increased download speeds, no-wait downloads, and simultaneous downloads – all features which are of particular interest to users who want to download large files such as films and albums. Some cyberlockers provide financial rewards to uploaders whose content draws large volumes of traffic to the site (which translate to advertising dollars) or when a downloader purchases a premium account after accessing an

uploader's content. Conversely, cyberlocker sites often have a policy of deleting content uploaded by non-paying users that is not regularly downloaded by others – in other words, content which is not drawing traffic to the site. Finally, these services provide little if any accountability for infringing uploaders. Files can often be uploaded without even opening an account, or free accounts can be opened with nothing more than an email address. Thus, there is no ability to police uploaders and effectively remove repeat infringers from their system. The fact of the matter is that for many of these services, there would be no economic viability in the absence of traffic generated through piracy.

To a limited extent, rights holders can attempt to tackle these infringements by sending take down notices to the locker. However, this entails monitoring thousands of third party link resources – e.g., blogs, forum sites and search engines – to locate the information that is needed to notify the locker of infringements occurring on their own services. The locker service itself would clearly be better placed to identify infringing content being uploaded to or distributed from its own servers. There are efficient and reasonable technological solutions available that would assist in this. Some cyberlocker services, for example *Mediafire* and *Depositfiles*, have employed such technology.

It is telling that according to the Google Transparency Report, four of the top five sites receiving copyright complaints were cyberlocker sites – *4shared.com*, *rapidgator.com*, *uploaded.net* and *chomikuj.pl*. <https://transparencyreport.google.com/copyright/explore>

4shared

Domain: 4shared.com

Registrant: New IT Solutions Ltd. New IT Solutions Ltd., British Virgin Islands

Registrar: GoDaddy.com, LLC

Hosting Provider: WZ Communications Inc. U.S. (wholly owned subsidiary of XBT Holding S.A, Cyprus)

Traffic: Global Alexa Ranking of 616, and attracting just under a billion visits in the past year.

Revenue Sources: Advertising, pay-per-install programs, paid premium accounts.

4shared remains a very popular cyberlocker site with a significant problem with copyright infringing activity. The current Google transparency report reveals that 5,367 different copyright owners have reported over 65 million infringing 4shared URLs to the search engine.

4shared derives revenue from advertising placed on the site and through the offering of “premium accounts” which enable users to download files without having to wait or view advertising, as well as being able to download multiple files at once and have increased upload storage space.

Uploaded

Domain: uploaded.net (redirects to the .net domain from ul.to and uploaded.to)

Registrant: Daniel Hrnjak, Wollerau, Switzerland

Registrar: eNom, Inc.

Hosting Provider: Eweka Internet Services B.V. (NL)

Traffic: Global Alexa Ranking – 597; with over 1 billion site visits in the past year.

Revenue Sources: Advertising, pay-per-install of potential malware, paid premium accounts.

Uploaded continues to be a very popular cyberlocker that has been cited for hosting vast amount of copyright infringing files. The Google transparency report reveals that almost 23 million infringing uploaded URLs have been reported to Google by 7,172 different copyright owners.

The site is frequently found to be hosting and distributing pre-release music, i.e., music that has not yet been commercially released. This can substantially undermine the promotion and marketing directed to the release of a sound recording which may be fundamental to the commercial success of the product.

Rapidgator

Domain: Rapidgator.net

Registrant: Whois Privacy Corp., Nassau, Bahamas

Registrar: Internet.BS Corp.

Hosting Provider: Netvillage Ltd (Russia)

Traffic: Global Alexa Ranking of 697, with 703 million visits in the past year.

Revenue Sources: Advertising, pay-per-install of potential malware, popunders and redirects to third party sites, and premium accounts.

This cyberlocker launched in October 2011 and has from the beginning been a major source of the distribution of infringing music content. The site even offers a rewards program that shares revenue with users to upload material that draws large amounts of traffic, thus encouraging the uploading of popular copyright content and undercutting any pretense of operating a simple cloud storage service. The Google transparency report reveals that Google has received complaints from over 7,500 copyright owners over 28.6 million infringing *Rapidgator* URLs.

Zippyshare

Domain: zippyshare.com

Registrant: Contact Privacy Inc. (Canada)

Registrar: Tucows Domains Inc. (Canada)

Hosting Provider: OVH SAS (France)

Traffic: Global Alexa Ranking of 325 with 1.6 billion visits in the past year.

Revenue Sources: Advertising, pay-per-install of third party applications.

Zippyshare is a very popular cyberlocker, particularly for infringing music, which allows users to upload files, share links to these files online, and also to stream music via an embedded music player. The site specifically markets the site as a place to upload, store and share music files. While the site responds to takedown notices it permits the anonymous upload of content to the site so there is no way to screen out those who abuse the service or simply repeatedly re-upload content that was removed.

Dopefile

Domain: dopefile.pk (formerly dopefile.com)

Registrant: Dopefile, (Owatonna, Pakistan)

Hosting Provider: GLOBALLAYER, NL (Bulgaria)

Traffic: Global Alexa ranking of 9193 and 90.8 million visits in the past.

Revenue Sources: Advertising, pay-per-install of third party applications.

Dopefile is a locker site that appears to specialize in hosting infringing music content. All of the major uploader sites for *dopefile* are music sites. Many of these sites previously used Sharebeast.com to host their content, but after the U.S. Justice Department shut down

Sharebeast, uploaders running infringing websites have turned increasingly to *dopefile* as the cyberlocker of choice. The site provides an embedded music player for streaming music as well as fast and easy downloads.

Chomikuj

Domain: chomikuj.pl
Registrant: Unavailable (technical contacts for the site link it to Belize and Cyprus)
Hosting Provider: Unknown, Obfuscated by Cloudflare (U.S.)
Registrar: Instra Corporation Pty Ltd (Australia)
Traffic: Global Alexa Ranking – 3281, 336 million sites visits in past year.
Revenue Sources: Advertising; paid subscriptions.

The site is the most popular cyberlocker in Poland. Over 80% of the visitors to the site are in Poland, but the site hosts a broad range of U.S. repertoire. The site enables users to upload files e.g., music, films, images, software, books to the site and then share links to the content. Users can choose to have a free account or pay for an account via subscription or paid text messages. The site offers rewards to users who upload popular content downloaded by other users. The site appears to be owned and operated by a company called FS File Solutions Limited, registered in Nicosia, Cyprus.

The Google transparency report indicates that 28.5 million infringing URLs have been reported to the search engine by 4,576 copyright owners. RIAA alone has reported over four million infringing URLs.

5. *Unlicensed pay for download sites*

There are a dozen or so websites based in Russia and the Ukraine that engage in the unlicensed sale of singles and albums at a fraction of the cost found on licensed services. The fact that they pay no royalties to copyright owners allows them to completely undercut legitimate licensed services. The sites are look professional, utilizing official album art and selling all of the latest releases as well as popular older catalogue works.

Mp3va

Domain: mp3va.com
Registrant: MyPrivacy.net Ltd. (Canada)
Registrar: easyDNS Technologies, Inc.
Hosting Provider: Filanco LTD (Russia)
Traffic: Global Alexa ranking of 83,770 and 8.7 million site visits in the last year.
Revenue Sources: Sale of singles and full albums.

Mp3va engages in the unlicensed sale of music. The site have the look and feel of a legal music site like Amazon or iTunes, however they sell single tracks for an average of 15 cents and full albums for about \$1.50. Music is sold by the file size so the cost of singles and albums varies slightly. Users must set up an account and add money to the account using credit cards or payment intermediaries. Major U.S. credit card and payment processors have terminated support for the site, but off shore intermediaries can still be used. While the operator of the site is currently masked behind a privacy proxy service, older whois data had the site run by companies in Russia and Cyprus. *Mp3va* has a global Alexa ranking of 31,416. SimilarWeb traffic data measures the site averaging just over 1 million site visits a month.

Mp3fiesta

Domain: mp3fiesta.com

Registrant: Sergey Novato, Streamusic Ltd (Nicosia, Cyprus)

Registrar: Key-Systems GmbH

Hosting Provider: ASN-AVANTEL-MSK (Russia)

Traffic: Global Alexa ranking of 235,965 and 1.4 million site visits in the last year.

Revenue Sources: Sale of singles and full albums.

Mp3fiesta operates exactly like *mp3va* in its sale the unlicensed music. Like *mp3va*, the site has the look and feel of legal music sites like Amazon or iTunes, however they sell single tracks for an average of 15 cents and full albums for about \$1.50. Music is sold by the file size so the cost of singles and albums varies slightly. Like *mp3va* users must set up an account and add money to the account using credit cards or payment intermediaries and then purchases are made drawing down on the amount of funds available in the account.

6. Emerging Problems

Nigerian Operated Infringing Sites

In the last 12 months, we have seen a significant growth in the number of Nigerian-operated sites that are distributing direct download links for pre-release and newly released music affecting our member companies. The number of such infringing sites with a Nigerian operator stands at over 200. Their primary method of promotion is via Twitter, and most sites make use of the Nigerian operated ISP speedhost247.com.

Third Party App Stores

We are also increasingly concerned with the rise of certain third party app stores, such as *downloadAtoZ.com*, that appear to have sections of their site dedicated to the distribution of infringing apps that it appears to know have been removed from the major app stores for violations. The *DownloadAtoZ.com* registrant is behind a privacy/proxy service, and its hosting IP is obscured through Cloudflare. It claims to have been developed by a company called “Maxo Group” whose whereabouts we have been unable to verify. It has an Alexa ranking of 10,108.

PHYSICAL MARKETS

Physical CD sales still account for 16 percent of U.S. record company revenues. There is, however, a distinct movement from sales at brick and mortar record stores to sales through prominent platforms. These platforms have become the ideal outlet for counterfeit physical products being produced in Russia and China. In some cases, Russian and Chinese sellers will sell directly on retail platforms, shipping the goods to consumers from Russia or China. In other cases, the principles behind the Chinese and Russian counterfeits sell to third parties sellers on platforms who may or may not know they are buying and reselling counterfeits.

Chinese and Russian Counterfeit CD Manufacturing and Distribution

Counterfeits being manufactured sold out of China are high quality and difficult to identify. The outside packaging will copy pull tabs, security seals and tight shrink-wrapping while the

insert booklet all mirror the legitimate versions of the product and insert are printed on high-grade commercial printing machinery. The artwork and markings on the discs themselves are also manufactured to look exactly like the legitimate version of the product.

Counterfeits being manufactured and sold out of Russia are of somewhat lower quality. The artwork, and packaging is often not as professional looking as the official versions of the CD, making the counterfeits manufactured in Russia somewhat easier to identify. At the end of the day however the primary distinguishing characteristic of these counterfeits is that the rights holders, creators and artists are not paid for their work.

Test purchasing we engaged in a year ago provided evidence that massive quantities of these counterfeits were finding their way into the legitimate market on various platforms. Consumers are paying full price for product that to the untrained eye appears legitimate. Our investigations have identified suspected sellers/brokers in Hong Kong who are moving the counterfeits into legitimate channels. This past year there was a Federal criminal prosecution in connection with scheme to import and sell counterfeit Chinese CDs in the United States. Our investigations and test purchases have also established that counterfeit CDs manufactured in Russia are often being shipped to consumers directly from sellers in Russia.

In the past year Amazon and Ebay have taken steps to disrupt the distribution of such counterfeit CDs through their platforms. The result has been that we have seen fewer Chinese and Russian counterfeits entering the United States through those platforms, the more work needs to be done. Still, even as the U.S. market place is made more secure from Chinese and Russian counterfeits, those products continue to move into other market places around the world.