INSIDE SONY PICTURES:The Story Of Innovation Theft By Sony



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Introduction:

The recent hacks and leaks at Sony Pictures Entertainment have exposed the dark side of Hollywood. The new information reveals an insider vision of a company racked with sexism, office politics, high-school-level personality quibbles and a severe mine-is-bigger-than-yours territoriality culture.

A number of lawsuits against Sony, from Lady GaGa to Sony's own employees, have revealed even more.

An aspect of the revelations involves where Sony gets it's ideas from. A number of revelations reveal that Sony seems to have established a process of "borrowing" technology and story ideas while "forgetting" to properly attribute or pay the sources.

"SEEKING LAWYER TO SUE SONY PICTURES; HAVE PRE-KOREAN EVIDENCE OF NAUGHTY DEEDS BY SONY"

By Tony Dime – AV Web News

The kids at Sony seem to have been very naughty children. They let their IT system go to pot, and got hacked, and outed, as "racist", "misogynist", "campaign rigging", "high school tantrum throwing" kinds of people, per their own emails. Hollywood Reporter, The Verge, Wikileaks, and a variety of tabloids and pundits, have delighted in dissecting the fraternity house, inside antics, of Sony Pictures. Their boss got fired. They got ridiculed for turning "Zero Dark Thirty" into a, slightly fabricated, political vote-churn tool. Other execs got kicked to the curb. All of their financial, contracting, political cash layout, and tax dynamics were placed under investigation, and even more sketchy bits are shaking loose...

Then I saw this ad online: "SEEKING LAWYER TO SUE SONY PICTURES; HAVE PRE-KOREAN EVIDENCE OF NAUGHTY DEEDS BY SONY". My curiosity drew me to look into this.

The latest issue has to do with Sony's hope for its future. The movie box office numbers, from walk-in theaters, are not so swell. The world has discovered, and embraced, digital media. Netflix users are going up, up, up and print media is dead. Sony's future depends on digital media.

Sony is rushing to play catch-up with Sony Vue Video-on-Demand and VR headsets to watch digital movies in. Other content owners are worried about Sony being in charge of their digital content, if Sony can't even keep its own digital house in order. Documents from the hacks, and whistle-blowing from past employees and investment banks, confirm that Sony has spent many billions on it's digital video program and intends to make vast billions of dollars off of digital video-on-demand.

Sony was not always in a jam to try to get digital done right. In 1998 Sony approached a small technology group (Let's call them "ABC Group") in San Francisco, which had developed the first full-screen web video. The technology was the first to deliver full screen, high definition, full frame-rate, full color, small data demand, movies and music, over the internet, using any standard browser. For their demonstrated accomplishments, "ABC Group" had received TV news coverage, feature print news article acclaim and even a White House commendation. "ABC" had the first version of "youTube" working, online, before "youTube" even existed.

No other company had done this exact thing before, nor had anybody patented it, and demonstrated it, nor did anyone have this much of a leg up on it, like "ABC Group" had. "ABC Group", accurately, predicted that movies on the web, and their technology approach, would be a "big thing".

This was before YouTube, Napster, Bittorent, iTunes, Vudu, or the rest, had even been formed. One of this group's biggest pitches was that their movies were un-hackable, because their technology allowed them to put thousands of digital padlocks throughout each movie, so that no hacker would even bother with the hassle of trying to open all of those locks. Today, Sony appreciates that factor more than ever.

Sony had kept it's eye on this group, since this group first developed, built and patented, the first wearable VR headset movie system. Sony's Director of Worldwide Pay-Per-View: Lawrence Hess; Sony's Vice President of Marketing: Ira Rubenstein; Sony's Manager of Corporate Development: Steven C. Tsai; Sony's Vice President of Sales & Advertising for Pay Television & Airlines: Cheryl Koll; and Sony's Director of Marketing: Andrew Schneider; contacted the heads of "ABC Group" and said that they wanted the technology and invited "ABC" to come to Sony Headquarters in Los Angles to make a full board presentation.

At one of the multiple (recorded) meetings with senior Sony staff, there were so many Sony Executives, many of whom had flown in from Japan, that many were shaking hands, for first-ever meetings, and commenting: "Oh, you are the head of so-and-so department, I read about you in Variety all the time."

In addition to the above, other Sony luminaries at the discussions included: Sony's Vice President of Post Production Services: Patricia Furnare; Sony's Director of Marketing for Sony Semiconductor: Thuy T. Nguyen; Sony's Product Marketing Manager for Consumer a/v/d for Sony Semiconductor: Grace Wei; Area Sales Manager for Sony Semiconductor: Jerry K. Smith; Sony Vice President of Corporate Development: Patrick Kennedy; Sony Vice President of Business & Legal Affairs: Eric I. Baum and other top Sony leaders.

During one of the largest meetings, a fight broke out between Sony executives in which one group said, about "ABC's" technology: "We must stop this, it could destroy our business plan"; while another group yelled out: "We must do this, it is the business plan of our future."

"ABC" demonstrated their Playstation-like video cartridges and gamebox/video player web connected hardware box and software. Many, many non-disclosure agreements, and contracts, were signed by Sony pictures, but were later found to have been broken by Sony executives.

After dangling "investment" and "acquisition offers" and requiring extensive "investment review" of the technology, Sony later says: It is "too early to talk about this".... It is a bit too "futuristic"..." Essentially a "Thanks, but no Thanks".

"ABC" had many "how to" meetings with all of the key Sony engineers and executives. Extensive numbers of highly encouraging emails, letters and contracts were exchanged. All of those documents and communications have now been recovered and this reporter has viewed many of them. It looks, now, like all of the meetings were simply "fishing expeditions", by Sony, to get free lessons in how to build the technology. Sony executives had always promised "ABC": "Don't worry", "We will take care of you"... but they never did.

Years later, "ABC" discovers a patent that Sony had rushed out to file, right after one of the largest meetings with "ABC". The man who had first solicited "ABC" on behalf of Sony: Sony's Vice President of Marketing: Ira Rubenstein; had listed himself as the "inventor" on Sony's patent

application. The Sony patent application described a clone of the "ABC" technology. Many of the other Sony executives, from those meetings with "ABC", had also put their names on the patent as "co-inventors". "ABC" always found this sudden inventive spirit by Mr. Rubenstein to be amazing, since, at the same time, he was sending emails to the founders of "ABC" describing himself as a "computer idiot" and lamenting his inability to get technology to work.

This was the same Ira Rubenstein who stood on stage at the Variety Entertainment Magazine industry-wide event, and proclaimed to the heads of the entertainment industry, that: "The future of the web will be brought to you by Sony Pictures and "ABC Group"..." As he pointed to "ABC Group" staff standing in the room. He said this on-camera, on behalf of Sony Pictures.

Sony's patent filing, and their later digital music and video roll-outs, turned out to be complete copies of the system ABC had engineered, built, launched, demonstrated and patented. As history now shows, Sony went right out and copied the technology, as soon as they got done sifting through "ABC's" intellectual property.

In an even more profound slap in the face: when forensic intellectual property experts scoured Sony's federal patent files, they found an ironic smoking gun! In Sony's own patent files, submitted to the U.S. Government, the hired Sony patent writers, who had drafted the patent, had accidently left in the written notations about "ABC Group"! In all of Sony's patent materials, then, the only outside source of inspiration mentioned was "ABC Group". Sony's own, federally filed, patent notes prove where Sony got their engineering and intellectual property from: "ABC"

Sony's own materials, again, come back to bite Sony in the butt, after the Korean hack. It turns out that what they had said that digital media exploitation was making was not what the true number, it was much, much higher. Web video was making more than Sony had said, and Sony planned big profits, in the next years, off of that single technology shift. Everyone enjoyed seeing all of the South Pacific Island trips, private schools and multiple homes that Sony executives were always bragging about. That digital media exploitation sure pays well. "ABC" was curious about when their money from Sony might show up so they could, also, get a private beach house in Tahiti. Ironically, if Sony had used "ABC's" hack prevention technology on its own corporate files, the hackers from Korea never would have been able to hack Sony's corporate files.

After seeing some of the newer confirming documents, "ABC" asked George Clooney's agent, a man who Sony, at one time, respected, to assist with negotiating a settlement. Sony's CEO, though, was facing extraction, and that potential settlement deal did not evolve.

To date, according to Sony documents, and Staff, Sony has made over \$18 Billion+ dollars exploiting "ABC's" technology. Sony has paid "ABC" and its lead staff exactly ZERO!

Big companies tried to stop, hit-job, blockade and blacklist ABC from getting "those damn movies on that internet"; but it is now the main way that people see media. It is no longer possible for Sony to say the technology couldn't have worked. It is working in Sony's own products.

Current Sony lawyers say that they were not around "back then" and that Sony has "No obligation". The records, recordings and documents tell a different story. "ABC" wrote the head of Sony Corporate in Japan. They advised him that Sony executives were being dishonorable. He has yet to reply.

"ABC" is looking for a law firm to sue Sony. Suing Sony is a pricey proposition and Sony knows this. That is why Sony used to be quite cavalier about their actions around the use of the property of artists, performers, musicians and technologists. In these post hack days, though, with hard evidence on the table, maybe they will change their tune.

The value of a big corporation is its brand. If the brand of Sony is tied to remarks and actions about racism, women, ego's and idea theft, then Sony has a long row to hoe. Sony might want to do the right thing here and finally return "ABC"'s phone call. Sony Vice President of Litigation: Kathleen M. Hallinan; said that "ABC" was too small to take Sony on and refuses to even have a single discussion about the matter.

Will this ever go away? "ABC" says: "Never!.. not until we get a fair discussion."

Sony just launched their Sony Vue copy of ABC's technology so the clock has a long time to run. Sony has now publicly delivered the technology that "ABC" created, without paying "ABC" a dime.

The Hacks



Sony Pictures Entertainment hack



The headquarters of Sony Pictures Entertainment in Culver City, California, United States

On November 24, 2014, a <u>hacker</u> group which identified itself by the name "Guardians of Peace" (GOP) <u>leaked</u> a release of confidential data from the <u>film studio Sony Pictures Entertainment</u>. The data included personal information about Sony Pictures employees and their families, e-mails between employees, information about executive salaries at the company, copies of then-unreleased Sony films, and other information.[1]

In December 2014, the GOP group demanded that Sony pull its film *The Interview*, a comedy about a plot to assassinate North Korean leader <u>Kim Jong-un</u>, and threatened <u>terrorist attacks</u> at cinemas screening the film. After major U.S. cinema chains opted not to screen the film in response to these threats, Sony elected to cancel the film's formal premiere and mainstream release, opting to skip directly to a digital release followed by a limited theatrical release the next day.[2][3][4]

United States intelligence officials, after evaluating the software, techniques, and network sources used in the hack, alleged that the attack was sponsored by North Korea.[5] North Korea has denied all responsibility.

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Hack and perpetrators

The duration of the hack is yet unknown, though a purported member of the Guardians of Peace (GOP) who have claimed to have performed the hack stated that they have had access for at least a year prior to its discovery in November 2014, according to <code>Wired.[6]</code> The hackers involved claim to have taken more than 100 terabytes of data from Sony, but that claim has never been confirmed.[7] The attack was conducted using malware. Although Sony was not specifically mentioned in its advisory, US-CERT said that the attackers used a <code>Server Message Block</code> (SMB) Worm Tool to conduct attacks against a major entertainment company. Components of the attack included a listening implant, backdoor, proxy tool, destructive hard drive tool, and destructive target cleaning tool. The components clearly suggest an intent to gain repeated entry, extract information, and be destructive, as well as remove evidence of

the attack.[8] The cleaning tool used on Sony's computer infrastructure, <u>Wiper</u>, is a <u>malware</u> program designed to erase data from the servers.[9]

Sony was made aware of the hack on Monday, November 24, 2014, as the malware previously installed rendered many Sony employees' computers inoperable by the software, with the warning by a group calling themselves the Guardians of Peace, along with a portion of the confidential data taken during the hack.[10] Several Sony-related Twitter accounts were also taken over.[6] This followed a message that several Sony Pictures executives had received via email on the previous Friday, November 21; the message, coming from a group called "God's Apstls" [sic], demanded "monetary compensation" or otherwise, "Sony Pictures will be bombarded as a whole".[10] This email message had been mostly ignored by executives, lost in the volume they had received or treated as spam email. [10] In addition to the activation of the malware on November 24, the message included a warning for Sony to decide on their course of action by 11pm that evening, although no apparent threat was made when that deadline passed.[10] In the days following this hack, the Guardians of Peace began leaking yet-unreleased films and started to release portions of the confidential data to attract the attention of social media sites, although they did not specify what they wanted in return.[10] Sony quickly organized internal teams to try to manage the loss of data to the Internet, and contacted the FBI and the private security firm FireEye to help protect Sony employees whose personal data was exposed by the hack, repair the damaged computer infrastructure and trace the source of the leak.[10] The first public report concerning a North Korean link to the attack was published by Re/code on November 28 and later confirmed by NBC News[11]

"This is absurd. Yet it is exactly the kind of behavior we have come to expect from a regime that

threatened to take 'merciless countermeasures' against the U.S. over a Hollywood comedy, and has

no qualms about holding tens of thousands of people in harrowing gulags."

—<u>U.S. Ambassador to the U.N. Samantha Power</u>

On December 8, 2014, alongside the eighth large data dump of confidential information, the Guardians of Peace (GOP) threatened Sony with language relating to the <u>September 11 attacks</u> that drew the attention of U.S. security agencies.[10][12] <u>North Korean</u> state-sponsored hackers are suspected by the United States of being involved in part due to specific threats made toward Sony and movie theaters showing <u>The Interview</u>, a comedy film about an assassination attempt against <u>Kim Jong-un.[13]</u> North Korean officials had previously expressed concerns about the film to the <u>United Nations</u>, stating that "to allow the production and distribution of such a film on the assassination of an incumbent head of a sovereign state should be regarded as the most undisguised sponsoring of terrorism as well as an act of war."[14]

In its first quarter financials for 2015, Sony Pictures set aside \$15 million to deal with ongoing damages from the hack. [15] Sony has bolstered its cyber-security infrastructure as a result, using solutions to prevent similar hacks or data loss in the future. [10] Sony co-chairperson, Amy Pascal, announced in the wake of the hack that she would step down as of May 2015, and instead will become more involved with film production under Sony. [16]

Information obtained

According to a notice letter dated December 8, 2014, from SPE to its employees, SPE learned on December 1, 2014, that personally identifiable information about employees and their dependents may have been obtained by unauthorized individuals as a result of a "brazen cyber-attack", including names, address, social security numbers and financial information.[17] On December 7, 2014, C-SPAN reported that the hackers stole 47,000 unique Social Security numbers from the SPE computer network. [18]

Although personal data may have been stolen, early news reports focused mainly on celebrity gossip and embarrassing details about Hollywood and film industry business affairs gleaned by the media from electronic files, including private e-mail messages, released by the computer criminals. Among the information revealed in the e-mails was that Sony CEO <u>Kazuo Hirai</u> pressured Sony Pictures cochairwoman Amy Pascal to "soften" the assassination scene in the upcoming Sony film *The Interview*. [19] Many details relating to the actions of the Sony Pictures executives, including Pascal and Michael Lynton, were also released, in a manner that appeared to be intended to spur distrust between these executives and other employees of Sony.[10]

Other e-mails released in the hack showed Pascal and Scott Rudin, a film and theatrical producer, discussing Angelina Jolie. In the e-mails, Rudin referred to Jolie as "a minimally talented spoiled brat" and criticized her wanting David Fincher to direct her film Cleopatra, which Rudin felt would interfere with Fincher directing a planned film about Steve Jobs.[20] Pascal and Rudin were also noted to have had an e-mail exchange about Pascal's upcoming encounter with Barack Obama that included characterizations described as racist.[21][22][23] The two had suggested they should mention films about African-Americans upon meeting the president, such as Django Unchained, 12 Years a Slave and The Butler, all of which depict slavery in the United States or the pre-civil rights era.[21][22][23] Pascal and Rudin later apologized.[21][23][24] Details of lobbying efforts by politician Mike Moore on behalf of the Digital Citizens Alliance and FairSearch against Google were also revealed.[25]

The leak revealed multiple details of behind-the-scenes politics on <u>Columbia Pictures</u>' current <u>Spider-Man film series</u>, including e-mails between Pascal and others to various heads of <u>Marvel Studios</u>.[26] In addition to the emails, a copy of the script for the <u>James Bond film Spectre</u>, released in 2015, was obtained.[27] Several future Sony Pictures films, including <u>Annie</u>, <u>Mr. Turner</u>, <u>Still Alice</u> and <u>To Write Love on Her Arms</u>, were also leaked.[28][29][30] The hackers intended to release additional

information on December 25, 2014,[31] which coincided with the release date of *The Interview* in the United States.

According to *The Daily Dot*, based on the e-mail leaks, while he was at Sony, executive Charles Sipkins was responsible for following senior executives' orders to edit <u>Wikipedia</u> articles about them. [32]

In December 2014, former Sony Pictures Entertainment employees filed four lawsuits against the company for not protecting their data that was released in the hack, which included <u>Social Security</u> numbers and medical information.[33]

In January 2015, details were revealed of the MPAA's lobbying of the United States International Trade Commission to mandate US ISPs either at the internet transit level or consumer level internet service provider, to implement IP address blocking pirate websites as well as linking websites.[34] WikiLeaks published over 30,000 documents that were obtained via the hack in April 2015, with founder Julian Assange stating that the document archive "shows the inner workings of an influential multinational corporation" that should be made public.[35]

In November 2015, after <u>Charlie Sheen</u> revealed he was HIV positive in a television interview to <u>Matt Lauer</u>, it was revealed that information about his diagnosis was leaked in an email between senior Sony bosses dated March 10, 2014.[36][37]

Threats surrounding The Interview

On December 16, for the first time since the hack, the "Guardians of Peace" mentioned the thenupcoming film *The Interview* by name, and threatened to take terrorist actions against the film's New York City premiere at Sunshine Cinema on December 18, as well as on its American wide release date, set for December 25.[38] Sony pulled the theatrical release the following day.

We will clearly show it to you at the very time and places *The Interview* be shown, including the premiere, how bitter fate those who seek fun in terror should be doomed to. Soon all the world will see what an awful movie Sony Pictures Entertainment has made. The world will be full of fear. Remember the <u>11th of September 2001</u>. We recommend you to keep yourself distant from the places at that time. (If your house is nearby, you'd better leave.)

Whatever comes in the coming days is called by the greed of Sony Pictures Entertainment. All the world will denounce the SONY.[39]

<u>Seth Rogen</u> and <u>James Franco</u>, the stars of *The Interview*, responded by saying they did not know if it was definitely caused by the film, [40] but later cancelled all media appearances tied to the film outside of the planned New York City premiere on December 16, 2014. [41] Following initial threats made towards theaters that would show *The Interview*, several theatrical chains, including <u>Carmike Cinemas</u>, <u>Bow Tie Cinemas</u>, <u>Regal Entertainment Group</u>, <u>AMC Theatres</u> and <u>Cinemark Theatres</u>, announced that they would not screen *The Interview*. [42] [43] [44] The same day, Sony stated that they would allow

theaters to opt out of showing *The Interview*, but later decided to fully pull the national December 25 release of the film, as well as announce that there were "no further release plans" to release the film on any platform, including home video, in the foreseeable future.[45][46][47]

On December 18, two messages (both allegedly from the Guardians of Peace) were released. One, sent in a private message to Sony executives, stated that they would not release any further information if Sony never releases the film and removed its presence from the internet. The other, posted to <u>Pastebin</u>, a web application used for text storage that the Guardians of Peace have used for previous messages, stated that the studio had "suffered enough" and could release *The Interview*, but only if Kim Jong-un's death scene was not "too happy". The post also stated that the company cannot "test [them] again", and that "if [Sony Pictures] makes anything else, [they] will be here ready to fight".[48]

President Barack Obama, in an end-of-year press speech on December 19, commented on the Sony hacking and stated that he felt Sony made a mistake in pulling the film, and that producers should "not get into a pattern where you are intimidated by these acts".[49] He also said, "We will respond proportionally and we will respond in a place and time and manner that we choose."[50] In response to President Obama's statement, Sony Entertainment's CEO Michael Lynton said on the CNN program Anderson Cooper 360 that the public, the press and the President misunderstood the events. Lynton said that the decision to cancel the wide release was in response to a majority of theaters pulling their showings and not to the hackers' threats. Lynton stated that they will seek other options to distribute the film in the future, and noted "We have not given in. And we have not backed down. We have always had every desire to have the American public see this movie."[51][52]

On December 23, Sony opted to authorize approximately 300 mostly-independent theaters to show *The Interview* on Christmas Day, as the four major theater chains had yet to change their earlier decision not to show the film.[53][54] The FBI worked with these theaters to detail the specifics of the prior threats and how to manage security for the showings, but noted that there was no actionable intelligence on the prior threats.[55] Sony's Lynton stated on the announcement that "we are proud to make it available to the public and to have stood up to those who attempted to suppress free speech".[56] *The Interview* was also released to <u>Google Play</u>, <u>Xbox Video</u>, and <u>YouTube</u> on December 24.[57] No incidents predicated by the threats occurred with the release, and instead, the unorthodox release of the film led to it being considered a success due to increased interest in the film following the attention it had received.[58]

On December 27, the North Korean <u>National Defence Commission</u> released a statement accusing Obama of being "the chief culprit who forced the Sony Pictures Entertainment to indiscriminately distribute the movie ... Obama always goes reckless in words and deeds like a monkey in a tropical forest."[59]

U.S. accusations against North Korea

U.S. government officials stated on December 17, 2014 their belief that the North Korean government was "centrally involved" in the hacking, although there was initially some debate within the White

House whether or not to make this finding public.[5] White House officials treated the situation as a "serious national security matter",[60] and the Federal Bureau of Investigation (FBI) formally stated on December 19 that they connected the North Korean government to the cyber-attacks.[61][62] Including undisclosed evidence, these claims were made based on the use of similar malicious hacking tools and techniques previously employed by North Korean hackers—including North Korea's cyberwarfare agency Bureau 121 on South Korean targets.[5][63] According to the FBI:[64]

- "[A] technical analysis of the data deletion malware used in this attack revealed links to other
 malware that the FBI knows North Korea previously developed. For example, there were
 similarities in specific lines of code, encryption algorithms, data deletion methods, and
 compromised networks.
- "The FBI also observed significant overlap between the infrastructure used in this attack and other malicious cyber activity the U.S. government has previously linked directly to North Korea. For example, the FBI discovered that several Internet protocol (IP) addresses associated with known North Korean infrastructure communicated with IP addresses that were hardcoded into the data deletion malware used in this attack. The FBI later clarified that the source IP addresses were associated with a group of North Korean businesses located in Shenyang in northeastern China.[65]
- "Separately, the tools used in the SPE attack have similarities to <u>a cyber-attack in March of last</u> <u>year</u> against South Korean banks and media outlets, which was carried out by North Korea."

The FBI later clarified more details of the attacks, attributing them to North Korea by noting that the hackers were "sloppy" with the use of proxy IP addresses that originated from within North Korea. FBI Director James Comey stated that Internet access is tightly controlled within North Korea, and as such, it was unlikely that a third party had hijacked these addresses without allowance from the North Korean government. [66][67] The National Security Agency assisted the FBI in analyzing the attack, specifically in reviewing the malware and tracing its origins; NSA director Admiral Michael Rogers agreed with the FBI that the attack originated from North Korea. [68] A disclosed NSA report published by *Der Spiegel* stated that the agency had become aware of the origins of the hack due to their own cyber-intrusion on North Korean's network that they had set up in 2010, following concerns of the technology maturation of the country. [65]

The North Korean news agency <u>KCNA</u> denied the "wild rumours" of North Korean involvement, but said that "The hacking into the SONY Pictures might be a righteous deed of the supporters and sympathizers with the DPRK in response to its appeal."[12][27][69] North Korea offered to be part of a joint probe with the United States to determine the hackers' identities, threatening consequences if the United States refused to collaborate and continued the allegation.[70][71] The U.S. refused and asked China for investigative assistance instead.[72] Some days after the FBI's announcement, North Korea temporarily suffered a nationwide Internet outage, which the country claimed to be the United States' response to the hacking attempts.[73]

On the day following the FBI's accusation of North Korea's involvement, the FBI received an e-mail purportedly from the hacking group, linking to a <u>YouTube</u> video entitled "you are an idiot!", apparently mocking the organization.[74][75][76]

On December 19, 2014, <u>U.S. Secretary of Homeland Security Jeh Johnson</u> released a statement saying, "The cyber attack against Sony Pictures Entertainment was not just an attack against a company and its employees. It was also an attack on our <u>freedom of expression</u> and way of life." He encouraged businesses and other organizations to use the Cybersecurity Framework developed by the <u>National Institute of Standards and Technology</u> (NIST) to assess and limit cyber risks and protect against cyber threats.[77] On the same day, <u>U.S. Secretary of State John Kerry</u> published his remarks condemning North Korea for the cyber-attack and threats against movie theatres and moviegoers. "This provocative and unprecedented attack and subsequent threats only strengthen our resolve to continue to work with partners around the world to strengthen cybersecurity, promote <u>norms of acceptable state behavior</u>, uphold freedom of expression, and ensure that the Internet remains <u>open</u>, <u>interoperable</u>, secure and reliable," he said.[78]

On January 2, 2015, the U.S. installed additional economic sanctions on already-sanctioned North Korea for the hack, [79] which North Korean officials called out as "groundlessly stirring up bad blood towards" the country. [80]

Doubts about accusations against North Korea

Members of the press and various cybersecurity experts have expressed doubt about the claims that North Korea was behind the hack. Cyber security experts, independently analyzing the hack separately from the FBI—including Kurt Stammberger from cyber security firm Norse,[81][82] DEFCON organizer and <u>Cloudflare</u> researcher Marc Rogers,[83] <u>Sabu,[84]</u> and <u>Kim Zetter</u>, a security journalist at <u>Wired magazine[85]</u>—have tended to agree that North Korea might not be behind the attack.

Michael Hiltzik, a Los Angeles Times journalist, said that all evidence against North Korea was "circumstantial" and that some cybersecurity experts were "skeptical" about accusations against the government.[86] Cybersecurity expert Lucas Zaichkowsky said, "State-sponsored attackers don't create cool names for themselves like 'Guardians of Peace' and promote their activity to the public."[87] Kim Zetter of Wired magazine called released evidence against the government "flimsy".[88] Former hacker Hector Monsegur, who once hacked into Sony, explained to CBS News that exfiltrating one or one hundred terabytes of data would have taken months or years, not weeks, "without anyone noticing". Moreover, Monsegur doubted the accusations due to North Korea's possibly insufficient infrastructure to handle much data. He believed that it could have been either Chinese, Russian, or anyone else.[89]

Stammberger provided to the FBI Norse's findings that suggest the hack was an <u>inside job</u>, stating, "Sony was not just hacked; this is a company that was essentially nuked from the inside. We are very confident that this was not an attack master-minded by North Korea and that insiders were key to the implementation of one of the most devastating attacks in history."[90] Stammberger believes that the

security failure may have originated from six disgruntled former Sony employees, based on their past skill sets and discussions these people made in chat rooms. Norse employees identified these people from a list of workers that were eliminated from Sony during a restructuring in May 2014, and noted that some had made very public and angry responses to their firing, and would be in appropriate positions to identify the means to access secure parts of Sony's servers.[91][92][93] After a private briefing lasting three hours, the FBI formally rejected Norse's alternative assessment.[94]

In response to allegations that the intrusion was the result of an inside job, or something other than a state-sponsored cyber attack, computer forensic specialist Kevin Mandia, president of the security firm FireEye, commented that there isn't a "shred of evidence" that an insider was responsible for the attack and that the evidence uncovered by his security firm supports the position of the United States government.[95][96]

In February 2016, analytics firm Novetta issued a joint investigative report into the attack. The report, published in collaboration with Kaspersky Lab, Symantec, AlienVault, Invincea, Trend Micro, Carbon Black, PunchCyber, RiskIQ, ThreatConnect and Volexity, concluded that a well-resourced organization had committed the intrusion, and that "we strongly believe that the SPE attack was not the work of insiders or hacktivists". The analysis said that the same group is engaged in military espionage campaigns.[97][98][99]

Because of the depth and scope of malware tools, structure of the analyzed code bases, TTP overlap with similar attacks, and long trail of activities attributed to the <u>Lazarus Group</u>, Novetta does not believe that the SPE attack was carried out by insiders or hacktivists, but rather by a more structured, resourced, and motivated organization. ... Although our analysis cannot support direct attribution of a nation-state or other specific group due to the difficulty of proper attribution in the cyber realm, the FBI's official attribution claims could be supported by our findings.[100]

Legal responses

On January 2, 2015, U.S. President Barack Obama issued an Executive Order enacting additional sanctions against the North Korean government and a North Korean arms dealer, specifically citing the cyber attack and ongoing North Korean policies.[101]

Obama also issued a legislative proposal to Congress to update current laws such as the <u>Racketeer Influenced and Corrupt Organizations Act</u> and introduce new ones to allow federal and national law enforcement officials to better respond to cybercrimes like the Sony hack, and to be able to prosecute such crimes compatibly to similar off-line crimes, while protecting the privacy of Americans.[102] [103]

Public discussion

About reporting on the hack

In December 2014, Sony requested that the media stop covering the hack.[3] Sony also threatened legal action if the media did not comply, but according to law professor <u>Eugene Volokh</u>, Sony's legal threats are "unlikely to prevail".[104] Sony then threatened legal action against <u>Twitter</u> if it did not suspend accounts of people who posted the hacked material.[105] American screenwriter <u>Aaron Sorkin</u> wrote an <u>op-ed</u> for <u>The New York Times</u> opining that the media was helping the hackers by publishing and reporting on the leaked information.[106] On December 18, <u>Reddit</u> took the unusual step of banning a subpage called "SonyGOP" that was being used to distribute the hacked files.[107]

About pulling The Interview

The threats made directly at Sony over *The Interview* was seen by many as a threat on free speech. The decision to pull the film was criticized by several Hollywood filmmakers, actors, and television hosts, including Ben Stiller, Steve Carell, Rob Lowe, Jimmy Kimmel and Judd Apatow.[108][109] Some commentators contrasted the situation to the non-controversial release of the 2004 *Team America: World Police*, a film that mocked the leadership of North Korea's prior leader, Kim Jong-il.[110] The Alamo Drafthouse was poised to replace showings of *The Interview* with *Team America* until the film's distributor Paramount Pictures ordered the theaters to stop.[111]

In light of the threats made to Sony over *The Interview*, New Regency cancelled its March 2015 production plans for a film adaptation of the graphic novel *Pyongyang: A Journey in North Korea*, which was set to star <u>Steve Carell.[112] *Hustler*</u> announced its intentions to make a <u>pornographic parody film</u> of *The Interview*. *Hustler* founder <u>Larry Flynt</u> said, "If Kim Jong-un and his henchmen were upset before, wait till they see the movie we're going to make".[113]

Outside the United States

In China, the media coverage of the hackings has been limited, including in search engines except <u>Google</u>, which has given out 36 million results. <u>Hua Chunying</u>, a spokeswoman of foreign affairs, "shied away from directly addressing" the Sony hacking situation. [114] On December 25, 2014, Russia offered sympathy to North Korea, saying it was "quite understandable" that North Korea would be upset over the film. Russia said American threats of retaliation were "counterproductive and dangerous", and that the US did not provide any proof of who hacked Sony. [115]

Documentary

A documentary about the Sony hacks is being developed by director <u>Jehane Noujaim</u> and producers Kareem Amer and Mike Lerner. Prior to November 2014, the group were already working on a documentary about international cyberattacks, and quickly switched focus after the revelation of the

Sony hacks. They anticipate presenting alternative theories about the identity of the hackers in the documentary.[116]

See also



- 2013 South Korea cyberattack
- 2015–16 SWIFT banking hack
- North Korea's illicit activities

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Hacking in the 2010s

Major incidents

- Operation Aurora (2010)
- Australian cyberattacks (2010)
- Operation Payback (2010)
- HBGary Federal (2011)
- <u>DigiNotar</u> (2011)
- Operation Tunisia (2011)
- 2011 PlayStation Network outage (2011)
- Operation AntiSec (2011)
- Stratfor email leak (2012–13)
- LinkedIn hack (2012)
- South Korea cyberattack (2013)
- Snapchat hack (2013)
- Operation Tovar (2014)
- iCloud leaks of celebrity photos (2014)
- Sony Pictures Entertainment hack (2014)
- Office of Personnel Management data breach (2015)
- Hacking Team (2015)
- Ashley Madison data breach (2015)
- VTech data breach (2015)
- Bangladesh Bank heist (2016)

- Commission on Elections data breach (2016)
- <u>Democratic National Committee cyber attacks</u> (2016)
- DCCC cyber attacks (2016)
- Anonymous
 - associated events
- CyberBerkut
- Bureau 121
- <u>Derp</u>
- Equation Group
- GNAA
- Goatse Security
- Hacking Team
- Iranian Cyber Army
- Lizard Squad
- <u>LulzRaft</u>

Groups

- <u>LulzSec</u>
- NullCrew
- NSO Group
- <u>PayPal 14</u>
- PLA Unit 61398
- RedHack
- The Shadow Brokers
- Syrian Electronic Army
- <u>TeaMp0isoN</u>
- Tailored Access Operations
- <u>UGNazi</u>
- Yemen Cyber Army
- George Hotz
- Guccifer
- Guccifer 2.0
- <u>Hector Monsegur</u>
- Jeremy Hammond
- Junaid Hussain

Individuals

- Kristoffer von Hassel
- Mustafa Al-Bassam
- Ryan Ackroyd
- <u>Topiary</u>
- The Jester
- <u>weev</u>

- Heartbleed (2014)
- <u>Shellshock</u> (2014)
- <u>POODLE</u> (2014)
- <u>Rootpipe</u> (2014)
- **Vulnerabilities**
 - discovered
- <u>JASBUG</u> (2015)
- Stagefright (2015)
- <u>DROWN</u> (2016)
- <u>Badlock</u> (2016)
- XAgent (2015)
- Careto / The Mask
- <u>CryptoLocker</u>
- <u>Dexter</u>
- <u>Duqu</u>
- <u>Duqu 2.0</u>
- <u>FinFisher</u>
- Flame
- Gameover ZeuS
- **Malware**
- Mahdi
- Metulji botnet
- NSA ANT catalog
- <u>Pegasus</u>
- R2D2 (trojan)
- Shamoon
- Stars virus
- Stuxnet

The Sony Clie

Sony to take Palm by hand By Alexandra Harney in Tokyo Published: July 13 2000 10:49GMT | Last Updated: July 13 2000 23:48GMT



Sony, the leading computing and entertainment group, will launch a line of hand-held computers based on the popular Palm technology in Japan and the US later this year.

The product, which Sony is calling a personal entertainment organiser, will be the company's first attempt to break into the intensely

competitive personal data assistant market. It could also be used as a platform to broadcast its array of games, music and movie content. It will retail for about Y55,000 to Y60,000 (\$554), making it more expensive than the most sophisticated US models.

Although calculators and electronic dictionaries have been popular in Japan for years, Palm-style personal organisers have been overshadowed by internet-capable mobile phones. Industry observors expect Asia will account for less than 1m of the 5m to 7m Palm units sold this year.

Katsumi Ihara, president in charge of personal and information technology networks, said: "The Japanese market is extremely small. That may be because mobile phones have been so popular, but I also think it is because there is still very little awareness of the Palm technology. We want to build up that market using the Sony brand name."

The move is part of Sony's new internet-focused strategy centered on digital television, computer games console PlayStation2, the Vaio line of computers, and mobile devices. Sony's approach contrasts with that of NEC or Hitachi, which have recently unveiled plans focused on networking equipment and broadband access.

Sony will make two models - a monochrome and a colour version - and will build between 50,000 and 100,000 units each month for sale from September. The device will be the first Palm-based hand-held

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computer equipped to view moving images, the company said. It will also be the lightest in the world.

The device includes Sony's memory stick, which can be used to expand data storage, a search feature intended to speed operations and a port that connects to mobile phones. Two Palm devices are already on sale in Japan, as well as a range of other rival products from electronics groups. Microsoft, the US software giant, is also expected to weigh in with devices equipped with Windows CE operating system for portable use.

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Misogyny and Frat House Morality Culture Reveals Abusive Outlook By Executives

Exemplifying an ongoing systemic corporate culture bent on cutting the "other guy" of at the knees and extreme ego-based territoriality issues...

A psychological study of Sony's culture as revealed by The Leaks



Date: July 27, 2016Author: Public 0 Comments

The Psychology of Sony Pictures



Why does the white male dominated corporate culture of Sony Pictures demonstrate so much hubris and war-like male territoriality in the emails, phone calls, media product and leaked HR files of Sony Pictures?

Why are Sony executives so condescending to other studios, competitors and women?

The key results in most studies say that: "Evolutionary psychologists sometimes suggest that it's natural for human groups to wage war because we're made up of selfish genes which demand to be replicated. So it's natural for us to try to get hold of resources (creative and technology properties) which help us to survive, and to fight over them with other groups. Other groups potentially endanger our survival, and so we have to compete and fight with them. There are also biological attempts to explain war. Men are biologically primed to fight wars because of the large amount of testosterone they contain, since it is widely believed that testosterone is linked to aggression." This would explain Sony's audacity re: creative theft issues but one must look deeper to understand the tremendous efforts and expense that Sony pictures has undertaken to manipulate U.S. politics and their attempts to control voter impressions with the rigging of movies, like Zero Dark Thirty, and insider controls on public policy and vast Sony's vast covert campaign financing efforts.

The leaked emails of Sony Pictures reveal a horrific internal corporate society modeled after an elitist Ivy League fraternity house. This male mine-is-bigger-than-yours culture drives Sony to stone-wall any attempt to reveal that the bluster of Sony bosses may not be all that it is cracked up to be. The other

hyphenation that explains Sony's attitude is the not-invented-here-syndrome. The frat house boys hate to admit that a thing that became worth a billion dollars was not a thing of their own making.

Read any book about the history of the World and it's likely that you'll be left with one overriding impression: that human beings find it impossible to live in peace with one another. And just when the world appears to be close to another major conflict—the stand off between Russia and Ukraine which has been developing over the last few days—it seems a good time to ponder over why this seems to be the case.

Books on world history usually begin with the civilizations of Sumer and Egypt, which arose at around 3000 BC, and from that point until the present day, history is little more than a catalogue of endless wars. Between 1740 and 1897, there were 230 wars and revolutions in Europe, and during this time countries were almost bankrupting themselves with their military expenditure. Warfare actually became slightly less frequent during the nineteenth and the early twentieth centuries, but this was only because of the awesome technological power which nations could now utilize, which meant that wars were over more quickly. In actual fact, the death toll from wars rose sharply. Whereas only 30 million people died in all the wars between 1740 and 1897, estimates of the number of dead in the First World War range from 5 million to 13 million, and a staggering 50 million people died during the Second World War. (Since then, deaths from warfare have declined significantly, for reasons which I will discuss later.)

Theories of Warfare

So how can we explain this pathological behavior?

Evolutionary psychologists sometimes suggest that it's natural for human groups to wage war because we're made up of selfish genes which demand to be replicated. So it's natural for us to try to get hold of resources which help us to survive, and to fight over them with other groups. Other groups potentially endanger our survival, and so we have to compete and fight with them. There are also biological attempts to explain war. Men are biologically primed to fight wars because of the large amount of testosterone they contain, since it is widely believed that testosterone is linked to aggression. Violence may also be linked to a low level of serotonin, since there is evidence that when animals are injected with serotonin they become less aggressive.

However, these explanations are highly problematic. For example, they cannot explain the apparent lack of warfare in early human history, or pre-history, and the relative lack of conflict in most traditional hunter-gatherer societies. This is a hotly debated issue, and there are some scholars and scientists who claim that warfare has always existed in human societies. However, many archaeologists and anthropologists dispute this, and I believe that the evidence is firmly on their side. For example, last year the anthropologists Douglas Fry and Patrik Soderberg published a study of violence in 21 modern day hunter-gatherer groups, and found that, over the last two hundred years, lethal attacks by one group on another were extremely rare. They identified 148 deaths by violence amongst the groups

during this period, and found that the great majority were the result of one-on-one conflict, or family feuds. Similarly, the anthropologist R. Brian Ferguson has amassed convincing evidence to show that warfare is only around 10,000 years old, and only became frequent from around 6000 years ago.

And one problem biological theories of warfare is that, while they might be able to explain specific outbreaks of violence, warfare is actually much more than this. Warfare is a highly planned and highly organized activity, mostly conducted and organized in non-violent situations — which does not involve a great deal of actual fighting.*

Psychological Explanations

The first psychologist to investigate war was William James, who wrote the seminal essay 'The Moral Equivalent of War' in 1910. Here James suggested that warfare was so prevalent because of its positive psychological effects, both on the individual and on society as whole. On a social level, war beings a sense of unity, in the face of a collective threat. It binds people together—not just the army engaged in battle, but the whole community. It brings what James referred to as 'discipline'—a sense of cohesion, with communal goals. The 'war effort' inspires individual citizens (not just soldiers) to behave honorably and unselfishly, in the service of a greater good.

On an individual level, one of the positive effects of war is that it makes people feel more alive, more alert and awake. In James' words, it 'redeem[s] life from flat degeneration.' It supplies meaning and purpose, transcending the monotony of everyday life. As James puts it, 'Life seems cast upon a higher plane of power.' Warfare also enables the expression of higher human qualities which often lie dormant in ordinary life, such as discipline, courage, unselfishness and self-sacrifice.

In my book <u>Back to Sanity</u>, I emphasize two further important factors. One obvious factor the drive to increase wealth, status and power. A major <u>motivation</u> of warfare is the desire of one group of human beings—usually governments, but often the general population of a country, tribe or ethnic group—to increase their power and wealth. The group tries to do this by conquering and subjugating other groups, and by seizing their territory and resources. Pick almost any war in history and you'll find some variant of these causes: wars to annex new territory, to colonize new lands, to take control of valuable minerals or oil, to help build an empire to increase prestige and wealth, or to avenge a previous <u>humiliation</u>, which diminished a group's power, prestige, and wealth. The present conflict in the Ukraine can be partly interpreted in these terms—the result of Russia's desire to increase its territory and prestige by gaining control of the Crimea, and responding to the prestige-weakening blow of losing its favored government in the Ukraine.

Secondly, war is strongly related to group <u>identity</u>. Human beings in general have a strong need for belonging and identity which can easily manifest itself in ethnicism, nationalism, or <u>religious</u> dogmatism. It encourages us to cling to the identity of our ethnic group, country or religion, and to feel a sense of pride in being 'British,' 'American,' 'White,' 'Black,' 'Christian,' 'Muslim,' or 'Protestant' or 'Catholic.'

The problem with this isn't so much having pride in our identity, but the attitude it engenders towards other groups. Identifying exclusively with a particular group automatically creates a sense of rivalry and enmity with other groups. It creates an 'in—out group' mentality, which can easily lead to conflict. In fact, most conflicts throughout history have been a clash between two or more different 'identity groups'—the Christians and Muslims in the Crusades, the Jews and Arabs, Hindus and Muslims in India, the Catholics and Protestants in Northern Ireland, the Israelis and Palestinians, the Serbs, Croats, and Bosnians, and so on. Again, the present conflict in Ukraine is easily interpreted in these terms. The dispute over Crimea lies in the fact that most of the region's population identify themselves as ethnically Russian, while the ethnic Ukrainians wish to preserve their own independent identity, away from Russian influence.

The issue of <u>empathy</u> is important here too. One of the most dangerous aspects of group identity is what psychologists call 'moral exclusion.' This happens when we withdraw moral and human rights to other groups, and deny them respect and justice. Moral standards are only applied to members of our own group. We exclude members of other groups from our 'moral community,' and it becomes all too easy for us to exploit, oppress, and even kill them.

*There are also environmental explanations for war—such as population pressure—which unfortunately I don't have space to discuss here. See my book *The Fall* for a fuller discussion.

Reference: Fry, D. P., & Söderberg, P. (19.07.2013). Lethal Aggression in Mobile Forager Bands and Implications for the Origins of War. Science (2013), 341: 270-273.

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Sony is not the first corporation to use the "fishing expedition" IP theft tactic

Inventors Who Changed the World and Got Screwed in Return



As we've <u>discussed before</u>, just because your hard work and perseverance led you to create something that changes the world, it doesn't mean that you'll get fame, fortune, or the slightest bit of recognition out of it. In fact, some inventors get so little credit that we completely forgot about them in our previous article, and since we really don't like angering the <u>ghosts</u> of people who could probably invent a way to punch us from beyond the grave, here they are.

#6. Siegel and Shuster, Superman's Creators



Robert Mora/Getty Images Entertainment/Getty Images

Jerry Siegel and Joe Shuster created Superman, the most famous superhero ever, perhaps with the exception of Spider-Man or that kid who changes the channel with his eyes in *X*2.



DC Comics

Superman can set a TV on fire with his eyes, which isn't as useful.

Debuting in 1938, Superman was an instant success. DC Comics soon followed up the "man in underpants punches criminals" concept with Batman, and that was it, there was no turning back: Siegel and Shuster's creation had started a multibillion-dollar industry that is still going strong today, spawning toys, T-shirts, and, oh yeah, some of the highest-grossing movies of all time.

Nice one, Siegel and Shuster!





Alan Light

"Take it from us, kids: Work hard, change the world, and you too can see *absolutely no reward* from it!"

But Then They Got Screwed

"Nice one, Siegel and Shuster" is exactly what DC must have said, in a sarcastic tone, when the duo famously sold them all rights to Superman for a measly \$130, a check that's now ironically worth hundreds of thousands of dollars.



The seller added \$1,000 for every tear this thing soaked up.

At the time, no one suspected that the guy in blue pajamas that they'd been drawing would turn into a cultural icon -- so when he did, and Siegel and Shuster continued getting squat, the pair embarked on perhaps the longest clusterfuck in copyright history.

The duo spent the better part of their lives unsuccessfully trying to reclaim some part of their creation, only to be rebuffed time and time again. While DC raked in billions from Superman alone, Siegel and Shuster lived the <u>lives of paupers</u>. They were given a yearly pension in the late 1970s by Warner Bros. (which had purchased DC), but only because the studio couldn't afford the bad publicity with a Superman movie on the way.



"You're right, scrapping the costume is not going to help. Just pay them."

In 1999, three years after Siegel died, his family successfully won the rights to his half of his creation. A happy ending, right? Nope! This meant dick to Warner Bros., who still refused to pay them a penny, leaving them to fight in court for another 10 fucking years. And the superdickery continues: More recently, documents disappeared from Siegel's daughter's attorney's office and somehow wound up in the hands of Warner Bros. executives.

#5. Philo T. Farnsworth, the Farm Boy Who Invented Television



Philo Farnsworth, besides having the supreme honor of inspiring a *Futurama* character, was a serial inventor with a list of credited <u>patents</u> longer than his forehead.



Utah State History

And he had a HUGE forehead.

Among those patents was the one that made television possible: an "image dissector" that could capture images as a series of lines to be displayed electronically. If that isn't impressive enough for you, consider the fact that Farnsworth came up with the idea <u>at age 14</u>, while growing up on a farm in Idaho, and first demonstrated it at 21, in 1927. If that didn't make you feel bad about yourself, it should have.

But Then He Got Screwed

When the young inventor applied for a patent at age 20, David Sarnoff of the Radio Corporation of America took notice. Radio had a pretty cozy spot at the center of the American living room at this point, and Sarnoff wasn't interested in letting that change. And if it did, then he would at least make sure that RCA would be the one getting rich from it.



The David Sarnoff Library

David Sarnoff: *Smug* magazine's Person of the Year, 1921-1967.

Sarnoff kept Farnsworth tied in a series of legal battles over the next decade using a number of bullshit tactics, like <u>hiring a Russian inventor to spy on him</u> or using said inventor's earlier patents (which they could never get to work) to argue that *he* had invented TV. At one point Sarnoff just said "Fuck it" and started making TVs without paying Farnsworth. RCA was eventually forced to pay him a one-time \$1 million licensing fee, but it wasn't worth the emotional stress that had left the man crippled.



And yet he looks so healthy.

Then the whole television business was put on hold when the '40s rolled around and the government told everyone to focus on building things that could kill Germans. The final blow came when Farnsworth's patents expired just as World War II ended ... and, what do you know, television sales skyrocketed. RCA, or anyone else for that matter, no longer had to even pretend to give a shit about paying Farnsworth for his invention.

It wasn't until 20 years after his death that the government decided that Farnsworth probably deserved some recognition. No shit.



DC Pages

Following Farnsworth's final wishes, his statue is about to insert something into Sarnoff's anus.

#4. Edwin H. Armstrong, the Father of FM Radio



an Stock Archive / Getty

When is the last time you listened to AM radio? Intentionally? The sound quality is so bad that most of the programming is reduced to things that already sound like shit, like conservative talk radio or a single, never-ending religious sermon in Spanish.



Getty

"Either way, I want to do the opposite of pray. Which is ... what, rape-arson?"

The much superior FM was invented by <u>Edwin Armstrong</u>, who created a system to reduce interference across radio bands in the 1910s. He continued his lifelong vendetta against crappy sound in the '20s, when he came up with frequency modulation (FM) as a way to reduce static. We will now reiterate that he developed all this technology nearly 100 years ago, and it's still present in all modern radios.

But Then He Got Screwed

Things seemed to be going swimmingly for Armstrong for a while, but it was at this point that a remarkably smug asshole came into the picture.



The David Sarnoff Library

"Miss me?"

Yes, David fucking Sarnoff from RC-fucking-A proceeded to mess with the life of yet another world-changing inventor. Sarnoff had built his empire with AM radio, so he decided that if FM was the way of the future, then he'd do anything possible to pull a John Connor on that future. Since Armstrong wouldn't relinquish his patent, Sarnoff made sure that RCA not only stopped supporting the development of the new technology, but actively tried to stop it.

In 1937, Armstrong used money from his own pocket to build the <u>very first FM radio station</u>. Another followed, then another, until by the mid '40s a string of stations known as the <u>Yankee Network</u> were busy convincing everyone of the superiority of FM, just by existing. And then it all stopped.



Radio Magazine

Armstrong was now forced to rely on his mutant telepathy.

In a dick move of epic proportions, Sarnoff <u>successfully lobbied the FCC</u> to move the FM band to a different place on the dial, from 42 to 50 MHz to 88 to 108 MHz. While there were somewhat valid technical reasons for this, a happy side effect for RCA was that it made all of Armstrong's stations instantly obsolete.

It took decades for FM radio to recover. In the late '70s, it finally surpassed AM, but Armstrong was long gone by then, having committed suicide in 1954 by jumping from the 13th floor of his office building, presumably screaming "FUCK SARNOOOOOFFFF" all the way down.



Pay respect to his memory by printing out this picture and drawing a dick on it today.

#3. John Walker, Inventor of the Match



About 500 billion matches are used every year in the United States -- that's the kind of volume you can do when your product sets itself on fire with every use. Before the invention of self-igniting friction matches, people simply used sticks that caught on fire when you, y'know, put them near fire.



Getty

It was a bad system.

This changed when John Walker, an English chemist born in 1871, began coating sticks in a number of dangerous-sounding chemicals until he happened upon one that, when struck against a surface, erupted in flames. Other self-igniting matches had been tried before, but they were extremely impractical, by which we mean that a lot of people probably lost their eyebrows or worse using them.



And clearly, eyebrows were very important to this man.

Walker's invention caught on fire, both literally and figuratively, and we still keep matches around today, despite the fact that we've all heard of lighters.

But Then He Got Screwed

Walker, unaware of the potential of his invention, worked on these new "friction lights" for about a year, then promptly forgot about the whole thing and stopped selling them. People close to him implored Walker to <u>patent his friction light</u>, since he'd just revolutionized the creation of fire and all. Walker declined, believing that his invention could better benefit mankind without a patent.

Others, however, believed that Walker's invention could better benefit mankind by making them rich.



Getty

"How does fire help humanity if it doesn't allow me to buy prostitutes?"

In 1829, another inventor named Isaac Holden independently came up with an improved version of Walker's friction matches. Like Walker, Holden <u>neglected to patent his idea</u> ... and that's where one Samuel Jones came in. Jones, realizing that Walker and Holden had effectively created one of the most useful inventions in the history of civilization and weren't making money from it, decided to do it on their behalf, because he was nice like that.

Almost immediately, Jones patented <u>the exact same thing</u> and began selling it under the name "Lucifers," because fuck it -- if you're gonna be evil, you might as well go to the source. Soon other

brands began offering improved versions of the same thing, all for a price, of course. It wasn't until they were all dead that Walker was credited for his invention, and Jones for being a douchebag.



"To Samuel Jones, the man who made the modern bar possible!"

#2. Stephen Foster, the Father of American Music



There are some tunes that you're just born knowing. If we somehow forced you to hum a melody right now, chances are that a great number of you would go with something like "Oh! Susanna":

Or "Camptown Races" (you know, the one that goes "doo-da, doo-da"):

Or maybe something more nostalgic, like "Old Folks at Home":

Man, can you imagine if all these songs had been written by the same guy, and that he'd been actively trying to get money from them? That dude would have been richer than Madonna and Bono combined.

Actually, all those songs and more *were* written by the same person, and he *did* try to cash in on them -- the keyword being "try."



Then "she" came around the mountain and snatched up all his royalties.

But Then He Got Screwed

In the 1800s, Stephen Foster wrote classics like "My Old Kentucky Home" and "Beautiful Dreamer" and <u>over 200 other songs</u>. Foster was a professional songwriter before those existed. Seriously: The profession literally <u>did not exist</u> before Foster trailblazed it like a motherfucker.



Not many pop stars can pull off a bow tie.

Of course, the problem with being the first in his profession was that there were no such things as "enforcing copyright" or "not screwing over songwriters" back then. Today, Foster would have earned obscene amounts of money from "Oh! Susanna" alone, but in 1848, he got exactly \$100 for the rights to publish the sheet music, while the publisher made \$10,000 selling his work.

Even when Foster became a minor celebrity, he continued getting nothing but pennies for every copy of his work that was sold. For his dozens of hit songs, he saw around \$15,000 in royalties in his whole life. In the 1860s, he was dumped by his wife, who had probably had enough of sticking around with this dude who *wrote* like a rock star, and *drank* like a rock star, but was not *rich* like one. He died at the age of 37 after hitting his head on a washbasin, with around 40 cents in his pocket.



Some of which were melted down to make this statue.

His contributions can't be overstated. Not only did he create most of the conventions of popular songwriting as we know them today, but he also demonstrated the need for intellectual property laws by getting repeatedly screwed.

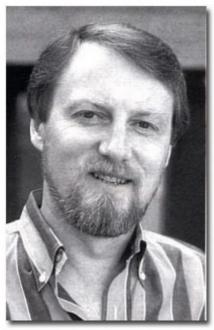
#1. Gary Kildall, the Father of the Operating System

```
CD-ROM Device Driver for IDE (Four Channels Supported)
(C)Copyright Oak Technology Inc. 1993-1996
Driver Version : U340
Device Name : BANANA
Transfer Mode : Programmed I/O
Drive 0: Port= 1FO (Primary Channel), Slave IRQ= 14
Firmware version : ALPH

MSCDEX Version 2.25
Copyright (C) Microsoft Corp. 1986-1995. All rights reserved.

Drive R: = Driver BANANA unit 0
```

Gary Kildall is one of the guys we have to thank for the fact that you don't need to be a genius to use the ultra advanced computer you are looking at right now to search for porn. Thank you, Gary.



NNDB

Thank you for the porn.

In 1973, Kildall made life a lot easier for nerds everywhere when he created CP/M, a groundbreaking operating system for microcomputers (which is what they called any computer smaller than a semi truck back then). The program became the industry standard for the next decade. This guy was basically Bill Gates before Bill Gates was Bill Gates.



Michael Ochs Archives / Getty

"It's cool, I'll just donate a bunch of money to charity someday when I'm all old and prune-faced."

But Then He Got Screwed

Of course, at the same time, Bill Gates was busy trying to become Bill Gates, and he eventually achieved that at Kildall's expense.

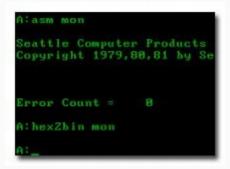
In 1980, IBM was getting ready to launch its first personal computer and needed an operating system to operate the shit out of it. They first knocked on Microsoft's door, but Microsoft wasn't really into the OS-making business at that point, so they directed the IBM suits to Gary Kildall's company. However, as nerd lore has it, Gary picked that day to go flying (he was an amateur pilot), blowing off IBM and his chance at history.



DigiBarn Computer Museum

Let he who hasn't blown off a corporate giant to go flying cast the first stone.

Accounts differ on whether Kildall met the IBM suits that day or not, but either way, the company went back to Microsoft, totally forgetting the whole "We don't make OS's here" part. Not one to miss out on an opportunity, Bill Gates turned to local programmer <u>Tim Paterson</u>, who had built a CP/M clone he called QDOS (for "Quick and Dirty Operating System"), bought it for a paltry 50 grand, then turned around and sold it to IBM under the name PC-DOS.



The term "user-friendly" meant something very different back then.

PC-DOS, later renamed MS-DOS, was included in every computer IBM made, and, long story short, that's why roughly 90 percent of you are using Microsoft Windows right now.

Today, Kildall's name is <u>barely known</u>, while Bill Gates will be a household name in the fucking 25th century. Most of Kildall's innovations ended up being credited to other people -- and he can't even defend himself, having died in 1994 after falling down in a tavern, which pretty much just seems like his luck.



Today's lesson is, if you're an inventor, wear a freaking helmet.

Karl Smallwood wrote a book (yes, a real one), which you can read <u>all about here</u>. If you want to read words he's written for free, feel free to follow him <u>on Twitter</u>. Mike Floorwalker has a <u>website</u> that's like ... whoa. Like, seriously, dude ... whoa.

THE SURE SIGN OF A GREAT IDEA IS WHEN SOME BIG GORILLA STEALS IT FROM YOU.

Robert William Kearns (March 10, 1927 – February 9, 2005) was an American inventor who invented the intermittent windshield wiper systems used on most automobiles from 1969 to the present. His first patent for the invention was filed on December 1, 1964.

Kearns won one of the best known patent infringement cases against Ford Motor Company (1978–1990) and a case against Chrysler Corporation (1982–1992). Having invented and patented the intermittent windshield wiper mechanism, which was useful in light rain or mist, he tried to interest the "Big Three" auto makers in licensing the technology.

But then he got screwed.

They all rejected his proposal, yet copied his idea and began to install intermittent wipers in their cars, beginning in 1969. march Abraham made the film: "Flash of Genius" about him.

Preston Tucker was a car-crazy kid who hung around auto speedways and grew up to create an automobile—the Tucker—that was years ahead of its time. He was a man of pioneering spirit, ingenuity and daring, who revolutionized Detroit in the 1940s with his stunning "Car of Tomorrow." It was streamlined, futuristic and fast—the car every American dreamed of owning, at a price most people could afford.

A man of endless enthusiasm, Tucker publicized his model all over the country to wild acclaim. He sold stock, set up a factory . . .

But then he got screwed.

...and then the auto industry launched a devastating anti-Tucker campaign in order to character assassinate, industrially spy on and sabotage his car. Francis Ford Coppola made a movie: "The Man and His Dream" about him.

Nikola Tesla helped established robotics, radar, remote control, and he helped expand ballistics, nuclear physics, and theoretical physics.

But then he got screwed.

Practically no one's heard of him. Why? Because of a man named Thomas Edison, who is widely credited with the invention of the light bulb. Edison was an all-around pretentious ass, who totally tried to steal Tesla's credit... which kinda worked, considering everyone remembers him and not Tesla.

Anyway, the two men had initially worked together — well, Tesla worked for Edison —and this is where Tesla was first screwed over by the man. Edison had offered \$50,000 — over a million bucks, adjusted for inflation — to someone who could fix his crappy and inefficient motors. When Tesla did (probably by staring them down until they worked harder), Edison wrote his deal off as a joke, and continued to pay Tesla \$18 per week. Keep in mind, Tesla was one of the most brilliant humans to have ever lived; it didn't take long for him to flip Edison the bird and get his ass outta there to start his own company.

Soon enough, Edison's electricity, direct current (DC) was competing with Tesla's far superior electricity, alternating current (AC). Edison actually tried to discredit Tesla's AC by having the first electric chair run on it; this was supposed to discourage people from putting it in their home. There are a few movies based on Nikola, one is: "The Prestige".

THUS...

What do we learn from this lesson?:

- Non-disclosure agreements with investors mean nothing. Only discuss the "How It Can Make Money" part with investors and never discuss the "How it Works" part with anybody!
- Build it and try selling it yourself, first.
- File a patent on it before you tell a single sole about it. If you have told anyone except your patent lawyer, then the cat is out of the tube!