

Megaupload Says It Will Sue Universal Music Over Removal of Controversial Video

UPDATED: A clip of stars such as Will.i.am, Kim Kardashian and Kanye West endorsing the file-sharing site appeared and disappeared mysteriously late last

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Megaupload is threatening to sue Universal Music Group for allegedly sending a takedown notice that resulted in the removal from YouTube of a music video where various superstars endorse the file-sharing platform.'

Update: The lawsuit has been filed. Here's the complaint[http://www.techfirm.com/storage/Complaint-Mega-UMG-FINAL.pdf].

Last week, Megaupload shocked the entertainment industry by introducing the "Megaupload Mega Song," from Will.i.am, P Diddy, Kim Kardashian, Alicia Keys, Snoop Dogg, Chris Brown, Kanye West, Lil John, Jamie Foxx, Mary J Blige, Floyd Mayweather, The Game and more. In the video, the stars sing and speak about how much they love Megaupload, which has often been attacked by the MPAA and the RIAA for facilitating piracy.

But the video was quickly removed from YouTube after it was flagged for copyright infringement.

Megaupload says that the takedown notice came from UMG, and tells TorrentFreak that it plans to sue the label.

"Let us be clear: Nothing in our song or the video belongs to Universal Music Group," said Megaupload CEO **David Robb**. "We have signed agreements with all artists endorsing Megaupload."

UMG didn't immediately respond to our requests for clarification on the material that is in dispute. Some recording artists have broad contracts with their labels that allow the latter to assert some ownership of stars' likenesses in merchandising, but it's unclear the source and basis for the takedown request.

If Megaupload does sue, it will follow others who have found some recent success in pursuing adversaries who have taken copyright claims too far.

The most famous example might be **Stephanie Lenz**, whose video of her toddler dancing to the **Prince** song, "Let's Go Crazy" was removed by YouTube at the behest of Universal. Lenz responded by filing a lawsuit against Universal, and a judge agreed that Universal had a duty to consider "fair use" before sending a takedown notice.

Courts are also starting to explore a legal doctrine known as "copyright misuse."

Last month, for example, a federal judge slapped watchmaker Omega on the wrist for attempting to stop Costco from selling second-hand watches. Omega had argued that engravings on the back of the watches had entitled the company to copyright there, but a court didn't buy it. The judge ruled that the plaintiff had "used the defensive shield of copyright law as an offensive sword" and that "Omega misused its copyright of the Omega Globe design by leveraging its limited monopoly in being able to control the importation of that design..."

All that said, we imagine that the entertainment industry would love nothing more than engaging in a legal fight with Megaupload. The company is based in Hong Kong and has been rather mysterious to the frustration of many entertainment execs who hate the way that popular new movies, music, and TV shows pop up regularly on the site's servers. A lawsuit would provide the opportunity to conduct extensive discovery and potentially litigate various counterclaims.

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