

# Piracy thrives through Cloud services

WASHINGTON, USA: Online piracy of music, films and other content has moved to the internet cloud, reaping big profits for digital thieves, according to a study released earlier this week.



Cloud-based piracy services are raking in millions offering pirated content on line and attracting legitimate advertising at the same time. Image: [Torrent Freak](#)

The study identified 30 cloud-based "cyberlockers" which operate globally and are hosted in various locations around the world, and which take in some \$96m in annual revenue.

These operators use the same kind of technology as legitimate services like Dropbox and Amazon Cloud Drive to deliver illegally copied content, according to the study by the Digital Citizens Alliance and British-based NetNames, two groups focused on online safety and fraud protection.

The cyberlocker or cloud model has largely overtaken the older online piracy of peer-to-peer networks that allow individuals to share content on their own computers, but

the result is the same.

"The cyberlocker business model is designed around content theft," the report said.

"Operating a cyberlocker is a business which has the potential to produce considerable returns, and crucially, is also a business that requires only a modest initial investment, especially when owners do not pay for any of the content that their sites distribute," the report said.

## Cyberlockers encourage piracy, make money

The report released in Washington was described as the first major assessment of how cyberlockers profit and how much money they make.

The cyberlockers operate in a manner similar to legitimate services like Pandora or iTunes. Some offer free streaming content with advertising, and others allow direct downloads on a subscription model costing as little as \$10 a month.

One of the best-known cyberlockers, Megaupload, was shut down by US law enforcement in 2012. But the New Zealand-based operator has launched a new service, known as Mega.

For some of the cyberlockers, tracing their home base is complicated because their locations are obscured by the use of proxy servers.

But the study said it identified cyberlocker operations based in the United States, Switzerland, the Netherlands and other countries.

## Direct download models

The study said the most profitable cyberlockers using the direct download model were 4Shared, Mega and Uploaded. The biggest profits for the streaming operators were at Putlocker, YouWatch and Streamcloud.

The researchers found roughly 80% of the content on the sites had infringed copyrights.



Adverts offer cheap piracy services via the Cloud to encourage people to make money by illegally distributing content. Image: [xPress Grafico](#)



The use of Cloud services means that piracy of music, videos and other content is rampant according to a report published in Washington.

Image: [DestinyMan](#)

The report said almost all the websites operating the cyberlockers accepted payments from Visa and Mastercard, and that these payment processors could present a major setback to piracy if they would block the transactions.

PayPal, according to the study, was accepted only on one of the sites.

"MasterCard and Visa should follow PayPal's lead and adopt policies for their networks against doing business with these rogue operators," the report said.

"If they take such an approach, it would drive customers to less trustworthy forms of payment," the report said.

The report noted that if users cannot pay with credit cards, they may be reluctant to give a cyberlocker their bank routing information or (use) Bitcoin to make a purchase.

Because some of the sites appear legitimate, they draw advertising from well known brands that give the operators revenue and boost their credibility, the report said.

And many of the cyberlockers also contain malware that can infect computers of people who download from them, the report warned.

"It's going to take concerted action by the internet and the payment processors, advertisers, consumers, public interest groups, internet safety organisations and responsible government officials to address this corrosive issue that threatens basic trust in the online world," the report said.

Source: AFP via I-Net Bridge

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