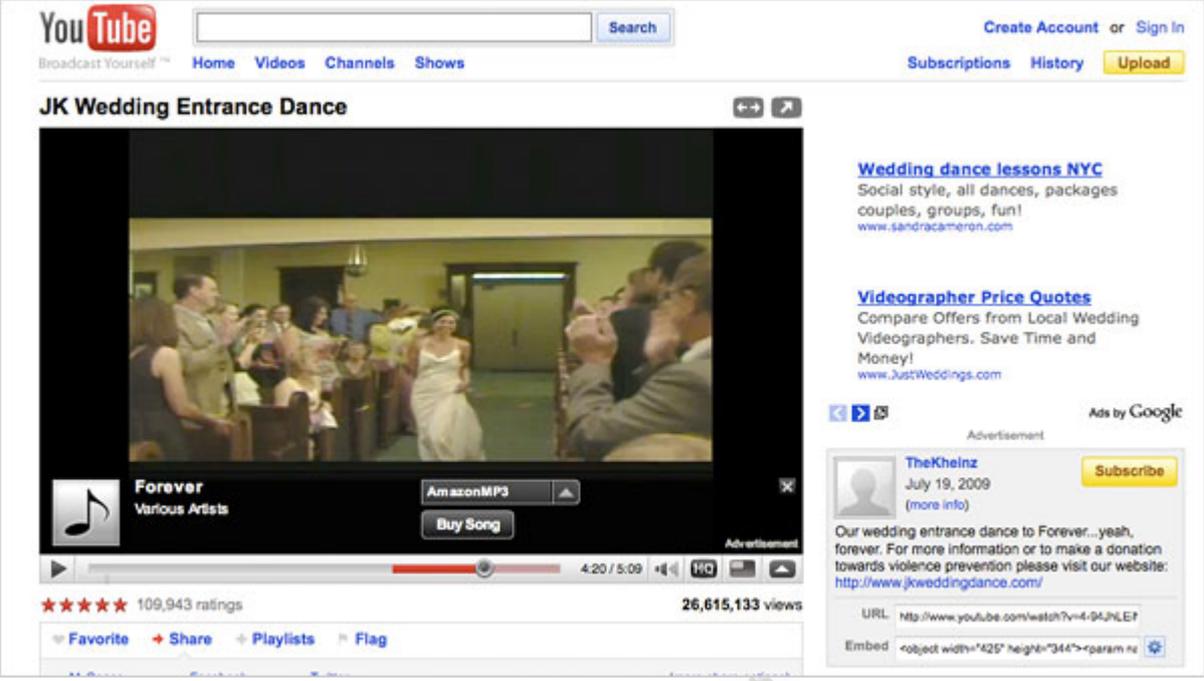


YouTube eases the way to more revenue

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A screenshot of a YouTube video player. The video title is "JK Wedding Entrance Dance". The video shows a bride and groom dancing at a wedding. Below the video, there are controls for the song "Forever" by Various Artists, with buttons for "AmazonMP3" and "Buy Song". The video has 109,943 ratings (5 stars) and 26,615,133 views. On the right side, there are two advertisements: "Wedding dance lessons NYC" and "Videographer Price Quotes". Below the ads is a user profile for "TheKheinz" with a "Subscribe" button. At the bottom right, there is an "Embed" section with a URL and an "Embed" button.

The video known as Jill and Kevin's Big Day, seen more than 26.6 million times, now is accompanied by ads and links to Amazon and iTunes where users can download the song "Forever."

YouTube appears to be mastering the art of turning video piracy into revenue for itself and its partners.

For years, the clips of television shows, music videos and other copyrighted content that users uploaded to YouTube without permission were a source of tension between Google, which owns YouTube, and media companies, which owned the copyrights.

But since last year, a growing number of media companies have stopped insisting that YouTube take down those unauthorized clips. Instead, they are choosing to claim the videos as their own, and allowing YouTube to sell advertising when people watch them. The revenue is split between YouTube and the content owners.

YouTube says that the clips uploaded by fans without permission account for a third of the video streams on which the company displays advertising. That number could grow after a deal to be announced Wednesday that will make it easier for many media companies to upload new content into YouTube's reference library of copyrighted audio and video.

YouTube said it reached agreements with Harmonic, Telestream and Digital Rapids, three little-known companies whose software helps to convert video and audio content into the digital files that allow media companies to transmit shows on broadcast television, cable, the Internet and mobile phones.

By tapping directly into the systems of these companies, YouTube said it would be able to identify clips almost immediately after a program or live event. The system will also reduce the number of steps media companies must take to get their reference files, often called fingerprints, into YouTube's system.

"It will be easier for media companies to use it, and they will use it in more ways," said David Trescot, vice president of the Rhozet business unit at Harmonic, whose software is used by major media companies like Fox, NBC, Turner and the BBC.

YouTube is not the first company to offer these capabilities. Other makers of video identification systems like Audible Magic, Vobile and Civolution, which help media companies spot their content on sites across the Web, already work with Harmonic. And Auditude, whose software is used by some media owners to identify and make money from videos on MySpace and other sites, already offers a system that automatically converts live television into digital fingerprints.

But the agreements with YouTube are significant, as the company accounted for 40 percent of all the online videos seen in the United States in August, according to comScore.

YouTube has promoted its two-year-old video identification service, called Content ID, as a solution to the piracy problem that plagued the site in its early days.

YouTube, which is still unprofitable, will not disclose how much revenue it earns for itself or for its partners from Content ID. But it said that media companies that choose to monetize clips uploaded by users, rather than take them down, tended to double the number of video streams from which they earn money.

YouTube recently highlighted a startling example of the system's success. It said that in July, a video of a wedding in which the entire wedding party cavort into church to the tune of Chris Brown's "Forever" was claimed by Mr. Brown's label, Jive Records.

The video, which has been seen more than 26.6 million times, now sports ads on its side and links to Amazon and iTunes where users can download "Forever." The song briefly climbed to the No. 3 and No. 4 most popular song on those two sites and the official "Forever" music video also had a spike in downloads.

Some music industry executives say they welcome the extra revenue that comes from such successes but add that it does not come close to making up for the overall decline in music sales.

YouTube said that 1,000 media companies, small and large, are using the Content ID system and about three-quarters of those choose to monetize clips. Among those using the system to block content is Viacom, which in 2007 filed a \$1 billion copyright infringement against YouTube.

New York Times, New York, Oct. 6th 2009, Internet, online.