We live in an age of cloud services. Every time we stream a movie from our Hulu Plus account, upload photos to Google Drive, download an ebook from Mediafire or share music via a Dropbox link, we take media practice “into the cloud,” reflecting the deepening integration of content distribution and the new online storage, streaming and file-hosting services.

One aspect of the cloud economy, when viewed from the perspective of the consumer, is that it is industrially opaque. While twentieth-century media industries could to some extent be understood through their workforces (television presenters, journalists, retail staff), their commercial spaces (record stores, cinemas, newsagents), and their moguls (Hearst, Murdoch, Branson, Berlusconi), the cloud economy is harder to visualize in this vernacular way. Most of us know little about the mechanics of data services, for example—where the servers are based, who controls the platforms, how our personal information is managed. Nor do we understand how the cloud works as an economic and industrial system—Who owns these businesses? What kind of people work in them? Where does the money come from? Where does it go? Is this the kind of industry I should support? In other words, we lack the information needed to perform what Fredric Jameson famously called “cognitive mapping,” that process of understanding our relationship to a “vaster and properly unrepresentable totality.”

---

Kim Dotcom and the economic image of the cloud

Ramon Lobato
compelling, vernacular images of the cloud economy and the flows of money, knowledge and political power that constitute it.

It is within this context—the cloud’s industrial opacity, and the absence of a narrative and cast of characters in the popular imagination—that I have been thinking about Kim Dotcom, one of the few individuals to have provided us with such a narrative. Dotcom is the flamboyant founder of the cloud storage service Megaupload.com, an online “cyberlocker” which was widely used for pirating media content until it was shut down by the FBI in January 2012. During his transition from hacker to multimillionaire to international fugitive, Dotcom has consistently performed the part of a playboy entrepreneur, enacting a lavish and decadent lifestyle for the cameras while professing his commitment to new-economy ideals of disruptive innovation and informational freedom.

Dotcom is an intriguing object of analysis for two reasons. The first is his prominent, if unlikely, place within digital media history. Megaupload, as the most high-profile of the cyberlockers, had far-reaching effects on the media industry landscape: it got millions of people used to downloading content from, and watching content in, the cloud. Leaving aside the obvious ethical questions about piracy, it is fair to say that Dotcom is one of the more significant industry figures of the last decades, in terms of his ability to effect structural change. The second reason is Dotcom’s larger-than-life persona, and especially his cartoon-like self-image as renegade entrepreneur. As the cloud storage industry’s only celebrity, Dotcom provides what David Ruccio calls an “economic representation”—a distilled, vernacular image of a changing economy—through which we can start to explore some wider questions about the way that economy is constituted.

2.

For readers unfamiliar with the man and his myth, let me provide a brief biography. Born Kim Schmitz in Kiel, Germany (he would later change his surname to Dotcom), Kim received his first computer as a birthday present. By the age of 10 he was cracking copy protection on computer games and selling copies to his school friends. In his teenage years he was arrested for trafficking in stolen phone card numbers and was given a suspended sentence. Later, in the mid-1990s, he founded an internet security company, Dataprotect, selling white-hat hacking solutions to corporate clients. In 1998 he was arrested again for computer fraud and data espionage. In 2001, following a high-profile case of insider trading involving a group-buying website called LetsBuyIt, he fled to Thailand.
Dotcom eventually settled in Hong Kong, where he founded Megaupload in 2003. Megaupload was one of the first free cloud storage services, the kind that was ostensibly used to send files that were too large for email. The difference between it and its competitors, such as Dropbox and YouSendIt, is that Megaupload was widely and flagrantly used for illegal hosting of film, TV, music and pornography. The site’s massive traffic levels—at its peak it accounted for 4% of global internet traffic—generated hundreds of millions of dollars in advertising and subscription revenues, most of which went towards Dotcom’s lavish lifestyle—a bizarre mise-en-scène of private jets, swimsuit models, Rolls Royce coupes, holidays in Monaco, Cuba, and Brazil, all-night video game tournaments, and an opulent mansion on the outskirts of Auckland, where the Dotcom family and Megaupload’s three staff relocated in 2010.

Images of Dotcom’s lifestyle have circulated widely online. From top left: Dotcom’s Royce with custom plates; Dotcom’s private jet; Dotcom hanging out with F1 driver Kimi Raikkonen; Dotcom with swimsuit model.

The party couldn’t last forever. At the behest of the Hollywood studios, the FBI began a wide-ranging investigation into Megaupload, culminating in a District Court indictment for fraud, racketeering and criminal copyright infringement. On 20 January 2012, Dotcom’s birthday, New Zealand police sent two helicopters and 76 officers to raid the Auckland mansion. Dotcom was found cowering in a panic room, an unloaded shotgun nearby. This incident made news headlines around the world, increasing Dotcom’s notoriety and making him an object of fascination, and some degree of sympathy, for
many people who had never heard of him before. In his book *I Wear the Black Hat* Chuck Klosterman sums up the general reaction:

> When Kim Dotcom was arrested during a 2012 police raid of his home, I had the same series of reactions as everyone else: There's literally a person named ‘Kim Dotcom’? And this person is a 350-pound, ego-centric German multimillionaire who never went to college? And he got famous for being a computer hacker who refers to himself as Dr. Evil? And he lives in a mansion in New Zealand? And he participates in European road races and is the world’s best *Modern Warfare 3* player? And he has a beautiful wife of unknown racial origin? And his twenty-four-acre, $30 million estate is populated with life-size statues of giraffes? And he likes to be photographed in his bathtub?

Kim has not shied from media attention since his arrest. While contesting an extradition order to face charges in the United States, he has embroiled himself in a bizarre range of business ventures (including the encrypted cyberlocker Mega and the fledgling streaming service Baboom) and political intrigue (involving campaign financing and corruption scandals in New Zealand, and purported links to the Snowden/NSA affair). In 2014 he founded his own political party, The Internet Party, and ran candidates in the New Zealand elections, albeit unsuccessfully. These exploits have been reported daily by local media outlets and tech bloggers, providing a never-ending stream of tabloid intrigue for Kim-watchers.

Beyond all the smoke and mirrors and the self-created media spectacles, what does this saga offer media industry studies? Kim Dotcom’s life is a surreal joke, but as with most surreal jokes, there are deeper implications to consider.

In *Cultural Economy: Cultural Analysis and Commercial Life*, Paul du Gay and Michael Pryke describe a domain of cultural inquiry dedicated to understanding “the latently cultural dimensions of commercial life (e.g. management ‘style,’ different understandings of what makes for efficient organisation, etc), and how our idea of ‘the economy’ is culturally constructed.” One aim of such an approach is to understand the cultural
undercurrents of economic phenomena—firms, startups, workplaces, industries, practices—in terms of the professional identities and subjectivities they help to create.

If we push this line of analysis a bit further it becomes possible to think about the Dotcom story as a kind of cultural-economic *performance* embodying, among other things, a particular way of doing media business, a set of relations and dispositions towards the media industries, and a fusion of different cultures of media enterprise. We also can start to consider the various economic identities—“innovator,” “entrepreneur,” “mogul,” “robber baron”—that he acts out for the press.¹⁰

Consider the images below, taken from the Kim Dotcom’s website Kimble.org in 2006, when he was a minor European internet celebrity:

![Kimble.org in 2006](via Wayback machine)

“Kimble,” one of his many pseudonyms, is a reference to the character Dr. Richard Kimble from the TV show *The Fugitive*. The Kimble website was Dotcom’s primary vehicle for self-promotion between 2000 and 2007, where he
advertised his venture capital fund, KimVestor, to potential clients. Festooned with images of Formula One cars, private jets, and decadent holidays, the website was where Kim first crafted his public persona as a clownish hacker-villain. The overriding theme is ludicrous, conspicuous consumption, all staged for the cameras and posted online—a hyper-capitalist excess, rooted in the cyber-collectivist traditions of hacker scenes and in the adolescent machismo of gamer culture.

Now consider this video footage from the January 2013 launch of Dotcom’s encrypted cloud service, Mega. The launch was staged at Dotcom’s mansion, exactly one year after the Megaupload raid.

This is a remarkable piece of public relations, but for our purposes it is relevant because of the way it again projects a cartoon-like entrepreneurial subjectivity. Kim’s performance of the mad-mogul figure draws on a bizarre range of signifiers—the monochrome outfit of the tech CEO, the female bodyguards of Colonel Gaddafi, the “reclusive mogul” aura of Charles Foster Kane, the decadence and defiance of gangsta culture—and packages them into that most quintessentially Silicon Valley genre, the staged product launch. The end result is a pastiche of incompatible identities: innovator; criminal; playboy; freedom fighter; martyr of IP overreach; one-man brand.

A similar entrepreneurial identity is also at play in Dotcom’s musical ventures. (Yes, believe it or not, he releases cheesy Eurotrance albums in his spare time.) Here are the lyrics from his track “Take me Away,” taken from the album Good Times, produced by his sometime collaborator and Black Eyed Peas producer, Printz Board:
The world is mine,
And you’re just in it.
Predict the future
While I invent it.
My innovation—outside the box.
Endless creation,
You know it rocks.
I’m not done.
I’ve just begun.
Kim Dotcom.

Dotcom’s parody of Silicon Valley subjectivity is only half-ironic. His frenzied performances have a certain kind of rationality, in that they provided the "unique selling point“ that made his businesses different from their competitors. Cloud storage is an industry with few faces, whose products are largely indistinguishable from each other. Kim Dotcom on the other hand is a walking brand. Megaupload’s success, such as it was, is premised on the free publicity that Dotcom’s exploits provided.

4.

As I have argued, one way to think about the figure of the digital media entrepreneur is as a particular means of imaging, formatting and personalizing the disembodied flows of data and money that constitute digital media industries, so as to make them knowable to people outside those industries. Kim Dotcom is an exceptional figure in this regard. In performing the role of mad media mogul of the cloud economy, he provides one of the only available vernacular images of that economy. His story, while fascinating because of its strangeness, has a wider significance in that it has forever colored in some small but permanent way our “economic image“ of the cloud.

Although undeniably strange—the pantomime-style narrative of a digital robber baron, playing out at the precise moment that the cloud went mainstream—the Dotcom saga tells us something more general about what happens when a new technology opens up a corner of the digital economy. Dotcom’s public persona, cobbled together from a diverse range of culturally comprehensible symbols of analog and digital media enterprise, made sense
even when the service it figureheaded was unknown. Similarly, his relentless self-promotion and personal identification with the brand he had created fits in with familiar models of how an entrepreneur/economic innovator/disruptor should behave, even while his business methods criminally undermined settled media industry structures.

From this perspective perhaps Kim Dotcom is not so strange after all. His lurid performance dramatizes, in hyperbolic mode, the most basic qualities of the new economy: the integration of media and tech industries; the celebration of the hacker as a media industry innovator; the ongoing tussle between the formal and the informal; and the parasitic value-extraction of cloud computing.

Notes

3. Note the integration between storage and streaming functionality in terms of how Megaupload related to its associated sister sites, Megavideo and Megarotic (the latter was dedicated to pornography).
6. Megaupload was designed with these activities in mind, as evidenced by pirate-friendly features such as uploader reward points, convertible to cash. Details can be found in the Megaupload indictment, available at http://tinyurl.com/pxbwzyf.

8. These political scandals are the focus of Fisher’s hagiographic biography, which contains extensive reportage of the relevant courtroom hearings in New Zealand.


10. An example of this approach can be found in Christopher Holmes Smith’s memorable essay on the hip-hop mogul as economic image. Holmes Smith, “I Don’t Like to Dream About Getting Paid: Representations of Social Mobility and the Emergence of the Hip-Hop Mogul,” *Social Text* 21, no. 4 (2003): 69–97.

11. Predictably, Kimvestor has been mired in allegations of fraud.

**Acknowledgement:**
The author thanks Alexandra Heller-Nicholas for invaluable advice and research assistance.

**Ramon Lobato** is Senior Research Fellow at Swinburne University of Technology, Melbourne. His research focuses on the global dynamics of media distribution, copyright, and piracy. He has published four books: *Shadow Economies of Cinema: Mapping Informal Film Distribution* (British Film Institute, 2012); *The Informal Media Economy* (Polity, 2015), with Julian Thomas; and the edited collections *Amateur Media* (Routledge, 2012), with Hunter et al., and *Geoblocking and Global Video Culture* (Institute of Network Cultures, in press), with James Meese.