

The World Wide World: IT Ain't Just the Web Anymore!

The following is excerpted from the March 2005 issue of Release 1.0.

Grouper Networks: Will you be in my group?

BY CHRISTINA KOUKKOS

Launched in October 2004, Grouper is a private personal peer-to-peer file-sharing network. Sound illegal? It's not. At least the founders, CEO Josh Felser and president David Samuel, hope the RIAA and MPAA will see it that way. "Grouper is designed for people who know each other to share personal media," says Felser. "It allows me to share my home movies with people I trust, and then to communicate about them. We want to turn every user's PC into a server, and every user into a publisher," says Felser.

Felser and Samuel previously co-founded Spinner.com, a Web radio service that offered more than 100 different channels of streaming audio. The pair sold the company to AOL in May 1999 for \$320 million in stock and stayed on with AOL, Felser as general manager of AOL's music brands until February 2001, and Samuel as VP of technology until May 2000.

In its most basic form, Grouper is a simple piece of software that allows an individual to invite his friends into a group, and then helps members of that group share a particular set of files and folders on each other's computers. The company has so far stayed out of the quicksand of intellectual property rights infringement by limiting to 30 the number of people in a group. And while users can download each other's photos, videos and documents, they can only stream music files.

The Grouper interface is heavily focused on communication and interaction around the files being shared. Felser says that among beta users there is "a grassroots demand for people who don't know each other directly and want to connect" through friends. To that end, each member of a group can view other members' personal profiles, which must include a valid e-mail address. Group members can communicate using their regular e-mail client, or use the embedded instant-messaging and e-mail applications. Grouper also includes an open-invite feature that lets a group leader – say, a musician or amateur radio broadcaster – allow any registered Grouper member to join her group through a link on a website. .

Release 1.0® (ISSN 1047-935X) is published monthly except for a combined July/August issue by CNET Networks, 104 Fifth Avenue, New York, NY 10011-6987; 1 (212) 924-8800; fax, 1 (212) 924-0240; www.release1-0.com. It covers the worlds of information technology and the Internet, including wireless communications, security, business models, online services, tracking systems, identity management and other unpredictable topics. . .and the policy issues they raise.

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.though the total number of members for any particular group is still limited to 30.

Because these files and relationships are private by definition, says Felser, Grouper “doesn’t monitor anything that’s being shared. The files and communications between members are encrypted, and presence is distributed into the network. None of our servers handles presence.” Grouper servers store and manage only the encryption keys for each group, and authenticate connections between group members. And since all traffic is encrypted, Grouper does not know what is being shared or exchanged by group members. . .helping it avoid tricky IP and illegal content issues. It does, however, track aggregated and anonymized statistics about what types of files (music, photos, video, documents) are being shared. Users can opt out of this tracking if they like.

But Grouper isn’t limited to simple file sharing. Among other features in the release it will debut at PC Forum, the company will announce and launch a more sophisticated file-discovery mechanism based on the concept of “interestingness,” a term coined by Joshua Schachter, creator of bookmark-sharing site del.icio.us. Interestingness is similar to Google’s Page Rank, but instead of being based on the number and quality of links to a page, it is based on attention metrics - the number times a file is downloaded, streamed or viewed, the “quality” of people who do so and, in Grouper’s case, a ranking system for the content.

So far, Grouper’s application has been downloaded more than 200,000 times. About 60 percent of those downloads became active clients, says Felser. Based on a survey of Grouper’s users, files shared are evenly split among photos, games, music and video clips.

Once the service launches, Felser says, the company will make money in three ways: It will display rich-media advertising in the free client and will offer a for-fee premium version that gives users additional capabilities including tools to manage their own personal network of PCs and devices. Finally, the company plans to partner with an e-commerce provider to offer members the ability to buy and sell media.