Hollywood wants pirates' gold

The Hulk is the latest to turn up first on the Net as Napster-like digital heists threaten movie studios, GAYLE MacDONALD reports

By GAYLE MacDONALD
From Thursday's Globe and Mail

POSTED AT 4:39 AM EDT
Thursday, Jun. 26, 2003

By the time The Hulk burst into movie theatres last Friday, thousands of fans had already seen it on the Internet and weighed in with early reviews. Available on at least two file-sharing sites two weeks before its launch, Vivendi Universal -- the folks who made the $150-million (U.S.) flick -- were enraged at the leak. First, because The Hulk, conjured by director Ang Lee, was pirated under their noses. And second, because the Internet buzz among those who watched the working-print version was largely uncomplimentary.

These days, the Hulk heist is hardly unusual. Indeed, the snarling green monster joins a long list of other eagerly anticipated films -- The Lord of the Rings, Star Wars, Harry Potter and the Chamber of Secrets, Bruce Almighty, The Matrix Reloaded, Spider Man, Finding Nemo, X2: X-Men United, to name a few -- that all made it onto the Net before the big screen. And film critics attending preview screenings now encounter warlike security measures when a blockbuster makes its debut, including bag searches, cellphone confiscations, friskings -- and even workers with night-vision goggles to detect recording equipment in the theatre.

According to the Motion Picture Association of America, the industry lost an estimated $3-billion last year to the sale of pirated DVDs, video CDs and laser discs. At least 28 movies showed up on pirated discs or on the Internet before they hit theatres. And the industry association said 35 million illegal discs were confiscated last year, mostly camcorder copies of movies.

After The Hulk premiered on the Internet, Universal spokeswoman Susan Fleishman vowed to "conduct a thorough investigation to determine how this occurred" and said those responsible will face "serious consequences." All the major studios acknowledge, however, that these broadband thieves are slippery and extremely tough to catch.

Recently, Bill Murray, co-chief operating officer of the MPAA, said the threat of digital piracy can not be underestimated and that it's "different from anything we've ever seen."
He added the film business has not yet been clobbered by file trading to the extent the music trade has, but he sees film's time coming.

The Recording Industry Association of America says sales of pirated recordings exceeds $4.2-billion worldwide, not counting losses due to Internet piracy.

In recent days, scores of critiques of *The Hulk* bootleg have flooded online gossip sites such as http://www.aint-it-cool-news.com and http://www.eightballmagazine.com, with many complaining about the look of the monster generated by CGI (computer graphic imaging). One scathing reviewer weighed in, saying the Hulk looks like Shrek with muscles.

Those kinds of comments infuriate Universal executives, who have complained that the Internet critics are passing judgment on something that is substantially different from the final film -- not to mention they're sending out an early warning that could dampen box-office sales.

Warner Bros., which is actively pushing an antipiracy crackdown, used strong-arm antipiracy techniques to protect *Harry Potter and the Chamber of Secrets* and its eagerly awaited $150-million blockbuster, *The Matrix Reloaded*. Craig Hoffman, director of corporate communications at Warner Bros., would not divulge his company's strategy to beat back the pirates. But added: "We are doing a number of things, but in order not to compromise our options, we won't discuss specifics with you. . . .

"But suffice it to say, we are expending significant resources to track down the people who are stealing our products."

In recent months, the studios have also recruited the major theatre exhibition chains to help root out audience members who might be packing tiny, digital cameras to copy the films.

Nuria Bronfman, vice-president of corporate affairs with Famous Players, says her company is working in tandem with the Hollywood heavyweights who are trying to clamp down on bootlegging, as well as law-enforcement officials.

"We have, on occasion, caught people filming," Bronfman says. "The police and the studio then take it into their own hands."

At premieres or press screenings, she adds, the studios now direct Famous Players as to what security measures are best to take. So far that's primarily entailed checking bags and using metal detectors at the entrance. "We all take the issue seriously," she says. "We do front-of-house announcements saying it's prohibited to film when the feature film is playing. And we do theatre checks. It's intellectual property they're stealing."

Hoffman says Internet piracy is a huge problem, which really blossomed when *Spider-Man* was released, and showed up in Asia and Ukraine before it was released domestically. "Immediately after that, we started putting in new policies to fight piracy with the *Harry Potter* sequel and we were very successful. And we've been pretty lucky with the *Matrix* sequel so far as well."

Murray says the MPAA is beefing up its forces. It has hired David Green, a former U.S. Department of Justice deputy chief of computer crime, as its vice-president and counsel to aid antipiracy efforts.
Still, the industry faces huge challenges. Murray says the Internet is only going to get faster. Researchers at Stanford University have developed a new model of Internet data transmission "that would allow movie fans to achieve on-line delivery of two movies in a minute." And, he adds, scientists at the California Institute of Technology claim to have bested Stanford by developing software that will enable movie transfers over today's Internet in well under a minute.

In addition, he says consumer attitudes toward Internet theft are not exactly encouraging. "We have been researching consumer attitudes toward on-line piracy, and find some troubling tendencies. People who would never steal a DVD from a video store see nothing wrong with downloading a movie, saying things like, 'Everyone is doing it.' "

© 2003 Bell Globemedia Interactive Inc. All Rights Reserved.