

DCIA Addresses StopBadware.org Preliminary Report Regarding Kazaa Trade Association Urges Communications Among Parties

March 22, 2006 – **Arlington, VA** – The Distributed Computing Industry Association (<u>www.DCIA.info</u>), a trade organization with more than seventy Members representing peer-to-peer (P2P) software providers, content rights holders, and service-and-support companies, responded to today's release of StopBadware.org's preliminary report regarding Kazaa by urging direct communications among the parties involved – DCIA Member Sharman Networks and StopBadware.org.

The DCIA encourages and applauds responsible efforts to improve user safety and consumer disclosures related to its Member companies' software applications. It is the understanding of the DCIA that in this instance, however, StopBadware.org did not consult with Sharman Networks regarding the accuracy of its report before releasing it. As a trade group, the DCIA regularly facilitates consultation and provides working groups and other venues for constructive collaboration among its Members and such entities, but StopBadware.org so far has not taken advantage of these opportunities.

The purposes of the proposed discussion in this case would be to correct inaccuracies in StopBadware.org's initial report and to collaborate on in-process software developments that Sharman Networks is making to further improve user experience and consumer communications related to Kazaa Media Desktop (KMD), the flagship software program distributed by Sharman.

"While we are disappointed that StopBadware.org publicly disseminated its preliminary report – containing serious inaccuracies and outdated information – without first consulting with the affected software publisher or our trade organization, we welcome the opportunity to work with its principals to correct these mistakes and to collaborate on in-process enhancements being made to applications distributed by our Member companies," said DCIA CEO Marty Lafferty.

According to Sharman, an example of the kind of misinformation contained in the report is that the Kazaa uninstall function does not remove all files – which is not correct; it does do so, but some ".exes" (and this is not unique to KMD) do not fully uninstall if Internet Explorer has been open during uninstallation until a user's PC has been restarted.

When users access the ADD/REMOVE program to uninstall an application, it may still show in the list until the applet is closed – but once again, this is a well known operating system (OS) issue that could have been better addressed by communicating with the company directly.

More problematically, Sharman noted, the report's pejorative comments regarding consumer disclosures are contradicted by the current KMD end-user license agreement (EULA).

The DCIA was formed in 2003 to assist affected parties – content, P2P, and support interests – in finding common ground and building a robust new digital marketplace. One of the roles performed by the DCIA is to work with authorized governmental agencies on behalf of its Members to address issues related to software functionality and consumer communications. This is an ongoing process, and the DCIA welcomes the opportunity to involve StopBadware.org in understanding what changes are in progress as well as why, when, and how they are being made to benefit end-users of Members' software programs.

The DCIA provides a forum to explore various approaches for implementing such measures on a practical level, and the trade association's interest is in the broader implications of such approaches. The DCIA fully expects that once StopBadware.org has collaborated with Sharman Networks on the issues that its report will be modified to the benefit of consumers generally.

About the DCIA:

The Distributed Computing Industry Association (DCIA) is a non-profit trade organization focused on commercial development of peer-to-peer (P2P) file sharing and related distributed computing technologies. The DCIA conducts working groups and special projects, such as the Consumer Disclosures Working Group (CDWG), P2P PATROL, the P2P Digital Watermark Working Group (PDWG), and the P2P Revenue Engine (P2PRE). It also publishes the weekly online newsletter DCINFO.

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