

Machinima, Collective Digital Studio File Suits Over Online-Video Music “Shakedown”

by David Bloom

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The big online-video companies [Machinima](#) and [Collective Digital Studio](#) filed federal lawsuits today against [Freeplay Music](#) LLC, a site that provides backing music for video creators. In the similar complaints, the two companies say Freeplay was effectively a “copyright troll,” offering music it said was free, then unilaterally changing licensing terms and threatening expensive lawsuits if it wasn’t paid.

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“After luring in unsuspecting consumers with the promise of ‘free’ music, Freeplay then encourages these consumers to use the music, including in their own [YouTube](#) videos,” the complaint by Machinima reads. “After the consumer follows Freeplay’s advice, Freeplay then traps the consumer by demanding that he or she pay outrageous ‘license fees’ for the use of music that was supposedly ‘free.’”



Rather than just post a takedown notice with YouTube’s standard copyright-protection system, the suit charges, “Freeplay sends the individual consumer a shakedown demand, threatening litigation if the consumer does not pay Freeplay an outrageous ‘license fee.’”

The payment demands are made by a separate company, TuneSat LLC, but that company and Freeplay were both founded and are still headed by CEO Scott Schreer. The suit says that Freeplay is running “a ‘bait and switch’ followed by extortion.” Schreer could not immediately be reached for comment.

Machinima and CDS operate two of YouTube’s biggest multi-channel networks, creating original content and representing independent online-video creators who rely on the companies to generate more ad revenue than they could do themselves. CDS, owned by German broadcaster ProSiebenSat.1, has more than 900 creators in its MCN. Machinima is one of earliest and biggest MCNs, focused on videogaming. It represents more than 30,000 creators.

“Both Machinima and Collective Digital Studio are honored to be a part of a vibrant and new creative community that produces incredible content and shares it with the world,” said a spokesperson for the two companies. “We take our commitment to that community, both to the creators and the legitimate rights holders out there, very seriously. When unscrupulous parties refuse to play by the rules and seek to take advantage of creators, we have and will fight for the community’s ability to entertain audiences. Beyond this sentiment, we will not be commenting on this pending litigation.”

The federal case was filed today in the Central District of California. Litigation by companies seeking to extract payments for either copyright or patent violations has filled the courts in recent years, and also spawned countersuits. The term “patent troll” or “copyright troll” typically refers to companies whose main business is extracting payments from even dubious violations of copyright or patent law, using the threat of ruinous legal fees to win quick and lucrative settlements.

Machinima and CDS are represented by Bryan Freedman and Sean Hardy of Freedman + Taitelman. The firm also has represented Deadline’s parent company, Penske Media Corp., in numerous legal proceedings.

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