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HRRC CRIES FOUL ON MLB COMMENTS ON SPACE-SHIFTING FOR PERSONAL USE

***Calls Threats Against Slingbox
Off-Base, Urges Passage of H.R. 1201***

Washington, D.C., June 4, 2007—The Home Recording Rights Coalition today responded to comments by a lawyer for Major League Baseball who called the “space-shifting” of recorded baseball games illegal. Michael Mellis, MLB’s general counsel, directed his comments at the Slingbox, a program by Sling Media, Inc. calling it “not legal” and threatening a “response” by sports leagues, as reported yesterday in *The Hollywood Reporter, Esq.* Slingbox lets customers view TV and cable programming they have subscribed to from anywhere by sending it over the Internet from the customer’s home. In a statement today, HRRC Vice-Chairman Michael Petricone said –

Cutting-edge products like the Slingbox empower Americans to watch their TV programs from any Internet-connected device. Like the VCR and the iPod, the Slingbox relies on fair use – the ability to use content for non-infringing purposes without having to ask permission. As MLB well knows, the Slingbox is a perfectly legal product. Allowing large copyright owners like MLB to threaten and harass our most innovative companies will harm consumers, our economy, and our global competitiveness..

Petricone noted that “space-shifting” or moving content from one device to another, is not “redistribution” under copyright law. The Slingbox, he noted, encrypts the video it sends, to prevent mass redistribution. He also pointed out that, like the Sony Betamax VCR, the consumer use of which the U.S. Supreme Court declared a “fair use” in 1984, the Slingbox merely enhances

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HRRC Criticizes MLB Comments on Space-Shifting for Personal Use

consumers' access to TV programming that the viewer has already purchased – or that was transmitted for free over the air. A Federal Court of Appeals has observed that consumer “space shifting” is, similarly, a fair use. Unfortunately, noted Petricone, consumer-empowering devices today face the threat of multibillion-dollar statutory damages whenever they rely on fair use.

Copyright law currently allows copyright owners to sue consumer device makers for \$150,000 in “secondary liability” damages for each copyrighted program or song that passes through one of their devices – easily over \$1 billion for even a moderately successful product. That law turns even the mere possibility of a copyright lawsuit into a bet-the-company proposition. “The threat of crippling damages, combined with intimidation directed against every digital media product that wasn’t pre-approved by content owners, is driving investment away from new consumer-empowering technology and limiting consumers’ options. That’s why we urge Congress to pass H.R. 1201,” said Petricone.

H.R. 1201, which was introduced in February by Representatives Rick Boucher (D-VA), John Doolittle (R-CA) and Zoe Lofgren (D-CA), and recently co-sponsored by Peter DeFazio (D-OR) and Bob Filner (D-CA), will take away the threat of statutory damages against makers of digital media devices. “H.R. 1201 will take away the cloud of uncertainty hanging over consumer media technologies.” said Petricone. “It will allow makers of new products to rely on fair use without risking bankruptcy. Congress should move forward and pass this important bill.”

HRRC believes that consumers have the right to use space-shifting devices like the Slingbox for personal use. Even more importantly, HRRC believes that innovative new products which have not yet been considered by content owners, Congress, or the courts, should not be smothered in the cradle by the threat of massive copyright damages.

For updates on congressional, regulatory and judicial proceedings, please visit the HRRC website at www.HRRC.org.

About HRRC

The Home Recording Rights Coalition, founded in 1981, is a leading advocacy group for consumers' rights to use home electronics products for private, non-commercial purposes. The members of HRRC include consumers, retailers, manufacturers and professional servicers of consumer electronics products. Further information on this and related issues can be found on the HRRC website, www.hrrc.org.

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