Film piracy mushrooming in Canada

About 1 in 5 bootlegs worldwide originates from that nation. Studios begin to cancel preview screenings.

By Jim Puzzanghera, Times Staff Writer
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WASHINGTON — Hollywood is singing a new tune in its fight against movie theft: "Oh no, Canada."

Piracy north of the border has exploded in the past two years since Congress made it a crime to use video recording devices to copy movies in U.S. theaters, according to industry officials. But with piracy laws more relaxed in Canada, bootleggers can operate there almost risk free.

A frustrated Warner Bros. Entertainment Inc. this week canceled all promotional public screenings in Canada, including any for its big summer movies "Ocean's Thirteen" and "Harry Potter and the Order of the Phoenix." The studio estimates that 70% of its releases during the last 18 months have been illegally recorded in Canadian theaters.

"Within that first week, you can almost be certain that somewhere out there a Canadian copy will show up," said Darcy Antonellis, senior vice president of worldwide anti-piracy operations for Burbank-based Warner Bros.

Canada's theaters are top-notch, many with headphone jacks for the hearing impaired that camcorders can plug into for high-quality sound. Films are shown in English and French in Quebec, so copies can be made in two of the world's most popular languages.

In the U.S., bootleggers face as many as three years in federal prison if they are caught recording a movie in a theater. In Canada, the worst that usually happens to a pirate is getting kicked out of a theater. That's because Canadian authorities must prove that the person who attempted to record the movie also planned to sell copies.

"Sometimes that's quite hard," said Supt. Ken Hansen, director of the federal enforcement branch of the Royal Canadian Mounted Police.

"The guy could simply say in court, 'I am a movie nut. This is what I do. I go out and make these copies and look at them in my home.' If he does that, he's not committing a criminal offense," Hansen said.

People filming with camcorders are trained to say exactly that if caught, industry officials said.

Canadian theater operators say that they can only try to halt recording activity. Employees search the bags of people attending major premieres while surveillance teams use night-vision goggles to scan the dark theaters.

"We can stop them in the middle of filming and send them out so they don't have a full movie. That's our objective — to catch them in the act," said Ellis Jacob, chief executive of Cineplex Entertainment, Canada's largest cinema chain.
But theater owners can’t confiscate a camera or a recording. “We need more teeth in the laws,” Jacob said.

Sens. Dianne Feinstein (D-Calif.) and John Cornyn (R-Texas), who sponsored the 2005 law against movie piracy in the United States, have written to Canadian Prime Minister Stephen Harper, warning that “illegal pirating will continue to mushroom” unless his country takes action.

Canada has struggled to deal with the problem, partly because Harper’s minority government has had difficulty getting legislation through the country’s Parliament. Critics say Canadian officials haven’t made stopping movie piracy a high priority.

“For a country this small to represent 20% to 25% of the pirated copies, that’s not a good story,” said Douglas Frith, president of the Canadian Motion Picture Distributors Assn., which represents major Hollywood studios.

The passage of the U.S. law coincided with widespread use of technology that imprints a unique digital watermark on each copy of a movie, allowing studios to determine in which theater a pirated copy was made. The MPAA said the law appeared to have cut down on unauthorized recording in the United States, but it had no definitive data.

After the FBI arrested 13 alleged members of two international movie piracy rings using camcorders in the New York area last June, the MPAA saw activity drop there and surge in Canada, said John Malcolm, the group’s executive vice president and director of worldwide anti-piracy operations.

For a short time, half of the illegally recorded movies the MPAA found around the globe came from Canadian copies, Malcolm said.

The numbers have settled to 20% to 25% since then. New York was the origin of about 20% of illegally recorded movies worldwide in 2006, according to the MPAA.

This year, for example, someone using a hand-held camera recorded New Line Cinema’s “The Number 23,” starring Jim Carrey, in a Montreal theater on its opening night. Within 12 hours, DVDs of the movie were on sale in Los Angeles, the MPAA said, and in days were in Thailand and Britain.

For Daniel McTeague, a liberal member of Parliament from Toronto, the Canadian government’s failure to crack down on movie piracy is an international embarrassment.

“It is clear pirates are operating with impunity through a combination of lax laws, poor enforcement and, for some people, a laissez-faire approach,” he said. McTeague and other legislators have been pushing for a law similar to the U.S. law.

If Canada doesn’t act soon, the studios might. Last fall, 20th Century Fox threatened to stop showing its films in Canada, or at least delay releases there to slow the piracy. McTeague worries that studios will follow through on those threats.

“It wouldn’t be nice to know we’d have to drive down to Buffalo to watch the latest movies,” he said.

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(INFOBOX BELOW)

Going north

Average monthly number of piracy cases traced to Canada

‘05: 5.9
‘06: 7.6
‘07: 12.5

Source of pirated movies in 2006

U.S.: 43%
Canada: 20%
Russia: 7%
Others: 30%

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Source: Motion Picture Assn. of America