

From: [REDACTED]
To: [FN-OMB-IntellectualProperty](#)
Subject: Call for Comments on the Effects of IP Infringements
Date: Monday, March 22, 2010 5:08:19 PM

Dear Ms. Espinel:

I am responding to your call for comments on the effect of IP infringements on my company. Sound Choice, one of the leading Karaoke music producers, recently celebrated 25 years in business. However, what was once a thriving and dynamic company employing nearly 100 people with over \$12 million in annual sales has been reduced to a company with fewer than 10 employees, sales under \$1million and staggering losses. The impact of piracy on our business has forced layoffs, a large reduction in music royalties paid (which further ripples throughout the music industry) and a cessation of recording new music which further affected over 75 local musicians who relied on us for all or a portion of their income.

We can no longer sell enough of our recordings to recoup the money invested in creating them. We have been forced to resort to filing lawsuits in an effort to try to recapture lost revenues, but that is a time consuming and expensive process that could be put to better use in generating new recordings and creating new products whose sales would contribute to the government's tax base. Every day we find thousands of postings on such sites as Ebay and Craigslist for hard drives containing \$15,000 worth of our music for sale for \$250. Countless peer-to-peer sites and IRC channels have our music available for free downloads or streaming. We are a small company, yet we estimate the amount of pirated content to exceed over \$500 million dollars in the last 10 years. That is a half billion dollars that could have generated jobs and tax revenues that were completely lost to piracy.

What can the Government do to curtail such abuses and protect the rights and jobs of Americans?

- Make ISPs responsible for the illegal traffic carried on their networks. They greedily turn a blind eye to the huge volume of traffic going through their pipelines carrying infringing content.
- Make Auction sites responsible for the products that they sell and get a commission from. Strengthen the DMCA to not only include take-down notices but make the websites legally liable for repeat postings of illegal content. We send thousands of daily requests to various sites and ISPs usually for the same repeat posters who simply repost every day. The DMCA is virtually ineffective as it is currently written.
- Make ISPs adopt a "Three Strikes" subscriber termination policy which would:
 - 1) inform its broadband subscribers that the subscriber's IP address has been detected infringing copyright and
 - 2) warn the subscriber that unless the infringement ceases the subscriber will be disconnected and
 - 3) in default of compliance by the subscriber with the warning it will disconnect the subscriber"

Sincerely,

Kurt J. Slep

Kurt J. Slep
CEO, Sound Choice
14100 South Lakes Drive
Charlotte, NC 28273 USA
email: kurts@soundchoice.com