

From Defendant to Business Partner: One Company's Road to Success.

By Gretal Schlichte

Imeem, a music-oriented website, had a bleak future when Warner Music Group sued it for copyright infringement, seeking up to \$150,000 for every unlicensed song it distributed. But two months into the litigation, Warner Music Group dropped the lawsuit, and even more surprisingly, invested in the start-up company and allowed access to all of Warner's music through streaming audio for a percentage of the website's advertising profits.

Breaking the law to get noticed in the industry has become a growing trend in start-up music websites. Without recognition a new website won't be able to get major licensing deals, but without the more popular music, it won't get recognition. This catch-22 puts growing companies in a position in which breaking the law is the only way to get ahead in the business world. And although a risky move, it has proved to be quite a successful venture for Imeem and many other Web music start-ups.

Source:

Kim Hart, *Breaking the Law To Get a Break*, WASHINGTON POST (March 21, 2008), available at <http://www.washingtonpost.com/wp-dyn/content/article/2008/03/20/AR2008032003729.html>.