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First Criminal Copyright Conviction Under the "No Electronic Theft" (NET) Act for Unlawful Distribution of Software on the Internet

EUGENE, OREGON AND WASHINGTON, D.C. -- The Justice Department, the United States Attorney for the District of Oregon, Kristine Olson, and the Special Agent in Charge of the FBI, Portland, Oregon Division, David W. Szady, today announced the felony guilty plea of Jeffrey Gerard Levy to criminal infringement of a copyright, in violation of 18 U.S.C. § 2319(c)(1) and 17 U.S.C. § 506(a)(2). Mr. Levy is the first person convicted under the No Electronic Theft ("NET") Act, enacted in 1997 to punish Internet copyright piracy. Mr. Levy, a 22 year-old senior at the University of Oregon, pled guilty in the United States District Court in Eugene, Oregon, before the Honorable Michael R. Hogan. At the time of the plea, Mr. Levy admitted that in January 1999, he illegally posted computer software programs, musical recordings, entertainment software programs, and digitally-recorded movies on his Internet web site, allowing the general public to download and copy these copyrighted products. Mr. Levy is scheduled to be sentenced by Judge Hogan on Tuesday, November 2, 1999, at 11:00 a.m. in the United States District Court in Eugene, Oregon.

The University of Oregon brought the case to law enforcement officials after it noted a particularly large volume of bandwidth traffic being generated from a web site on its server. The FBI and Oregon State Police began an investigation and confirmed that thousands of pirated software programs, movies, and music recordings were available for downloading from the site. A search warrant was executed on Mr. Levy's apartment in Eugene, Oregon, and authorities seized a variety of computer-related equipment used to distribute the pirated works through the Internet. The digital products distributed by Mr. Levy were the copyrighted works of numerous copyright owners, including several small software publishers.

United States Attorney Kristine Olson stated that this prosecution "represents the latest step in a major initiative of federal and state law enforcement representatives working together to prosecute electronic crimes." Ms. Olson stated that federal law enforcement will continue to pursue persons who infringe upon copyrights by reproducing or distributing such material on the Internet. She applauded the cooperative efforts of the FBI, the Oregon State Police, and the University of Oregon during the investigative phase of this case. She also expressed appreciation to the Software Information Industry Association, the Business Software Alliance,

the Motion Picture Association, Interactive Digital Software Association, and the Recording Industry Association of America for their assistance during the investigation.

Mr. Levy's plea is part of the "Intellectual Property Rights Initiative," announced by Deputy Attorney General Eric H. Holder, Jr. in San Jose, California on July 23, 1999. The initiative is led by the Justice Department, the FBI, and the Customs Service to focus increased investigative and prosecutive resources on copyright and trademark violations. James K. Robinson, Assistant Attorney General for the Criminal Division, said, "Mr. Levy's case should serve as a notice that the Justice Department has made prosecution of Internet piracy one of its priorities. Those who engage in this activity, whether or not for profit, should take heed that we will bring federal resources to bear to prosecute these cases. This is theft, pure and simple," Robinson said.

The NET Act was signed into law by President Clinton in December 1997, making it illegal to reproduce or distribute copyrighted works, such as software programs and musical recordings, even if the defendant acts without a commercial purpose or for private financial gain. If the defendant reproduces or distributes 10 or more copyrighted works that have a total value of more than $2,500, he or she can be charged with a felony, and faces a sentence of up to 3 years imprisonment and a fine of up to $250,000. A defendant who reproduces or distributes one or more copies of copyrighted works with a value of more than $1,000 can be charged with a misdemeanor, and face up to one year in prison and a fine of up to $100,000.

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