Part I. Please read the following news story carefully before answering questions.

A battle royale between Hollywood and file-sharing companies is taking center stage today as the Supreme Court hears arguments from the entertainment industry, which contends two file-sharing program companies should be held liable for illegal file swaps that take place on their networks.

The case could have major implications for peer-to-peer technology, copyright holders and file-sharing practices that spread far beyond just the two companies targeted in the case, StreamCast Networks Inc. and Grokster Ltd. The court's ruling could also have a sweeping impact on how consumers listen to and watch digital media products. For the recording industry, it's the latest stop on the fast train ride it has been taking to blast file-swapping companies and to try to stop digital piracy in its tracks. File-sharing supporters, however, say they aren't liable for any illegal trades of copyrighted songs and movies by users of their software and worry that technology innovation will be stifled by a ruling against the networks and continued legal volleys by Hollywood.

The case "is the culmination of five years of legal battles against the peer-to-peer networks that entertainment companies believe are undermining the viability of copyrights," CNET's News.com declared. "Two federal courts have already ruled in favor of the file-swapping companies, saying that the software should be compared to a photocopying machine or a VCR -- that it has enough legal uses to protect the file-swapping companies. Record labels and movie studios dispute that idea, saying that Grokster and StreamCast, the parent of the Morpheus service, have deliberately built their business on the existence of widespread copyright infringement. They're asking the Supreme Court to rule that any company whose business is predominantly supported by piracy should be liable for that infringement."

But despite what the Supreme Court decides, the case will be far from over, with Congress and state lawmakers expected to continue to weigh in on the issue well into the future. Meantime, a number of rock stars and other notable musicians are latching onto the case to fight against illegal downloads of their music, while some independent musicians and smaller-scale performers often depend on the "viral marketing" they get from free music downloads of their work.

While the case focuses on copyright law on the surface, it touches mightily on the use and development of technology. "The entertainment industry's argument has sent ripples of anxiety through Silicon Valley. Technology companies are leery of being held responsible for unforeseen or unauthorized uses of their software, and many are deeply concerned that the entertainment industry's proposal would force a potentially crippling legal review of virtually every product before its release. Intel, the Consumer Electronics Association, and other technology and venture capital groups have appealed to the court to avoid placing new liability on technology manufacturers, rather than on individuals who are infringing copyrights. As influential as the case is likely to be, few believe the issue will end with the Supreme Court, whose decision is expected in June. Many observers expect the losing side to take its case to Congress after the court rules," CNET said.
Picking up on the tech innovation threat theme, Art Brodsky of Internet civil liberties group Public Knowledge – a supporter of Grokster and StreamCast -- told The Boston Globe fallout from a ruling in Hollywood's favor could be: "If I build the next digital gadget, like an iPod, am I going to get sued?" More on this note, from an intellectual property and computer professor, James Gibson of the University of Richmond: "It's a collision of two of our biggest and fastest-growing industries in this country," Gibson told Bloomberg. "If the Supreme Court gets it wrong, innovation in one or the other industry is unduly hindered."

But the entertainment industry has said hogwash to this type of argument. "The Groksters of the world are not innovators. Far from it. They are parasites who hide behind technology as they steal from the artists that create entertainment," said Mitch Bainwol, head of the Recording Industry Association of America, as quoted by Red Herring. "They jeopardize the incentives to create new artistic works for society to enjoy."

The future of tech development appeared to be an issue that deeply concerned the High Court today, with concerns that legal maneuvering could stymie innovation on the Web. "During a lively argument, justices wondered aloud whether such lawsuits might have discouraged past inventions like copy machines, videocassette recorders and iPod portable music players -- all of which can be used to make illegal duplications of copyrighted documents, movies and songs. Justice Stephen G. Breyer said the same software that can be used to steal copyrighted materials offered at least conceptually 'some really excellent uses' that are legal. Justice Antonin Scalia maintained that a ruling for entertainment companies could mean that if I'm a new inventor, I'm going to get sued right away. 'While seeming leery of allowing lawsuits, the court also appeared deeply troubled by efforts of the companies that manufacture so-called file-sharing software to encourage Internet piracy and profit from it,' The Associated Press reported.

Despite the back-and-forth in court, a final decision is months away. "The Supreme Court has in the past protected technologies with substantial non-infringing uses, such as the VCR and MP3 players. However, surveys show that over 90 percent of P2P users are swapping copyrighted content. Based on these numbers, entertainment firms plan to attack the networks in court, rather than the technology itself," BetaNews noted. "Nonetheless, technology companies are worried that a decision against file sharing could upset the Betamax precedent, which sanctioned the sale of videocassette recorders even though they could be used to copy television shows. Grokster and StreamCast will be facing an uphill battle against 38 entertainment companies and over 27,000 music publishers and artists. P2P has found some major supporters, however; Broadcast.com billionaire Mark Cuban says he will finance Grokster's legal fight against MGM."

Jon Healey of The Los Angeles Times provided one of the more accurate analogies and cut to the chase in his preview coverage yesterday about the crux of the case: "The entertainment and technology industries' most important legal dispute in two decades hinges on a question Hollywood confronts every day: What makes a bad actor? ... Seven major studios, four major record companies and 25,000 music publishers claim that StreamCast Networks Inc. and Grokster Ltd. are 'bad actors' in the high-tech world that built businesses around people making illegal copies of movies and music," Healey wrote. "'Grokster and StreamCast cannot escape the reality that copyright infringement is their business,' lawyers for the movie and music companies contended in court papers, adding that a company should be liable whenever the "principal or primary use" of its product is piracy. The case has triggered a fierce response from the high-tech and consumer electronics industries, which argue that the
entertainment conglomerates are trying to blur the line between good technology and bad behavior. They want the high court to reaffirm its landmark 1984 ruling in the Sony Betamax case, which protected companies whose products were capable of substantial legitimate uses as well as illegitimate ones."

Linda P. Campbell of the Detroit Free Press said the case has a lot to do with money, not just technology, writing that "it boils down to this: Will companies that facilitate free downloading of copyrighted movies, music, sports highlights, books, photos and other materials over the Internet be able to continue distributing their software -- or will cyberspace free-riders and their enablers have to pay up? It's notable that the legal precedent at issue, the 1984 Supreme Court ruling in Sony Corp. of America v. Universal City Studios, also known as the Betamax case, represents a telling example of the entertainment industry proving wildly incorrect in its doomsday predictions about the impact of technical innovation on copyright holders. Video recorders didn't doom cinema, after all. Still, the entertainment behemoths insist that they're losing multi-hundreds of millions of dollars because Internet users illegally share their products for free online. The studios, record companies and songwriters want Grokster and StreamCast Networks, companies that make the exchanges possible, to be stopped."

**Questions:**

※Questions 1 to 10 are single-choice, and a 2-point penalty will be assessed to each wrong answer. Please choose the "most appropriate" answer.

1. Which of the following statements is an undisputed fact? (4 points)
   A) Sony Corp. of America won the landmark 1984 Betamax case.
   B) The peer-to-peer software provided by Grokster has insignificant legitimate uses.
   C) The entertainment industry is suing Grokster and StreamCast Networks because they are too greedy.
   D) There is no way for Grokster and StreamCast Networks to be liable for the illegal activities engaged by their users.
   E) Each of the above is an undisputed fact.

2. Which of the following is convinced that peer-to-peer software should be stopped because of the amount of illegal file-sharing taking place? (4 points)
   A) Stephen G. Breyer.
   B) Art Brodsky.
   C) Linda P. Campbell.
   D) Antonin Scalia.
   E) Mitch Bainwol.

3. Which of the following is a valid rebuttal to the argument "Grokster is liable because users of its software are engaging in illegal file-sharing activities"? (4 points)
   A) The entertainment industry has been making too much money anyway.
4. **What can be inferred from the news story?** (4 points)
   A) If the entertainment companies promise not to sue any other inventor, Justice Scalia will rule in their favor.
   B) If a technology has all but non-infringing uses, it can be prohibited.
   C) Congress is leaning toward the entertainment industry in this matter.
   D) The entertainment industry will win this case because they have the copyright law on their side.
   E) All of the above.

5. **The 1984 Supreme Court ruling in Sony Corp. of America v. Universal City Studios became a landmark decision because ... ?** (4 points)
   A) it gave Universal City Studios and the Hollywood movie industry a morale boost.
   B) Universal City Studios and the Hollywood movie industry suffered greatly after loosing the case.
   C) it casts a long shadow over technological innovation.
   D) Justices on the case are the same as those hearing the current case.
   E) it let stand a technology even though it was widely used for illegal copying.

6. **Which of the following is a suitable headline for this news story?** (4 points)
   A) Grokster in Court.
   B) Legal Actions Loom over P2P Software Companies.
   C) A Supreme File-Sharing Case.
   D) Hollywood Has Its Way in Court.
   E) All of the above are suitable.

7. **Which of the following does not belong?** (4 points)
   A) Digital Camera.
   B) Photocopying machine.
   C) Betamax.
   D) iPod.
   E) Morpheus.

8. **The case is not a battle between ... ?** (4 points)
   A) Grokster and MGM.
B) content creation and technological innovation.
C) Hollywood and file-sharing companies.
D) Sony and Universal City Studios.
E) the entertainment industry and the Silicon Valley.

9. Many technology companies side with Grokster mainly because … ? (4 points)
   A) they invest heavily in the company.
   B) they hate the fact that entertainment companies make more money than they do.
   C) their employees use Grokster heavily.
   D) they want to prevent future law suits against new technologies.
   E) they are backing up Mark Cuban.

10. Which of the following statements is true? (4 points)
    A) The entertainment conglomerates will win in the end, because they always do.
    B) The battle is likely to continue even after the Supreme Court rules in a few months.
    C) Movie studios, record companies and songwriters are all united in their fight against P2P software.
    D) Justices Breyer and Scalia are ready to rule for Grokster and StreamCast.
    E) The 1984 Betamax case has no bearing on the current case.

11. Please state your comments, in English, about the case, using no more than 5 complete sentences. (10 points)


Part II. Please read the following paragraphs before answering the questions below them.

Who Owns Your Genes?

Erich Karl Fuchs had his first AIDS test in 1988. The test, he thought, would confirm the inevitable -- it would show he was infected with the AIDS virus.

Mr. Fuchs, who is gay, had had unprotected sex over the years with men who carried the virus. It stood to reason that he, too, would be infected.

But, to his astonishment, the test showed no evidence of the virus. "I said, 'This has got to be wrong,'" Mr. Fuchs said. "Then I took the test again and I took it again." The results never varied.

Over the next six years, Mr. Fuchs repeatedly got in touch with AIDS researchers and asked them to study him and figure out why he seemed to be immune to the virus, H.I.V. But, he said, the scientists told him they were not interested.

Finally, in 1994, Mr. Fuchs, still uninfected, tried again at a place he had approached earlier, the Aaron Diamond AIDS Research Center in New York. This time, he said, the researchers agreed to study him. The result was dumbfounding. Try as they might, in laboratory tests, the center's scientists could not get the AIDS virus to enter Mr. Fuchs's cells.

After months of fevered research, the scientists at Aaron Diamond discovered why Mr. Fuchs and another man with a similar experience were immune. The men had inherited a gene that results in a blocked porthole into white blood cells, preventing the virus from slipping in. The investigators went on to isolate the gene, discover how it worked and learn how many other people have it.

On May 2, the research center was awarded a patent for a test to identify people who have the H.I.V.-resistance gene, allowing it to share in any profits from the test.

But what about Mr. Fuchs and the other man, Steve Crohn? They say they approached Aaron Diamond scientists and suggested that they be studied. They offered their blood, they participated in the research project, they helped the research center garner publicity for its discovery.

"I just wanted to do something good," Mr. Fuchs said. "But once money came into the picture, why not have it be shared with me?"

These days more and more patients are asking the same question. Laboratories offer tests for more than 700 human genes, with more being discovered almost daily. And, for almost every gene, some medical institution or some company owns a patent on its use.

"The value of patients' tissues has potentially gone up enormously," said Dr. Barry Eisenstein, the vice president for science and technology at the Beth Israel Deaconess Medical Center in Boston. But, Dr. Eisenstein said, patients whose cells provided the genes that have been patented are almost never compensated.
Whether any money has been made from tests based on their genes -- and in the case of the AIDS-resistance gene, none yet has -- some patients have become wary about providing their tissue for genetic research. A few have demanded money up front before providing tissue. Others are writing contracts spelling out what they are entitled to if they help scientists find genes.

Some experts on patent law say that it would be unfortunate if patients start demanding financial rewards for participating in research.

"I hate to create incentives that would lead people to get greedy," said Rebecca Eisenberg, a patent law expert at the University of Michigan. "I am worried that there are just too many mouths at the feeding troughs of pharmaceutical products."

Other experts say the current system of awarding gene patents seems unjust.

Dr. Robert Cook-Deegan, an investigator at the Kennedy Institute of Ethics at Georgetown University, said: "We have a system where the research participants are treated as pure altruists, but everyone else is treated as a pure capitalist. I don't think that's quite fair."

The problem, said Hank Greely, a law professor at Stanford University, is that the rules of the game seem to have changed.

"It used to be that when you were a research subject, you were doing it for free and you assumed that the people on the other side were doing it for free -- at least for academic research," Professor Greely said. "These days, there is very little academic research that doesn't have some commercial interest, and almost always now the researcher has a potential commercial interest. Someone might say, 'Look, I'm willing to do this for the good of humanity if everyone else is, too. But if someone on the other side is going to make billions of dollars, I want some, too.'"

**Questions:**

※Please answer only in English. Answers in Chinese will not be graded.

1. Is collecting human tissue or blood for research a new idea in medical studies? Why does it draw more attention nowadays? (15%)

2. Should donors of tissue/blood have the right to receive benefit-sharing when research utilizing their tissue/blood eventually yields a profit? Why or why not? (15%)

3. Do you think collection of human tissue/blood for research needs to be regulated by laws? Why or why not? (20%)