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## The MegaUpload Shutdown Hampers Innovation

Over the weekend there have been numerous reports on the fallout of the MegaUpload raids, many addressing the issue what it means for tech startups who just thought they were a bit safer when PIPA and SOPA got delayed.

Needless to say there are worries all over.

“For months we have been arguing that SOPA & PIPA would criminalize and cripple startup innovation in America — and our opponents have called our claims hysterical,” Demand Progress’ David Moon told TorrentFreak commenting on the issue.

“But as we speak, website operators around the world are quickly discovering that the United States didn’t just shutdown Megaupload, they hopped across the globe to actually imprison the site operators, too.”

“It is worth noting that Megaupload’s technical details are substantially similar to those used by YouTube, Amazon, and Dropbox. If we don’t fight these overreactions now, we will have set a dangerously low threshold for when an entire website of 150 million users can be deleted from the Internet.”

Like many others, Demand Progress is convinced that the actions against MegaUpload will have a hampering effect on innovation.

“The fact that this was done without a real policy dialogue is disturbing — especially given the obvious surge of populist interest in these issues at the time of the shutdown. It is hard to see how this will not be a factor in chilling innovation in the cloud arena,” Moon told TorrentFreak.

While the observation above come too late for MegaUpload, it is a topic that needs to be addressed at the highest political levels.

This post is from the News Bits section of TorrentFreak where we present stories from around the web in a concise summary format.

