



ADVERTISEMENT

July 27, 2005

[latimes.com : Business](#)
[E-mail story](#) [Print](#) [Most E-mailed](#)

Studios Settle on Technical Standards for Digital Shift

By Kim Christensen and Claudia Eller Times Staff Writers, Times Staff Writers

Hollywood's major studios have hammered out technical standards for digital movies, capping a three-year effort intended to save millions in distribution costs, enhance picture quality and increase anti-piracy protections.

The agreement, to be announced today in Beverly Hills by a consortium of seven studios, does not detail who will pick up the tab for changing from film to digital projection, according to studio sources familiar with the discussions.

ADVERTISEMENT

Several financing plans have been discussed as the studios and theater operators wrestle with who should foot the bill for such items as digital projectors and computer equipment.

One top studio source said Tuesday that talks had produced a plan to establish a financing entity that would borrow the money to pay for the initial costs for 3,500 to 10,000 screens nationwide. The costs would be recouped in part from fees charged theater owners and from the studios' savings from switching to digital, the source said.

None of the studio executives interviewed would speak on the record before the formal announcement is made.

By converting to digital, studios could save hundreds of millions of dollars each year on printing and distributing film. And unlike film, which degrades when repeatedly run through a projector, digital movies' picture quality would remain constant despite the number of showings.

It now costs studios about \$1,200 a print for film. Converting to digital would reduce that to about \$300 per copy initially, and eventually the cost would drop even further, a studio source said. Those savings could offset the costs of switching to digital, including projectors that range from about \$60,000 to \$100,000 each.

Even if the studios pay the upfront bills for equipment, one question yet to be resolved is who will pay for its maintenance.

The technical standards to be announced today were developed by the Digital Cinema Initiatives, a consortium of seven studios: Walt Disney Co., 20th Century Fox, Metro-Goldwyn-Mayer, Paramount Pictures, Sony Pictures Entertainment, Universal Pictures and Warner Bros.

Steve Tsai, a spokesman for the consortium, declined to comment Tuesday. The group plans to make its announcement at a news conference at the Academy of Motion Picture Arts and Sciences headquarters.

Among other things, the standards are intended to ensure that equipment manufacturers will know what specifications will be required to show movies made by the major studios.

For instance, the new standards embrace two digital projection formats related to picture sharpness, 2,000 lines of resolution per screen and 4,000 lines per screen, industry sources said.

The consortium also has developed standards for protecting the content from piracy.

One method discussed involved "forensic watermarking technology" that would allow the studios to trace pirated movies by time, date and theater from which they were captured by camcorder. The watermarks would be embedded in the content but would not be visible to viewers.

Times staff writer Alex Pham contributed to this report.

BUSINESS

[Former American Idol Now Aims for Survivor](#)
[Louisiana Builds Bridge to Cuba](#)
[Cox Promises 'Vigorous' Action at SEC](#)
[Tech Firms Dealt Blow on Options Expensing](#)
[Countrywide Profit Drops as It Retains More Loans](#)
[Business section >](#)

MOST E-MAILED

[Beauty and the Bleach](#)
[Going below the surface](#)
[A silent enemy out there](#)
[> more e-mailed stories](#)



CLICK HERE to have Times news sent to your inbox

SIGN UP NOW FOR HOME DELIVERY!





Los Angeles Times **Enjoy seven-day home delivery for as little as \$2.50 a week.** [CLICK HERE](#)

Ads by Google

Digital Movie Theaters

Explore DLP Cinema advantages; find digital theaters & showtimes.
www.dlpcinema.com

Home Cinema Projectors

Award-winning LCD & DLP Projectors. for your Home Theater System.
www.Mitsubishi-Presentations.com

InFocus X1 Projector Sale

\$649 - Low Price- nowhere else. 48 Hours Only. Official Site.
www.InFocus.com

Projector Discounters

Projector Solution sells projectors at discount prices. Learn more.
www.projectorsolution.com

ProjectorCenter.com

Discount Pricing & Premier Service Toll Free 800-868-4904 & Save Money
www.projectorcenter.com

If you want other stories on this topic, search the Archives at latimes.com/archives.

TMSReprints

Article licensing and reprint options

Copyright 2005 Los Angeles Times | [Privacy Policy](#) | [Terms of Service](#)
[Home Delivery](#) | [Advertise](#) | [Archives](#) | [Contact](#) | [Site Map](#) | [Help](#)

