The news this week has been full the SOPA/PIPA bills, and the arrest of Kim Dotcom and the forced closure of his MegaUpload website. It has made me think about the whole issue of Internet piracy.

My mind is very divided on the subject. Internet piracy does deny thousand of people of their rightful income. But piracy only exists because content is not available in the way the consumers want.

I have many friends in the film, TV and music industries. I definitely don't want to see them lose out due to piracy. It takes a lot of money to produce a movie, or a TV series, or make an album. Even indie productions are more costly than most people realise. If production companies lose money to internet piracy, we will end up with lower quality entertainment.

However, I think that piracy is a symptom of a greater problem. The content is not getting to the consumer in the way that they want. The distribution is inadequate. Sometimes the consumers have little option but to obtain a product illegally.

It is impossible to say what real financial impact of piracy is. The big production companies often throw out statement saying is costs them billions of dollars. They've recently had to admit that those numbers are bogus.(article on piracy estimates). The truth is that no one knows. Some studies have shown that piracy has a huge impact on the industry. Other studies say that the impact is very small. I have even read a couple that shows some parts of the industry actually benefit from the piracy.

Microsoft used to have real problems with people copying their software. They have lost some revenue from it, but it didn't stop them from becoming one of the most powerful software companies in the world.

I mentioned earlier that piracy sometimes happen through necessity. I'll use an example where I fell into the piracy temptation. I read about the TV series Moonlight back in 2008. I really wanted to watch it, but the series wasn't going to play in my country any time soon. There was not option to stream it - NetFlix doesn't operate in this country, and iTunes does not carry much content in this region. So, I was given an illegal copy which kept me happy for a while. It was the only way I could watch it. I couldn't exactly fly to America and hope it was on TV there. The series did eventually play at the end of 2011, and I did watch it then. In fact, because I knew about the series I encouraged a few friends to watch it on TV. So that actually increased the potential viewership. So, where did anyone lose income in that situation?

Now, one other quick point about the whole MegaUpload situation. File storage sites like MegaUpload, Rapidshare, FileSonic, WUpload, etc, just store files. Most of them store stuff securely and don't allow people to search what content is stored on their servers. I use a service like this to save my daily system backups. This is a completely legal use for the service they provide. I know that there are many others who use these services to share or store content in an appropriate way. When these sites get shut down there is an awful lot of personal information that will be lost. This applies to any information stored in the 'cloud'. Customers need some assurance that their information will be protected regardless of what other users get up to.

Most of the sites, including MegaUpload, have given access to copyright holders to review the content of the site to identify files that infringe their copyright. They can then have the files removed. This is similar to the way YouTube works.

YouTube is a much worse site for copyright infringement. Not only do people load copyrighted video, but anyone can search for it. The file storage sites cannot be searched. The person who uploaded the file must provide the link to the file. So many more can watch the content on YouTube than would ever happen on MegaUpload.

So, to summarise, the media companies need to do a lot more work to get their product to their customers if they want to kerb internet piracy.