

## DEATH OF THE "FREE INTERNET MYTH"

*by*

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The completely free content of the Internet and World Wide Web is either in the process of dying or may be already dead. As harsh as this proclamation may sound, this is what some of the statistics of World Wide Web content show. Although the Internet still remains the promising information source and is in many ways the forum for free expression (as it has many technological advantages over traditional media, either print or electronic), we witness the impact of the rise of the media conglomerates and the process in which the global media market in the last decade is dominated by fewer and fewer companies (currently from six to eight – dependant from where we put the threshold for revenues and how we characterize their domestic/global media activities). At present there is more convincing evidence that this process is inevitable even for the web and is already materializing. The purpose is to challenge the myth that many people believe in about the endless freedoms of expression that we are enjoying over the Internet. Even as technological breakthroughs in the last years (the spread of YouTube and personal community websites like MySpace or Facebook) give us hope for the future with regard to the users participation.

The purpose of this study is neither to provide the reader with worst-case scenarios, nor to claim that the ultimate future of the Internet has to be that pessimistic. It is to point to main areas, where we see problems that might endanger the promising Internet freedom and that might be at certain point dealt with.

It is not the information superhighway as it was declared in the mid

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1990s anymore. It is not even referred to as this information highway today as it used to be in the past. It is more about commerce that is transforming this fast moving medium. For example, in 1995 the term “information super highway”, coined by then vice-president Albert Gore, was mentioned in 4,562 stories in U.S. newspapers. In comparison, “e-commerce” was mentioned only 915 times. Two years later there were 2,812 articles about electronic commerce and 1,314 reports mentioning the information super highway (Solomon, 2000: 3). [47] At that time, 100 million people all around the world were already connected to the Internet (Brody, 2002: 249) [10], which shaped itself as the global mass multimediu. In 2000 Washington Post used the term ten times less than of the amount it used in the 1990s (Solomon, 2000: 3) [47]. More and more the Internet is focused on commerce and more and more is it part of business strategies of the leading media and cyberspace conglomerates. And that logically effects the distribution and composition of the content.

We still bear in mind the words of cyberspace visionaries like John Perry Barlow (author of the Declaration of the Independence of Cyberspace) about the unlimited freedom the Internet is promising to us and how we can retain its “unlimited status”. As time progressed, with help of entrepreneurs, the web has transformed itself, as did our society. Teenagers and young adults are already labeled as the “net generation” much like baby boomers in the U.S. were called the “television generation”. Baby boomers used encyclopedias in schools; the net generation is using the Internet. Even further, as the 1998 Gallup poll shows, young people today rely on the Internet for all types of communication and social interaction. It is even more astonishing when we look into the context of how quickly and how far the information society evolved in only a few decades. Internet has evolved from analog telephone calls over copper wire that are able to transmit less than one page of information per minute to thin optical fiber that can transfer 90,000 volumes of encyclopedia over a high-speed network in one second. The Internet has become a capitalist tool, especially after the National Science Foundation lifted restrictions against commercial Internet use in 1991 (Brody, 2002: 249-251) [10]. A year later Congress conceptualized this idea as it officially granted full authority for commercial use of NSFNET, as the Internet was then called, and opened it up as a forum of expression of all kinds (Management of Inter-

net Names and Addresses, 1998) [27].

The primary idea in Internet was to shift from liberal post-industrial debate to the neoliberal concepts of "friction-free capitalism" and academic debates transubstantiated to postcultural cyber theories and new media political economy. David Lyon says that our society "materialized into surveillance society, wherein citizens are monitored and controlled both by governments and commercial interests". He concludes that cyber-sociality is limited by constraints in the form of technologies and new evolving social norms. It is the present commerce-versus-commons model where the commercial interests attempt to reign in non-commercial entities through the above mentioned technological and social constraints. Including, but not limited to, collusion by portals and search engines, illegal downloading and copyright infringement, bypassing of regulatory mechanisms (Shade, 2003: 131) [44].

In the 1960's, Marshall McLuhan coined the term "global village", a metaphor through which he tried to predict the development of the media. And his idea became reality – from the point of view of the spread of information, the world today certainly resembles such a "global village". In this "global village", the media are the primary source of information, news, and entertainment. This is also one of the many aspects of globalization. However, McLuhan's theories are often criticized because they indirectly support the interest of media conglomerates. His propositions namely supported the interests of telecommunication and broadcasting companies as they meant a considerable promotional asset (Reifová, 2004: 309-310 [41], Ondrášik, 2006 [36]).

Almost ten years ago, Steven Harris forecasted this process and called it straightforwardly: "The greatest stumbling block to realizing Internet (freedom) utopia is that we all continually conflate the terms 'democracy' and 'free market'". He pinpoints that the truth about this so-called free markets is: large companies dominate the best advertising venues, to buy up retail outlets and monopolize distribution, offer dumping price products, and thus narrow the spectrum of competitors in the market, even the cyberspace market. "Naturally, corporate enterprise is licking its chops at the prospect of such a far-flung shopping mall of consumers, but individual freedom is not the main attraction". "Hardware and Software monopolies like IBM and Microsoft will hold users hostage to their endless game of planned obsoles-

cence" (Harris, 1997: 7) [21]. In particular, this prognosis was proven to be accurate in the case of Microsoft. For example as the software giant used its monopoly and dominance in the field of the operating systems of computers. In this monopoly was also about accessing the Internet and the use of their browser Internet Explorer software. Ironically even after that decision, this browser is still hardly removable from Windows run computer operating systems and the company was not broken up. In this marketplace of ideas the information and ideas are part of commodification. At the end only the market share counts. And, as we will try to prove, the larger the marketplace the less market players are present.

Real technological convergence is taking place. It is the time of mergers between the traditional media and telecommunication companies, as well as by each of these with the Internet and computer enterprises. McChesney (2001: 1-19) [30] envisions the creation of a global communication system that will be the result of the convergence mentioned. (Ondrášik, 2006) [36].

The premise of freedom does not mean only the opportunity and endless options to create a website or blog on the World Wide Web. But even here we can watch the rise of concentrated Media conglomerates that impact the content of cyberspace and rising corporation mark of major players over the Internet. There is no doubt that the area of Internet content is dominated by a handful of companies. The Internet is subject to privatization, supported by advertising, and in the hands of conglomerates. However there is still one more specialty that makes the Internet freer and different from traditional media. This is demonstrated by Chris Anderson's Long Tail theory . The Long Tail means that even as the top companies generate the most users there are still countless other products which are available. Unlike newspapers which has only limited numbers of publications. Over the Internet, even products that are in low demand can collectively make a market share that can be competitive with most popular items – as the tail is long.

There are several statistics that point which are the most powerful names in the Internet content industry, they mostly mention Microsoft, Google, Yahoo!, eBay, Amazon and Time Warner in top positions. ComScore survey measuring in July 2006 712.976 million internet users (age 15+ category) claimed Microsoft was on top with 70 percent of all internet visitors (comScore, 2006) [13]. According to World Internet Stats (estimate mainly based on

Nielsen NetRatings and International Telecommunication Union Data) from September 2006, there were 1,086,250,903 Internet users globally and that has covered approx. 16,7 percent of the global population. (Internet World Stats, 2006) [22]. That means that the top company Microsoft had to attract attention approximately almost half of all of the internet users worldwide, but this number is probably even higher as ComScore excludes traffic from public computers such as Internet cafes, PDAs or mobile phones. For broader picture, according to a 2001 paper, there were more than 550 billion documents on the web (mostly not indexed by common search engines) (Bergman, 2001). Typing the basic letter a in Google search engine in 2006 resulted in 18,870,000,000 documents on the Net in October 2006. In 2006 there were 77 million generic top level domain names. (Ipwalk, 2006) [24].

As the statistics show, the Web content well may be is dominated by major companies and some of them became conglomerates themselves and thus can endanger the complexity of the Internet freedom, as other conglomerates and major players demonstrated in the broader media landscape. There is no objection if the number of competitors in the market remains diversified but with level of concentration and rising conglomerateness it is doubtful for how long this status remains sustainable.

The task of this paper is to pose several critical questions concerning Internet freedom and the impact of governmental (national or international) actions and private ownership. It examines a question whether there is a need for thorough regulation of the Internet and its ownership to ensure more freedom of speech in this multimedia. Since the mid 1990s, as the World Wide Web and Internet started to get the shape of a mass medium, until now, it was almost untouched by regulation authorities in contrast with traditional media like Television, Cable, Telephony, Radio, or Printed Press. The primary responsibility of the content lies on the content providers, the owners of Internet companies and therefore it is their right to put on their websites what they decide. But for example broadcasting or cable industry has at least been obliged to spread certain programming – public access etc. So the right of private owner can be modified. But the Free speech amendment to U.S. constitution does not apply on the Internet as it is not designated public forum. So here too is the right of free speech is the right to free speech of media owners.

Opinion on this topic is divided. However, a 1999 survey in the United Kingdom showed that almost three quarters of British would like to see some form of regulation; the question remains how and most importantly whether it can be done. In comparison with other industries, the Internet has much diversified input and output, not only from every type of media, Telecommunication and electronics industries, but from other trade industries as well, governmental agencies, etc.

This chapter outlines some of the questions that are of main concern to academicians, politicians, lawmakers, and regulators. Answers to them could be one of the arguments to overcome the era of virtual “non-regulation” towards unequivocally specified rules.

a) Rising corporate dominance and conglomerateness of the Internet industry – the Internet websites and ventures are continually owned and dominated by less companies and many of them undergo process of conglomeration in acquiring other companies and thus have attributes of conglomerates, this feature can be described as conglomerateness

b) Political influence, Internet, and Media giants – how can individual policy objectives of owners influence the content and thus be a direct danger to democracy

c) Cultural/Media imperialism over the web – a U.S.-based company is administering the domains globally, English is the dominant language over the web, and most of the players are of U.S. provenience. Critics point out that Washington and U.S.-based companies are exercising too broad powers over the worldwide network

d) Oversight versus Privacy – the concerns of whether governments can influence the Internet content or monitor private information, the same can do businesses in monitoring the e-mail communication content of their employees

e) Censorship of web content to appease totalitarian regimes and question: whose laws govern the Internet? – e.g. case of Google filtering its search engine in China

f) Intellectual property issues – how we became the prisoners of copyright boundaries and how copyright restrictions limit free movement on the Internet

g) Technological issues – what role technology plays in limiting freedom

h) Commercial interests and the “blogosphere” – how one of the last stands of truly free internet is becoming limited as it is in the viewfinder of Internet companies.

### **RISING CORPORATE DOMINANCE AND CONGLOMERATENESS OF THE INTERNET INDUSTRY [1]**

As already mentioned in the introduction, the distribution of World Wide Web media content is very uneven. There are only a handful companies dominating the web today, the distribution of unique visitors for the top companies, websites and brands according to various statistic data are as follows. The reasons for visting are various, in case of some companies like Adobe and RealNetworks, it is mainly download traffic:

Table No. 1: Top Ten Internet Parent Companies in Internet (July 2006)

No.	Company or parent company	Unique Visitors, July 2006	Time per person (hh:mm:ss)
1.	Microsoft (MSN)	114,293,0000	1:59:502
2.	Yahoo!	106,619,000	3:10:19
3.	Time Warner	102,681,000	4:29:49
4.	Google	95,340,000	0:59:51
5.	eBay	64,173,000	1:37:27
6.	News Corp. Online	61,752,000	2:07:10
7.	InterActive Corp	55,509,000	0:27:30
8.	Amazon	45,342,000	0:23:28
9.	Walt Disney Internet Group	39,243,000	0:42:19
10.	Real Networks	36,695,000	1:00:39

Source: Nielsen/NetRatings available at [http://www.nielsen-netratings.com/pr/PR\\_060810.PDF](http://www.nielsen-netratings.com/pr/PR_060810.PDF) [33]

Table 2.: Top Ten Sites In Internet (August 2006)

No.	Company or parent company	Unique Visitors, August 2006
1.	Yahoo!	131,250,000
2.	Time Warner	121,595,000
3.	Microsoft	119,089,000
4.	Google	107,989,000

5.	eBay	80,164,000
6.	Fox Interactive Media	72,107,000
7.	Ask Network	53,816,000
8.	Amazon	48,570,000
9.	New York Times	38,276,000
10.	Verizon	37,997,000

*Source: ZDNet Research, August 2006, total internet users: 173,407,000 <http://blogs.zdnet.com/ITFacts/index.php?p=11897> [56]*

**Table No. 3: Top Ten Internet Websites worldwide (July 2006)**

No.	Company or parent company	Unique Visitors, July 2006
1.	Microsoft	499,540,000
2.	Yahoo!	480,933,000
3.	Google	453,963,000
4.	eBay	256,653,000
5.	Time Warner	219,868,000
6.	Amazon	129,320,000
7.	Wikipedia	127,982,000
8.	Ask	111,864,000
9.	Adobe	95,831,000
10.	Apple	92,211,000

*Source: comScore World Metrix, July 2006, total internet users: 712,976,000, visitors age 15+<http://www.comscore.com/press/release.asp?press=976> [13]*

**Table No. 4: Top Ten Brands In Internet (July 2006)**

No.	Company or parent company	Unique Visitors, July 2006	Time per person (hh:mm:ss)
1.	Yahoo!	106,224,000	3:10:16
2.	MSN/Windows Live	95,593,000	1:42:11
3.	Google	94,031,000	0:58:15
4.	Microsoft	88,042,000	0:44:31
5.	AOL	74,507,000	5:35:46
6.	eBay	57,759,000	1:37:33
7.	MySpace	46,025,00	02:05:21

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8.	MapQuest	45,342,000	0:12:13
9.	Amazon	37,595,000	0:20:41
10.	Real	36,685,000	1:00:40

Source: Nielsen/NetRatings available at [http://www.nielsen-netratings.com/pr/PR\\_060810.PDF](http://www.nielsen-netratings.com/pr/PR_060810.PDF) [33]

The strongest worldwide news and various information providers (although still providing the content of main news agencies AP, Reuters and AFP) in the last years were Time Warner, Disney (with ABC), Viacom and CBS (U.S. TV network split off from Viacom December 31, 2005), News Corporation, Bertelsmann, companies GE-NBC and Vivendi (formerly Vivendi Universal) – together they form NBC Universal. In the past there were some mighty loose alliances as well (like Reuters-VisNews-BBC), even though most of the news they transmit are still originally from the old news big news agencies (Ondrášik, 2006) [36].

And as it was in the case of the “old media”, the new media are facing rising conglomerateness too as it is visible in the alliances that are building up over the internet. Google struck a deal with Viacom, an old media firm, under which it will syndicate video clips from Viacom TV channels like MTV or Nickelodeon. It also announced a deal with another global conglomerate, News Corporation, and it will provide search and text-advertising technology for News Corporation's MySpace, etc. The top search engine is building alliances with Warner Music Group and Sony BMG (O'Malley, 2006) [35]. The YouTube portal was bought by Google for 1,65 billion U.S. dollars, but before that YouTube made deals with Universal Music Group, Sony BMG and CBS. Google owns popular blogging site Blogger as well. On the other hand Yahoo! and Microsoft connected their instant messaging systems and “voice-chat”. MSN and Yahoo eye to buy declining America Online, which would increase media concentration in the industry even more. However, the alliances can resemble a cartel. One other point, Google search results send a lot of traffic to eBay, one of the biggest advertisers on its network. About 12 percent of eBay's revenues come indirectly from Google (The Economist, 2006) [49]. And eBay threatened open war with Google as it tried to enter its business before and started negotiating with both Microsoft and Yahoo! (Mangalindan, Guth, 2006) [28]. But there were some other developments recently that can be pointing in the direction of building larger alli-

ances. According to November 2006 AFP news report Google, Microsoft and Yahoo! agreed on common Sitemap standard which allows better search engine results and builds among them a certain alliance.

In August 2006 Google controlled almost half of the search engine market (The Economist, 2006) [49]. And projections forecasted that Google was to become the first company ever to pocket 25 percent of all U.S. online advertisement spending in one calendar year and Google revenues jumped 65 percent from 2.4 billion U.S. dollars in 2005 (Charny, 2006) [11].

The rising power of Google and the future impact it might have on the news industry in general led to the creation of a 2005 short movie by Matt Thompson and Robin Sloan. It projects in an anecdotic way the development of Google. How it will merge with Amazon, all of its search, news and blogging services and finally will create one supranational megacompany Epic in 2014 that will destroy the news industry as we know it. This phenomenon has been coined as googlification.

The rise of internet companies can be demonstrated on their market capitalization (based on stock price times the number of outstanding shares), revenues and profits.

Table No. 5: Market Capitalization of Top Five Internet Companies (November 2005)

No.	Company or parent company	Market Capitalization in bn. U.S. \$
1.	Microsoft	297.7
2.	Google	124.9
3.	eBay	66
4.	Yahoo!	61.2
5.	Amazon	20

Source: Paul Allen, <http://www.paulallen.net/?s=the+market+caps+of+the+4+leading+internet> [1]

Table No. 6: Revenues, Profits and Market Value - Fortune 500

Company or parent company	Revenues in bn. U.S. \$	Profits in bn. U.S. \$	Market Value in bn. U.S. \$
Microsoft	39.788	12.254	284.1677
Google	6.1386	1.4654	100.9982

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eBay	4.5524	1.082	53.7648
Yahoo!	5.2577	1.8962	42.6348
Amazon	8.490	0.359	15.0051
IAC/InterActiveCorp	7.1188	0.8762	9.8298

Source: Fortune 500, market value as of March 2006, revenues and profits for 2005, <http://money.cnn.com/magazines/fortune/fortune500/> [18]

Table No. 7: Google Dominates Search Engines Market Shares (August '06)

No.	Search Engine	August 2005	August 2006	Growth
1.	Google	37.3%	44.1%	6.8%
2.	Yahoo!	29.7%	28.7%	-1.0%
3.	Microsoft MSN	15.8%	12.5%	-3.3%
4.	Time Warner	9.6%	5.9%	-4.0%
5.	Ask	6.0%	5.4%	-0.5%

Source: comScore retrieved from <http://blogs.zdnet.com/ITFacts/index.php?p=11868> [14]

The largest telephone and cable companies in the U.S. would like to control how the information on the web is delivered, what website will run faster, which will have priority on their networks over the other. “The telecommunications companies' proposals have the potential within just a few years, to alter the flow of communication and commerce – and your personal experience – on the Internet.” (Stern, 2006) [48] It was common practice that the phone and cable lines were “neutral”.

In 1991 the U.S. government voluntarily withdrew from the area of internet and private entities, which immediately assumed control of what has proven to be very profitable business. Five years later the Internet made revenues of 14 billion U.S. dollars (U.S. Department of Commerce, 1998: 21) [50]. As a result, most of the “free speech forums” over the web are operated and content provided by private business – Internet access providers like America Online, Google, Microsoft and service providers (ISPs) like libraries, digital cafes or universities, content providers like the mainstream media (CNN.com, MSNBC.com), and pipeline providers (e.g. UPC and Chello-media in Europe, Comcast in the U.S.) As Dawn Nunziato writes, the cyberspace, in contrast with real public space like it is on channels of public broad-

cast or cable, speech over the internet (and virtually all of it) is occurring in privately owned places as well. But for the U.S. and Europe, the fortresses of Western culture, the cyberspace is not protected by the free speech laws. There are countless examples of how private entities regulate free speech over cyberspace and how this could be misused with the rising conglomerateness and corporate dominance and thus various political and business interests. "Those private entities have sole discretion over whether and how speech is regulated in such privately owned places" (Nunziato, 2005: 1116-1117) [34]. The reason for this is the fact that Internet is not designated as public forum and thus First Amendment provisions do not apply. That is another point undermining the myth of ultimately free internet content and content flow over the Internet communication channels.

Some scholars agree with the decision of non-regulation as the best protection for free speech is best advanced without any state or government intervention. In this rises a question of censorship in these private arenas as Internet does not officially have legally protected "public forums". The notion of nonexistent private forum was upheld by the United States Supreme Court decision in the case *United States versus American Library Association*. The Court concluded that "Internet access via publicly-owned computers did not constitute a public forum and therefore that restrictions on speech in that context were not subject to meaningful First Amendment scrutiny" (Nunziato, 2005: 1118) [34].

So the Internet content does not enjoy endless freedom as it would look like at first glance; many corporations enjoy and exercise their control even in public discussions and forums at their sites. We mention some notable examples. Most of the ISPs including the biggest names logically have their Terms of Use where there they define their policies, what can be said over their forums, and what is prohibited. America Online, for example, in Article 23, Termination states: "We also reserve the right, in our sole discretion, to terminate your access to all or part of AOL.COM, for any reason, with or without notice" (AOL, 2006). In 2005 it's Terms of Service even proclaimed: "AOL and its agents have the right at their sole discretion to remove any content that, in America Online's judgment... is harmful, objectionable, or inaccurate" (Nunziato, 2005: 1121) [34]. The present top brand on the internet, Yahoo!, prohibits publishing "objectionable" materials and reserves the right

of pre-screening. "You acknowledge that Yahoo! may or may not pre-screen Content, but that Yahoo! and its designees shall have the right (but not the obligation) in their sole discretion to pre-screen, refuse, or move any Content that is available via the Service. Without limiting the foregoing, Yahoo! and its designees shall have the right to remove any Content that violates the Terms of Service or is otherwise objectionable" (Yahoo!, 2006) [55]. These companies acquired with these vague definitions in their Terms of Use or Service broad power that at some point can be understood and used as a censorship tool. Even smaller companies prefer broader language in their Terms of Use, or the so-called Code of Ethics in their discussion forums or blogs, e.g. Blog project of Slovak daily SME. "The publisher reserves the right not publish any text on the front page... with a successful registration there is no automatic right to publish texts on blog.sme.sk." However in this case the project authors stress this is not intended to limit freedom of expression. (Blog SME Code of Ethics, 2006) [8].

Still everybody is able to create website or blog of its own, everyone can post video on YouTube, on the other hand taking into account the dominance of some companies, it may be difficult for your voice to be heard.

The top four on the Internet Google, the most popular search engine on the web at all, also provides as special advertisement its sponsored links that among others prohibit "advocating against any individual, group, or organization" (Google, 2006) [19]. In the past though, this provision was used e.g. to prohibit to link the website with documents about Guantanamo Bay and Abu Ghraib as "sensitive issues". (Nunziato, 2005: 1124). There is an argument, that service provider and owner can decide what advertisement he will accept. But what if Google suddenly changes the policy on how the results from the search engines are arranged and will put at the top position websites based solely on its decision. The question is - can the owner influence all of the content of his website as he wishes including publicly accessible discussion forums? All of these present compelling and urgent need for clear rules set by the officially designated agencies.

## **POLITICAL INFLUENCE, INTERNET AND MEDIA GIANTS [2]**

As it is in the case of various media, all of them are vulnerable to misuse and are subject to the interest of politicians. Media owners, mainly whose

that are easy identifiable – the so called media moguls, are susceptible to such behavior. As in case of electronic or print media, the new media are no exception. Although it is difficult to present structured data, there can be analogies drawn that can substantiate this claim.

That Internet can be powerful tool is illustrated by the growth of the candidacy of nationally mostly unknown Vermont governor Howard Dean in the 2004 election season. It was a grass root Internet campaign that made him the early front runner. The World Wide Web is a prominent news source; already from the early beginnings the newspaper industry was anxious about the Net. “The public taste for online news is increasing as more people turn to the Internet during times of crisis and breaking news stories” (Brody, 2002: 262) [10]. This of course means that the same standards for scrutiny from journalistic ethics should apply to the news websites as they are to other types of media

Rupert Murdoch, the owner of News Corporation, the world's fourth largest Media Company, demonstrated in the past that he does not hesitate to use his political connections: If it was his relations with former British Prime Minister Margaret Thatcher, or China where he could deal with Teng Xiao-ping and the development of Fox Network was assured through U.S. president Jimmy Carter. But most currently, in 2003 all of his 175 newspapers supported the U.S. invasion of Iraq (Ondrášik, 2006: 35) [37]. In 2005 Rupert Murdoch vowed to dominate the Web the way he dominates the newspapers in Australia or the United Kingdom and various types of Media all around the world. “We can very became the major player industry,” said Murdoch. With acquisition of MySpace.com, Murdoch won 50 million online users who were part of this global forum. Not every user was enthusiastic about this deal though. According to the Associated Press news agency, many feared Rupert Murdoch's influence (Coulton, 2005) [15].

Internet is utilized to influence politics and vice-versa. On the other hand, one of the more positive aspects is that it can be used to strengthen the civic society by using the Internet for various civic advocacy and activism.

### **CULTURAL/MEDIA IMPERIALISM OVER THE WEB [3]**

At present there are up to eight global media giants, depending on where we put the decisive threshold or how we analyze their structure. When we

talk about eight separate companies, six are of U.S. provenience (Time Warner, Walt Disney, News Corp., CBS, GE-NBC and Viacom), the other is French company Vivendi which has large number of U.S. stockholders and last to mention is German Bertelsmann. The U.S. influence clearly dominates. In Media theories, Herbert Schiller, with his study "Communication and Cultural Domination" (1976), is the main promoter of the term cultural imperialism. He explains with this term the process how large multinational corporations of the developed world control the third world. There are several premises in his theory including capitalism and the dominating centre of the system (meaning nations of the West).

This is not restricted to information only. Its center of gravity is in entertainment industry. A country that buys these media products is not buying only stories and contents. These contents are based on Western/U.S. values, American ideology. British sociologist Jeremy Tunstall already in 1977 in his book *The Media are American* observed that "every nation that is on the peak of its political power and has the resources and will to radiate into the whole world a picture of itself as the number one nation". (Ondrášik, 2005) [36]

People in the South get their information from the Western Internet Content and the center of the Net is located in the nations of the West and. So the Internet is subject to cultural imperialism theory as well. As the tables show, all of the Top Ten internet companies and brands are American and thus the system of international dependencies over the Web already developed. The question is: Are the United States really the absolute boss of the Internet? Certainly not, as there are many vital local Internet businesses and websites in most corners of the world. But with the rising conglomerateness U.S. influence we have to keep close watch on the future developments.

For example in the case of Europe, according to the comScore World Metrix Report from July 2006, the Vodafone group was the only European player in Top Ten and U.S. search engine Google dominates the European market with 72 percent, which is more than in the U.S. where the number is 60 percent (comScore World Metrix, 2006) [12].

Table No. 8: The Top Ten Online Properties in Europe (Visitors Age 15+)

No.	Company or parent company	Unique Visitors, July 2006
1.	Google	156,334,000
2.	Microsoft	144,065,000
3.	Yahoo!	99,464,000
4.	eBay	86,201,000
5.	Time Warner Network	59,475,000
6.	Wikipedia	46,492,000
7.	Amazon	40,098,000
8.	Adobe	31,550,000
9.	Ask	30,073,000
10.	Vodafone	29,727,000

Source: comScore World Metrix Report from July 2006, Total Europe Home and Work Locations, Total European Internet audience 215,458,000 [http://blog.enclick.com/advertising/european\\_online\\_media\\_landscap.html](http://blog.enclick.com/advertising/european_online_media_landscap.html) [12]

English is the language of 30 percent of the worldwide internet users (Internet World Stats, 2006) [22], but vast majority of the global internet content is in English language. According to one 2001 study, the percentage of English language websites stood at 70. “While the technology is relatively neutral, the influences of political and economic power have made the Internet a virtual English-language empire” (Bowen, 2001) [9]. Although we can assume that English can be dominant because it is internationally most widely spoken, the distribution of the Web content split between the major companies over the Web show that it is the U.S.-originated English that may be predominant. Not to mention the digital divide, the gap between countries with access to the internet and those countries without it. These processes of domination are summed up as “economic colonialism” and e.g. the UNESCO organization for years debated the option to subsidize Internet access in the southern hemisphere (Jarvits, 1999) [25]. That the distribution of power on the web (number of U.S. websites, companies etc.) remains uneven are presented by the comScore survey which concludes that in July 2006 from all of the unique internet users worldwide (age 15+ category), only 21.5 percent were Americans)

Table No. 9: Online Populations for Top 10 Countries (July 2006)

No.	Country	Unique Visitors, July 2006	% from all users
1.	United States	153,074,000	21,47
2.	China	78,310,000	10,98
3.	Japan	53,104,000	7,45
4.	Germany	31,977,000	4,49
5.	United Kingdom	29,832,000	4,18
6.	South Korea	25,183,000	3,53
7.	France	23,801,000	3,34
8.	Canada	19,595,000	2,75
9.	India	18,020,000	2,53
10.	Italy	16,857,000	2,36

Source: comScore World Metrix, July 2006, total internet users: 712,976,000, visitors age 15+<http://www.comscore.com/press/release.asp?press=976> [13]

The United States still dominates the Internet in number of U.S. registered and hosted generic domain names – com., .net, .org, .info and .biz). It is by far the most dominant country with 67.23 percent which corresponds with 52,277,677 domain names. This is almost twelve times higher than the second most hosted country – Germany. U.S. is most superior in .org domains with 69.96 percent and in .com domains with 68.83 percent. The breakdown of the top Western countries on the web is almost 80 percent. As the Ipwalk analysis elaborates “the U.S. will continue to dominate the Internet for the foreseeable future”. One of the factor of the U.S. dominance is as well the fact that many foreign companies are web-hosted in the U.S. and are very competitive in price.

Table No. 10: Top Internet Domain Names by Country (2006)

No.	Country	Share	Number of domains
1.	United States	67.23%	52,277,677
2.	Germany	05.71%	4,442,041
3.	Canada	03.60%	2,802,411
4.	United Kingdom	03.37%	2,617,679
5.	China	03.22%	2,503,430
6.	Rest of the World	16.86%	13,111

Source: Ipwalk Analysis, 2006, <http://www.ipwalk.com/blog/?p=80> [24]

Some scholars point to the other sphere of international communication tension. The global phone system is overseen by the International Telecommunication Union which is part of the United Nations System of organizations. But the Internet is coordinated by U.S. private non-profit organization Internet Corporation for Assigned Names and Numbers (ICANN). Many governments feel that the Internet should be administered by a multilateral treaty. France, which for a long time has been nervous about the rise of the English language and American culture over the web which they see as an invasion for their culture, lobbied for a multigovernmental approach. China wanted to create a new international organization and loud criticism is heard from countries like Brazil and South Africa which represent continents with most of the poorest countries – Latin America and Africa. The Internet is subject to cultural imperialism theory as well. As the tables show, all of the Top Ten internet companies and brands are American and thus the system of international dependencies over the Web already developed (Cukier, 2005: 7) [16].

This is just another blow to the idea that internet is totally decentralized and inherently uncontrollable. It requires coordination and oversight in four critical areas to operate smoothly. First there are above mentioned domain names, then there are 12-digit Internet Protocol numbers, root servers and technical standards that are coordinated to ensure the Internet's interoperability. The ICANN was established in 1998 and it seemed to work in favor of Internet independence. The United States government put hands off the Internet and as China asked the U.S. Federal Communications Commission why Taiwan has its own domain .tw, the commissioners just blamed “private” ICANN. But later, critics charged that it lacked transparency, accountability and legitimacy and the idea that Internet ought to be managed by the international community rather than a single nation gained momentum. A U.N. appointed commission to investigate options and Washington promised to grant ICANN autonomy from its oversight in 2006. But later it changed opinion and the Commerce Department decided to retain final authority over ICANN indefinitely (Cukier, 2005) [16]. Many critics call this approach in the long term unsustainable. Although ICANN says it is advised by more than 80 countries and has had citizens from all around the world on its board, it still operates under memorandum of un-

derstanding with the U.S. Commerce Department (Markoff, 2005) [29]. Some progress has been made, at the summit on information society in Tunis (2005) the U.N. mandated Internet Governance Forum has been created as global meeting point about discussion stretching from everything from computer security and online crime to spam and other "misuses of the Internet". This preceded by the scholarly Internet Governance Project.

Another area, where we can observe systematic bias, that reminds us of cultural or media imperialism on the Internet is the free encyclopedia Wikipedia. In some areas this project allows less freedom than it proclaims. Some even point on systematic bias on English-language Wikipedia in the system of which entries it allows to be published. The roots of this bias can be explained with the digital divide - that people in some countries have much less computer and Internet access than in other and their views and articles from their respective countries and nations are or might be underrepresented. The Wikipedia editors are mainly from Anglophone countries and respective cultures which logically influences their world view. Many of the editors do not have proper cultural and linguistic knowledge and only hand-ful take part in the so-called article for deletion discussions.

We can take the case of small nation of Slovakia whose personalities are completely underrepresented on the English-language Wikipedia. In October 2006 the entry "List of Slovak prose and drama authors" listed 177 authors but only 22 had own articles, mostly stubs. The list of Slovak poets listed 104 names but only 11 actual entries or stubs. We have conducted an experiment to post an article about a young Slovak poet Ivan Balaz Kral, the new generation of authors in Slovakia. Balaz Kral published several collections of poems, is active journalist, university teacher, co-founder of selective literary society and has his own entry at Slovak-language Wikipedia. Poets with comparable record (for example from the U.S.) are listed on English-language Wikipedia. Article was well sourced, but the sources were in Slovak language and because of various reasons, the entry "Ivan Balaz Kral" did not create many hits on Google. It was decided to delete the biographical entry by editors 8:3. Some of the reasons were unsubstantiated, even rude, e.g.: "If I officially found the Wikipedian foundation for overindulgence in alcoholic beverages, can I get my own page too?" (Wikipedia: Articles for deletion/Ivan Balaz Kral, 2006) [53]. Non-scientific snap re-

search showed that this was not the only biographical deletion on Wikipedia under questionable circumstances.

### **OVERSIGHT VERSUS PRIVACY [4]**

Another pressing problem facing the freedom of Internet is the issue of “oversight versus privacy”. There are different ways of controlling private communication and content, it can be by websites owners, employers in control of local area network or government. Some are even making analogies with Orwell's Big Brother.

U.S. academician Ben H. Bagdikian claims that “historic civil liberties have been altered because the same secret intrusion can now be accomplished by government agencies” (Bagdikian, 2004: 63-64) [4]. It was mainly after the horrific attacks of September 11, 2001 that criticism grew stronger on government and state involvement in monitoring internet and private communication over this channel. With the Patriot Act the law enforcement gained unprecedented power in accessing computer data without proper data as is needed in the court procedure. The government is defending this move with the need of protecting citizens from another wave of terror attacks.

Employers routinely monitor the e-mail of their employees as well; a 2004 study showed that this practice is very common in the United States – with 50 to 60 percent of employers monitoring e-mail correspondence (AMA Research, 2004) [2]. This can be in the form of filtering spam and scam but also as a direct personal control. The question is whether the e-mail correspondence at workplace enjoys the same protection as e.g. telephone communication or regular mail.

Some authors choose a more philosophical approach and compare the current situation with Foucault's cultural hegemony that has the ability of exerting the population even knowing that it is under control. Eloquent is the analogy with radical English Philosopher Bentham's idea of Panopticon - a prison that allows the keeper to look into every cell simultaneously. Over the internet this means that there is great potential to monitor our behavior and limit the freedom of expression (Harris, 1997: 7) [21].

Another problem, however, is the protection of children and here is the government influence and action advantageous. The discourse is about sex, pornography, nudity and vulgar language over the Internet that can have

harmful effects on children. As it is in other media – television or print – there should be clear regulations in the area and accessibility of such content as well. Another chapter is the child pornography that ought to be rigorously prosecuted.

One practical approach to rate the Internet content was developed in 1996 in the U.S. by the Recreational Software advisory council (RSAC) as a response to government action to regulate indecent content. The RSAC system called on Web publishers to rate the content from 0 to 4 in four categories: sex, nudity, violence and language. Critics point out that this system could be misused and denounce it as censorship (Rao, 1999) [40]. Australia, Canada, and the European Commission recommended labeling sites according to their content. Proposed was the idea of telephone content hot-lines and there was desire for advanced filtering software.

### **CENSORSHIP OF WEB CONTENT TO APPEASE TOTALITARIAN REGIMES AND QUESTION: WHOSE LAWS GOVERN THE INTERNET? [5]**

The issue of "censorship" of the Internet content by companies cooperating with repressive governments is one of the more recent ones. In this case we are speaking about censorship in broader sense – about gate-keeping, editing and changing original speech carried by media (in our case Internet media) by any form of institution, either governmental or corporate. When it comes to China, which is often criticized by international institutions and non-governmental organizations regarding their human rights record, the Western conglomerate Internet companies choose the business like approach in this field. They allow censoring the web content and in return they are allowed to conduct their entrepreneur activities in this capitalist-communist country. China is increasingly important to the global economy and the world Internet players will not and maybe even cannot omit it. China has 1,3 billion citizens and 110 millions Internet users and growing. Now U.S. software and Internet companies like Google, Yahoo!, Microsoft, and Cisco Systems cooperate willingly with the regime even it has vastly different view on the terms like "freedom" and "democracy". The Chinese filtered Internet already acquired one inglorious nickname: "The Great Firewall of China". Yahoo! China and Google.cn quickly gained a strong posi-

tion on the market, 21.1 percent and 13.2 percent market share respectively (SinoCast, 2006) [45]. That is the most relevant reason why business circles quickly criticized the effort of some U.S. congressmen to outlaw their actions. News story published at Forbes.com claimed that such a law would not only limit U.S. companies' ability to do business in China, but may also deter Chinese companies from tapping U.S. equity markets.

To operate in China Google agreed to filter the content which Chinese government objected to. A filtered search engine version is available at Google.cn, it is the only site from Google family accessible within China. It is at the same time not accessible from the United States territory. Ironically, this move is at odds with Google's advertisement slogan "Don't be evil".

Another U.S. Internet company involved in the scandal is Yahoo! which had to admit that in 2004 its company revealed the name of Chinese citizen who used the Internet to express his political views and who was later imprisoned. Shi Tao was convicted for divulging state secrets and sentence to ten years (Puzzanghera, 2006) [39]. In other cases Yahoo!'s disclosure lead to the arrests of Li Zhi, Jiang Lijun and Wang Xianoning. Research of the non-governmental Human Rights Watch showed that Yahoo's self-censorship in China is in some cases even worse than that of heavily censored Chinese homegrown search engine Baidu (Human Rights Watch, 2006) [23]. According to posting on WebProBlog, former CIA agent David Steel said in radio broadcast that Google cooperates with U.S. CIA secret service in censoring some materials.

Microsoft abruptly disconnected a popular blog by critical New York Times research assistant Zhao Jing. The MSN network, subsidiary of Microsoft blocks on its Chinese portal the use of words like "freedom" and "democracy".

Cisco Systems is accused of supplying the Chinese government with equipment for filtering and monitoring the Net (Musthalter, 2006) [31]. Company Skype is censoring sensitive words in text chats in Chinese Skype software (Human Rights Watch, 2006) [23].

There is no doubt that freedom of speech is not served in China and many other countries and despite that Western companies preferred profits over values. The Chinese firewall - surveillance over the internet is one of the most advanced in the world and there is a need for legislation prohibiting undemocratic regimes to exercise the control of media with help of

Western democracies. The United States, the European Union and the whole democratic international community should restrict such behavior and pass legislation prohibiting companies from storing personal users' data on servers in China.

The problem with censorship in China is highlighting another important issue facing the IT virtual environment. It is the question of whose laws govern the information superhighway. We just mention one notable case dealing with this issue was Yahoo! versus the French government. In 2000 France's Union of Jewish students and the International Anti-Racism and Anti-Semitism league sued Yahoo! for allowing Nazi collectibles to be sold on its auction pages. As a result of this, the French court ordered Yahoo! to block Internet surfers in France from auctions selling Nazi memorabilia. Yahoo! eventually decided to ban auctioning these items as whole. In 2003 the French court decided that Yahoo! "never sought to justify war crimes and crimes against humanity" and this ruling was upheld in 2005 (Newsletter on Intellectual Freedom, 2005: 151) [32]. But the question was raised about the first French legal decision to outlaw selling Nazi memorabilia over Yahoo! in France. The U.S. Appeals Court refused to intervene in this ruling even as Yahoo! argued that France contravened its right to free speech. The U.S. Supreme Court in May 2006 declined even to review the case.(Waldmeir, Waters, 2006: 10 [51], Greenwald, 2006: 3-4 [20] FinancialWire, 2006 [17])

The question of whose laws should apply to the sphere of Internet remains and underscores the need for international solution. U.S. courts namely did not decide on merit but on procedural grounds to dismiss the Yahoo! case. The Appeals court never reached clear decision on the issue.

## **INTELLECTUAL PROPERTY ISSUES [6]**

There is a legitimate view of some scholars that nation states or international bodies should not regulate the Net and thus allow individuals to make content of information networks to the maximum degree (such is the case of free online encyclopedia Wikipedia.org). One of those scholars is Yochai Benkler, who claims and with his book *Wealth of Networks* demonstrates that information networks allow individual to create and distribute the content widely without the support of a major company. Benkler's idea has the

point. This the reason why many of the blogs became suddenly so popular. Many “authors” is in this era of digital age even allowing the readers to influence their work. Like in the case of Wikipedia, where everyone can be the author and create either one's own or enlarge an existing article, the authors ask for comments from their readers in course of writing or as it is in the case of Dr. Benklers' network book, they comment on it after the book was published.

There are many who share the opposite view on the freedom of Internet content. For example Dominique Wolton claims “that, the Internet did not create a society where the information circulates freely or where social, civic interactivities and relations have been miraculously improved and calls for regulation of the Net” (Wolton, 2000) [54].

It is far away from me to claim that networks are more powerful than nation states, at least for now. On the other hand there is much less “non-corporate” massively visited websites than it is those with “corporate” background (which are clinching to broader and immeasurable influence). However, no one is questioning the notion that individuals are contributing to this thriving wealth of networks which allows them much more than other types of Media. So is there really endless future in peer-to-peer communication and open-source programming? This outcome may be well too optimistic and the answer probably lies somewhere in the middle. There certainly has to be some kind of mix between the corporate sponsored communication and the peer-to-peer one which will find the way of co-existence.

Benkler demonstrated his premises as he digitally published he work completely freely without charging the user. On the other he had to arrange the deal with the publisher first. Copyright issue has overwhelmed the regulation of the Web in the last decade. The discussion and legal proceedings overshadowed all other issues facing the industry. Companies elected such a hard approach in defending their intellectual property rights that they in some cases even stopped the information flow (Napster, Grokster and other peer-to-peer communication software).

Copyright was historically enacted to protect the creators of literature, journalism, arts, film and other personal creative work and its publishers. As this work is now property of media conglomerates, the fight over copyright started. Conglomerates used their power to gain an unprecedented ex-

tension of copyright protection. The balance between real protection and greed ceased to exist. The scope of protection of the copyright owners (mainly the companies) is extremely broad. The battle is being fought between various media companies over the copyright rights and with the strict interpretation of intellectual property in this process of "copyrighting culture", only in the end the user suffers and it even threatens creativity.

Benkler has a solution as he counterpoints the general wisdom that creating and exploiting intellectual property is the only way to do business. He claims that in 2003 computer giant IBM made a twice larger revenue from open-source (free to be distributed) services than they did from intellectual property (intellectual property transfer, licensing, royalties (Benkler, 2006: 46-47) [7]. Companies calculate the revenues from intellectual property rights field. Jupiter Research in 2006 estimated that Europeans will spend more than 385 million euros on digital music and most of it will come from Apple iTunes which serves the iPod digital equipment. But the reports claim as well that 83 percent of iPod users do not buy music regularly, so only a minority downloads music on iTunes for a charge (BBC News, 2006) [5]. Mr. Benkler's idea of opening up the minds of Internet companies to the open-source environment and peer-to-peer communication may well be the solution for the industry and be beneficial both to users and business strategies of the Internet companies.

## **TECHNOLOGICAL ISSUES [7]**

As the Internet is still considered a new technological tool even though it has been around for the last decade, technology plays a vital role in its regulation. In essence, the Internet can be divided into three layers that enable it for the Net to function. First it is the physical layer (wires, computers, equipment). The protocols are the so-called logic middle layer and finally there is the content layer. The only layer which remains virtually free is the middle one (Lessig, 2002) [26].

There are some technological tools that allow filtering the content or preferring a different website before the other. The largest telephone and cable companies in the U.S. would like to control how the information on the web is delivered and what website will run faster, which will have priority on their networks over the other. In that case Internet is not neutral

anymore. Cable companies already started to deploy these technologies. The solution to this could be concept of a commons on the Internet. "Commons" means resources are being accessible to any member of community and it is a good, may be a public good. Common carriage regulation takes what is otherwise owned property and makes it function like a commons, because there is no discrimination in access to the resource (Lessig, 2002) [26]. In the field of intellectual property the concept of entire creative commons was created by Lessig, it does not undermine the copyright of individuals and at the same time allows others to use the information for free.

At this moment we are heading to the state where this issue does not have clear regulation and we can easily be lost in the jungle of the Internet. The U.S. Supreme Court at least once decided in favor of cable and telecommunication companies – in June 2005 as it ruled that cable and telephone companies could determine what content they can exclude from their systems. That opened the door to possibility that big companies could gate-keep the information even more. But if cable broadband were designated as "telecommunication service", it would have to provide "common carriage" on non-discriminatory basis for everyone's content. This principle is generally followed in field of telecommunications.

Then there is the problem already mentioned in the section on Oversight versus Privacy. It is the issue of filtering the content (pornography, hate speech, violence etc.) mainly to protect minors.

### **COMMERCIAL INTERESTS AND THE "BLOGOSPHERE" [8]**

Blogs – personal websites in form of diaries written in journalistic style, often with news content - are considered one of the utmost demonstration of the freedom on the Net. But in the end, they are not that vital as they used to be. In particular, as the commercial interests started to dominate this part of the Internet. As blogs became extremely popular during the 2004 U.S. political season, the interest of commercial advertisers has been more obvious and blogs like with a shot of magic bullet became entrepreneurships.

Everyone embraces blogs today: mainstream media (they quote them and even establish blogs of themselves), big corporations and businesses. And according to Google search, they are bigger than Jesus (219,000,000 hits in October 2006), sex (632,000,000 hits in October 2006) and even than

George Bush (95,100,000 hits). Blog is the ultimate ruler with 2,610,000,000 websites (October, 2006). According to Pew's Internet and American Life project nine percent of Americans who surf the Web write blogs (13 million people). And 21 percent (30 million) U.S. web surfers read these Web logs. (Rubin, 2005) Nearly two blogs are created every two seconds according to San Francisco company Technorati tracking 53 million blogs, new blog is created every two seconds. (Parker, 2006) Just for comparison, at the end of 2005 there were approx. 23 million blogs and 30-thousand to 70-thousand new blogs created each day (Rubin, 2005) [42].

Blogs became big, even big money makers. They are not self-indulgent hobbies anymore; they are flourishing businesses with real advertisers, real revenues, and real profits. For example Fark.com, blog of a lone guy in Lexington, Kentucky is set to be a multimillion dollar property. More than 1.5 million readers regularly check blog TechCrunch which has advertisement revenue 60-thousand U.S. dollar each month. They were even termed it un-economies of scale – they are very cheap to operate and just lone blogger can generate a level of profit that many companies would not even dream of. (Sloan, Kaihla, 2006) And even as it is a phenomenon that is just starting, it doubled twice between 2005 and 2006 and it is touted to become 24 billion dollar industry in 2010 (Sloan, Kaihla, 2006) [46].

With the rising industry the advertisers certainly at least limit part of the content freedom that blogs are enjoying. They can effectively influence what bloggers put on their websites. Interesting approach chose Sprint wireless telecommunication company. It tried to get free publicity on the blogs by giving the writers free phones and service. About 400 bloggers signed to this program. As blogs are becoming important news source the journalistic integrity should be a vital part of the working habits of bloggers. According to U.S. Forrester/Intelliseek 2005 study, more than 60 percent of consumers trust blogs about products and brands versus less than 50 percent for branded ads (Wasserman, 2006) [52]. Even my experience writing blog show that companies try to influence what are the blog postings about.

There are more issues that start to limit the blog content. For example as courts are asked to crack down on bloggers. There were several high level legal cases on blogs in 2006. Former Senate Aide Jessica Cutler was sued for invasion of privacy by another aide Robert Steinbuch when she posted a

blog were she described his sexual escapades. Defense lawyer Todd Hill filed a libel suit against the blog DonDateHimGirl.com. Religious broadcaster and publisher Ligonier Ministries tried unsuccessfully to pre-emptively silence a blogger to prevent from criticizing the church. In other case Anna Draker, assistant to high school assistant filed a defamation and negligence suit against students and parents for posting a hoax page about her (Parker, 2006) [38]. This is only a sample of legal examples that bloggers are involved in, others include employee versus employers blogs and other defamatory postings. This too is casting serious doubt on the myth of the “freedom of the web” and content expression in this multimediuim.

## **CONCLUSIONS [9]**

The purpose of this paper is not to cast doubt or challenge the importance of Internet and its openness for business, entrepreneurships, the dynamic market movement and advantages for costumers through the e-commerce or the technological advancement associated with it. Task of this study is to pose some critical questions about the direction where the Internet is heading. In which areas is its freedom challenged and even endangered, where the communication and content production flow distorted is. The purpose is to challenge the myth that Internet is ultimately free and does not need regulation or laws governing it.

The power of cyberspace giants and concentration of industry ownership has impacted heavily on Internet and power accumulated in hands of these companies could be immense. That these companies distort the content, are involved in the process of gate-keeping and select information is already taking place and will evolve even more as the examples from broadcast industry show. As the statistics show, Internet is more and more in hands of handful companies that are virtually unregulated compared with other media industries like television or print. The public interest standards over the Net simply do not apply. However I mean regulation that will serve to preserve the diversity not to limit the free communication flow. The question is can we really develop effective regulation that will achieve this purpose? Is it even technologically possible?

Most of the conceptions from the broadcast industry are not applicable in the vast Internet environment but that does not mean the antitrust regu-

lation should be exempt from this area, e.g as Google dominates almost half of the search engines market and growing. The conceptualization of effective regulation and how to adapt media ownership to this new digital age is part of many researches of scholars and academicians. Some executive bodies, like the European Commission are taking constructive approach in regulation of the Web. One of those is to regulate the video stream on the Internet with the reform of Television Without Frontiers directive or rating the Internet content in an effort to protect children.

The regulation is even more sensitive in the area of the Internet without affecting the free communication and information flow and technological advancement. We have to keep in mind that the Internet too, as other types of media are, can be a merit good - good whose value exceeds the valuation an individual would place upon it. And the markets alone simply cannot solve the problem of keeping the Web content diversified and free. The commerce versus commons model has created tensions in cyberspace.

Another area is U.S. dominance over the Internet that influences the international and global communication flow. Solutions to this issue could mean more state subsidies to various local Internet entrepreneurs and diversified Internet content with funded projects and encourage the technological development.

Democratic culture means to have a fair opportunity to participate in social and civic activities, it is also crucial to have the same access to freedom of speech. The so much discussed net-neutrality has to be preserved so the equal Internet access stays in place.

The states, regulatory authorities and international institutions should finally crack down on e.g. Internet child pornography or hate sites and develop effective tools in protecting the children.

On the other hand the Internet cannot be allowed to be enslaved by copyright issues and with that associated interests of large companies. There has to be a clearly stated standard line between intellectual property rights and harassment of Internet users. One of the workable concepts could be that demonstrated in *Wealth of Networks* by Dr. Benkler to support more open-source users generated content.

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