



OutFront

Bill Gates, DJ

Peter Kafka, 10.18.04

Microsoft's detractors say Windows copycatted Apple's ideas. Now Microsoft is copycatting FM stations. Its new Media Player has an option that lets users listen, for free, to virtual radio stations that mimic 980 FM stations, playing the same music and invoking the same call letters.

Fans of the soft rock found on San Francisco's KLLC (Radio Alice) can listen to a simulated version on their desktops; so can fans of New York's hard rock WXRK (K-Rock). Even better, promises Microsoft, its version of the stations features "fewer ads, no DJ chatter and less repetition."

Microsoft can pull this off because stations' playlists are matters of public record, compiled by Nielsen BDS' tracking service. Microsoft simply buys lists of what each station plays and programs an ersatz version. It pays undisclosed royalties to the music labels.

Whether Microsoft can get away with using a station's call letters and other trademarks like its nickname (Radio Alice) is an open question. Radio giant Clear Channel (*see story, p. 106*) says its lawyers are reviewing the new software feature, released in September, and Microsoft says it has already heard complaints from individual stations.

There might be a bigger hue and cry if more people listened to Internet radio. Though Arbitron/**Edison Media Research** says 16% of Americans tune in at least once a month, advertisers are skeptical. It appears Internet radio advertising gets just a few million dollars a year, compared with \$20 billion for broadcast radio.