

Is Redstone of two minds on YouTube?

By Dawn C. Chmielewski, Times Staff Writer
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Media mogul Sumner Redstone has had a love-hate affair with YouTube Inc. this week.

No sooner had one company he controls, Viacom Inc., sued the online video site for $1 billion than CBS Inc., which he also controls, struck a major deal with it.

Under an agreement announced Thursday, YouTube will show CBS clips from the March Madness NCAA basketball tournament. The disclosure comes as Viacom, CBS’ former sister company, is alleging that YouTube allowed users to post more than 150,000 unauthorized clips for viewing from scores of Viacom shows such as "The Colbert Report," "Ren & Stimpy" and "The Daily Show."

In an interview, Redstone praised the CBS deal, saying YouTube paying to use clips is the kind of arrangement Viacom should have as well.

"The deal that CBS did with YouTube is in no way inconsistent with the Viacom position, which is not to permit any person or company to misappropriate its product without paying for it," Redstone said.

Media observers said it was not unusual for Redstone, with his vast holdings, to employ the carrot and the stick in dealing with potential partners.

"More than anything else, they're trying to make a point, which is: You license things from us in a commercial fashion and we'll play ball," said Larry Gerbrandt, senior vice president and general manager of Nielsen Analytics.

"But when our stuff is on there illegally, and you don't take it down fast enough or don't monitor it, we have a problem."

Thursday's YouTube deal is the handiwork of CBS Chief Executive Leslie Moonves, who has embraced digital distribution and has touted YouTube's promotional prowess.

Last fall, CBS agreed to distribute short clips from such popular network shows as "CSI" and "Survivor," along with sports and news highlights. Moonves even shared the stage with YouTube co-founder Chad Hurley for a Super Bowl promotion during this year's Consumer Electronics Show.

The new March Madness channel is sponsored by Pontiac. It offers tournament highlights, such as Louisville guard Earl Clark stealing a pass and slamming a dunk in a first-round game against Stanford, almost as soon as they happen.

YouTube users can comment on the clips, rate them, recommend them to friends or post their own video responses. There are also links to CBS Sports, NCAASports.com and CSTV.com, where fans can watch the full games through March Madness on Demand.

"How can you lose here? The users love it because we're bringing it right to them," said CBS Interactive President Quincy Smith.

Smith said it was inevitable that tournament clips would end up on YouTube. The network now can get ahead of the curve by feeding near-live highlights into YouTube while making advertising revenue.

Chris Maxcy, YouTube’s director of content partnerships, said users would be invited to create their own basketball highlight reels, which would be posted on YouTube.

"This is the power of the community, millions of people looking at this from a variety of angles," Maxcy said.
"You hopefully will see. You're going to find some unique pieces of content."

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Times staff writers Meg James and Claudia Eller contributed to this report.

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