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Recording industry executive Andy Gershon sees opportunity in the online file-sharing networks that most of his rivals decry as havens for music pirates. As president of V2 Records, home to such established acts as The White Stripes and Moby, Gershon mines such Internet distribution channels for new fans and revenues.

"The cat is so far out of the bag and so far gone that it's pointless to keep fighting it," Gershon said. "I might as well make as many people fans of our music, whether they illegally download it or not."

A number of mostly independent recording artists and labels have experimented with and embraced the freewheeling digital distribution that the Internet affords. And many worry that a victory by major recording companies in a landmark file-sharing case now before the U.S. Supreme Court could short-circuit the very technologies that they believe are making a more level playing field of the music business.

The nation's high court is to hear arguments next Tuesday on whether the entertainment industry can hold file-sharing software firms Grokster Inc. and StreamCast Networks, which distributes Morpheus, liable for what computer users do with the technology.

Lower courts have sided with the software makers, which assert their so-called peer-to-peer technology is as legitimate as a videocassette recorder or a copy machine.

Several artist rights associations, music publishers and well-known musicians, including Don Henley, Sheryl Crow and the Dixie Chicks, are backing the major recording labels, which accuse Grokster and StreamCast of profiting from a business model that depends on piracy.

From 1999 to 2004, the total value of the U.S. recording industry fell \$2.4 billion to \$12.1 billion - a decline the industry blames primarily on file-sharing.

But some artists, including Wilco frontman Jeff Tweedy, see an upside to file-sharing.

"I look at it as a library. I look at it as our version of the radio," Tweedy said. "It's a place where basically we can encourage fans to be fans and not feel like they're being exploited, which is basically what the whole industry is geared to do."

Tweedy encourages fans to tape Wilco shows and has distributed tracks over the Internet for free months before releasing them on CDs.

He agrees artists should be compensated, but "you try to encourage people to feel more like a patron of the arts instead of a consumer."

V2 Records taps file-sharing networks and other Internet distribution means by selling songs and offering free promotional materials like music videos. Though results are difficult to quantify, Gershon credits ads on Web sites and song giveaways with raising the profile of The Blood Brothers.

"The CD sales have stayed steady," said Gershon. "For a band like this, a lot of the steadiness of the sales is based on people being turned on to it online."

Mitch Bainwol, chairman of the Recording Industry Association of America, says artists and labels can be creative with online distribution and promotion but those decisions should not be left up to listeners.

"If you want to give up your property for free as a way of trying to drive other commercial advantages, that is certainly a strategy one can employ," Bainwol said. "But it should be the individual (artist's) choice."

About 20 independent recording artists, including musician and producer Brian Eno, rockers Heart and rapper-activist Chuck D, filed a legal brief with the high court in support of Grokster and StreamCast. They insist file-sharing and related technologies help expose new audiences to their music - outside established channels of the recording labels.

The artists argue that file-sharing "has the immediate potential to develop into a significantly more prevalent alternative distribution and promotion system." But a ruling that outlaws or limits it "will block that potential from ever being fully realized," the brief contends.

Some are concerned about the possibility of requiring file-sharing companies to filter out unauthorized works, a move the major labels consider crucial to legitimizing file-sharing as a distribution system.

"It definitely would greatly reduce the amount of traffic," said Chip Schutzman, head of online marketing at Sovereign Artists Inc.

Santa Monica-based Sovereign has promoted and sold tracks by Heart using the online Weed file-sharing format, in which listeners can hear a song for free several times before having to buy it. Weed files are distributed to Web sites and across file-sharing networks.

For Sananda Maitreya, who also joined the legal brief, online music distribution gives him the freedom he says he lacked when he was signed with a major label in the 1980s under his former name, Terence Trent D'Arby. Back then, Maitreya recalled, committees had to sign off on any music released.

"The Beatles could not have faced that criteria and come up with anything other than the most mediocre, conservative music," said Maitreya, who now lives in Italy.

Maitreya and the rap group Fine Arts Militia, featuring Chuck D, have released albums through Weed. Representatives of the groups declined to give specific sales figures.

John Beezer, president of Weed-creator Shared Media Licensing Inc. in Seattle, estimates that fewer than 100,000 tracks have been sold in the 18 months since the software went into use. Beezer said more than 7,000 artists have offered their songs through Weed, and the vast majority aren't signed with recording labels.

But even for unsigned bands, the potential to cheaply target the pool of music fans on file-swapping networks can be tantalizing.

Kevin Martin, vocalist for the 1990s band Candlebox, credits a file-sharing song promotion involving the Yoo-hoo drink brand with generating online interest and some sales for his new LA-based band, Kevin Martin and the Hiawatts.

"We're not doing 10,000 records a week," he said, "but to see yourself go from 15 records to 62, it's pretty exciting."