

Subject: Fwd: Kazaa Disses Apple, Debuts Web-Based Music Streaming Service
For iOS, Android

From: "Matt Fischer" <[REDACTED]>

Received(Date): Mon, 07 Mar 2011 19:55:56 +0000

To: "Eddy Cue" <[REDACTED]> "Phil Schiller" <[REDACTED]> Ron
Okamoto" <[REDACTED]>

Date: Mon, 07 Mar 2011 19:55:56 +0000

Just FYI - Kazaa announced a web-based streaming music service for iOS, but that they're not planning to create a native iOS app due to the 30% IAP subscription rev share.

Best,

Matt

Begin forwarded message:

From: Farman Syed <[REDACTED]>

Date: March 7, 2011 11:40:03 AM PST

To: Chris Bell <[REDACTED]> Steve Gedikian <[REDACTED]> Pedraum
Pardehpoosh <[REDACTED]> Matt Fischer <[REDACTED]>

Subject: Kazaa Disses Apple, Debuts Web-Based Music Streaming Service For
iOS, Android

They're treating web apps as the innovative "solution" to circumventing the in-app subscription rules. Doesn't make a lot of sense...

Farman

<http://techcrunch.com/2011/03/07/kazaa-disses-apple-debuts-web-based-music-streaming-service-for-ios-android/>

Kazaa Disses Apple, Debuts Web-Based Music Streaming Service For iOS, Android

[Atrinsic](#), the direct and online search marketing agency that [acquired](#) the assets of former P2P

Exhibit
PX 418

PX-0418.1

APL-APPSTORE_00045793

sharing tool [Kazaa](#) a couple of months ago, is trying to drum up some attention for the digital music subscription service this morning. In a [press release](#), the company posits that there's been a 'breakthrough' for iPhone and iPad (and Android) users because its service is now 'accessible on iOS devices' simply by visiting [Kazaa.com](#).

Atrinsic is very explicit about why it is not taking the usual route of creating and marketing a dedicated mobile app for the mobile platform(s): it is not pleased with [Apple's](#) recent announcement that it will keep [30% of revenue](#) generated by [new subscriptions](#) and [media purchases](#) made within an iPhone or iPad app through its [App Store](#).

In addition, Atrinsic derides Apple's successful mobile app marketplace by deeming it "just one of many marketing and distribution channels" it already engages in (although there's never been an official dedicated iOS app for Kazaa to my knowledge).

The company says users can sign up and pay for Kazaa by charging their subscription to a credit card, mobile phone or home telephone bill after visiting [Kazaa.com](#) from their mobile phone's browser, thus bypassing Apple's [rigorous rules](#).

Well, thanks for making a clear statement on the matter (Apple's subscription policies are, after all, an [enormous issue](#) for music streaming service providers across the board), but how is that move a breakthrough rather than a step to (even more) obscurity?

Needless to say, it's already quite difficult to compete in the digital music streaming business with dedicated apps for multiple platforms users can easily find through marketplaces like the App Store and Android Market, so having a Web-only solution in my mind only makes it that much harder for Atrinsic to market Kazaa as a solid alternative to the likes of Rdio (which was ironically founded by the co-founders of Kazaa), MOG, Spotify, Rhapsody and many others.

Nevertheless, Atrinsic COO Ray Musci proclaims that the company still intends to broaden access for Kazaa with new and dedicated apps, so that the browser is not the only way customers can access the music streaming service.

Which makes me wonder why they're calling today's announcement a breakthrough, again.

I read an [article on Seeking Alpha](#) this morning that touted Kazaa's not having dedicated mobile apps as a potential stimulus for a strong comeback, which left me puzzled (even if the author of that article owns shares of publicly-listed Atrinsic).

I simply don't see how not being available on the various mobile app stores, which are growing more popular every day, can help Kazaa cement itself as a leader or even a serious challenger in the cutthroat music subscription space. It's tough enough to get discovered by enough users to make the investment in developing and publishing mobile apps viable as it is – going Web-only merely makes it tougher on Kazaa, even if Apple doesn't touch its margins that way.

[Kazaa](#)

Kazaa is a peer-to-peer file sharing application. Kazaa is now a fully licenced subscription service used to obtain over one million music tracks. [Learn More](#)