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Cyberlocker Offered To Help Prosecute Users To Settle \$34.8m Copyright Suit

enigmax A cyberlocker being sued for \$34.8 million by an adult studio agreed in principle to a remarkable set of demands to settle a copyright infringement lawsuit. TorrentFreak has learned that file-hosting service Oron said it would turn over the IP addresses, banking details and email addresses of users alleged to have infringed copyright. The troubled cyberlocker then offered to assist plaintiff Liberty Media in civil prosecutions against its own customers.

July 6, 2012

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Last month, adult studio Corbin Fisher (through owners Liberty Media) sued the operators of file-hosting service Oron for a cool \$34.8 million, claiming that they induce the sharing of copyright infringing files via their service.



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The rhetoric in court filings has been harsh, with Liberty Media's lawyer Marc Randazza openly referring to Oron as 'criminals' who do not qualify for safe harbor under the DMCA.

After having their funds in the US frozen, Oron unsuccessfully tried to have several hundred thousand dollars released, ostensibly to pay for their legal battles and hosting. A judge agreed to release \$100,000 but no more, leading Liberty Media to warn Oron users that the file-hoster could collapse.

But for all the rhetoric and public aggression, more considered discussions were going on behind the scenes last month.

It is already a matter of record that Liberty Media asked Oron for \$500,000 to settle the case and that Oron rejected the amount as "unreasonable". But the negotiations between the two companies went much further than straightforward cash offers –

much, much further.

TorrentFreak has learned that on June 23rd, Oron offered Liberty Media \$50,000, some ten times less than was originally demanded. In addition, Oron said that should an agreement be reached it could become particularly helpful towards the adult studio. Oron suggested that Liberty Media request from Liberty, Oron said it could indeed take "both strong and bold measures to keep Liberty Media content off of its servers" by giving Liberty direct and "unfettered" deletion access to its systems.

Then, in order to generate revenue, removed copyright-infringing content could be substituted for links pointing to locations where people could buy official product from Liberty instead.

"Oron will receive no income from such links until Liberty has recouped gross income of \$400,000 after which Liberty shall pay to Oron 50% of its profits from said links," Oron suggested.

There is nothing particularly surprising in the above since similar systems are operated at other file-hosting sites. But this is where things begin to escalate.

Oron also offered to "permanently ban, by email address, PayPal account, IP address or any other reasonable and robust metric, any user who is the subject of even a single Liberty Media takedown notice." Any user flagged as infringing Liberty's copyrights would also have their payments frozen by Oron.

Then, in a wakeup call to anyone who thinks that cyberlockers offer almost bulletproof security, at Liberty Media's request Oron confirmed that should a settlement deal be reached, the company could offer the following:

Oron will assist Liberty in identification and civil prosecution of any parties who have been using Oron to distribute Liberty's copyrighted material, including but not be limited to, full disclosure of IP addresses, banking information, emails and any other information that may assist in Liberty in such prosecution.

Finally, and to wrap the whole deal up in a neat bow, Oron accepted Liberty Media's offer to provide "some public relations help for Oron in order to minimize the chance of other lawsuits being brought against it" by stating, contrary to earlier assertions, that Oron does deserve safe harbor under the DMCA after all.

Liberty Media's offer was dated June 22 and Oron's counter offer was dated June 23 with a June 25 deadline. General agreement was evident on all major issues except the cash offer. Whether their differences on that point will kill the whole deal remains to be seen.

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