

PIRACY 3.0 ILLICIT STREAMING DEVICES (ISD) ARE ADVERSELY IMPACTING CABLE AND OTT BUSINESSES

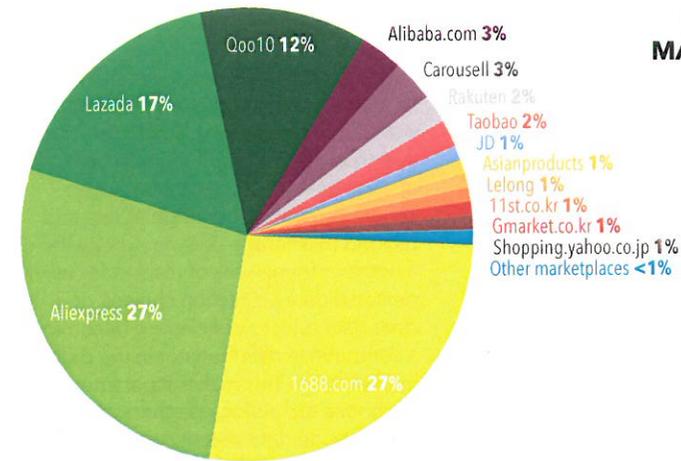
The nature of how people access copyrighted content without paying for it has changed dramatically over the past decade. DVD-enabled piracy, which used to be ubiquitous, has all but disappeared globally. The usual way to access such content today is via the Internet, either by downloading or streaming movies and TV shows. Watching copyright-protected content which is streamed live over the Internet (and thus not stored), however, constitutes a legal grey area in many parts of the world.

Many Android-based devices utilise a free, open-source media software application called Kodi, which enables users to view videos and movies from the Internet. This application can be used for legitimate purposes, such as hotel television systems. However, Kodi is also a popular software application for set-top boxes or 'illicit streaming devices' (ISD's) in which unofficial third party add-ons designed to facilitate unauthorized access to copyrighted content are sold pre-loaded into the device (which are then promoted as "fully loaded Kodi boxes," despite

not having anything to do with Kodi). Payment for enabling such access is usually included in the purchase price of such boxes, or, less frequently, through "subscription" services. Because these ISD's are cheap, easy-to-use 'plug-in' devices, and because they offer a wide range of pirated content while being easily available (both online and in the physical world), their utilisation has risen steeply throughout the US, Europe and now in Asia.

According to industry expert, Neil Gane, *"Industry stakeholders are well aware of the massive online infringement caused by streaming devices. We need to work together with government regulators and law enforcement agencies to develop effective strategies to tackle the ISD ecosystem."*

ISD's are especially popular with diaspora populations in foreign markets as cheaper subscription options to access content; good examples are Chitram boxes with built-in apps targeting the Indian diaspora, WelPinoy for Tagalog speakers, and Micox ISD's for Chinese and Korean speakers.



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Source: ????

Veri-Site recently undertook a study of how widespread the sales of ISD's are online in Asia, and of the major platforms through which such sales are taking place and found that most leading marketplaces in Asia such as Taobao, Lazada, Aliexpress and JD distributed these boxes unchecked.

Kodi add-on pirate sites are blatantly supported by mainstream brand advertising and ad networks. A brief study conducted by Veri-Site of 10 Kodi-Add on sites found that 8 of these sites were supported by Google AdSense and DoubleClick (both are Google Inc companies). Further, 33 advertisers were found to be advertising on these sites and 94% of the advertisers represented legitimate businesses such as, Ford, Amazon, Asus and Airtel.

The legal framework to fight ISD box piracy has strengthened in the EU and the US with several favorable judgements and offers for sale for such devices will be treated at par with, for instance, counterfeit product, both in the EU and the US possibly in a few other jurisdictions. The entertainment sector must investigate and constantly disrupt the ISD box manufacturers and distributors business models. ■

About Veri-Site
Veri-Site, a division of Strategic IP Information Pte ("SIPI"), is a TAG Certified Digital Advertising Assurance Service Provider ("DAAP") focused on providing anti-piracy solutions to the advertising industry.

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