Tech firms bow to Hollywood

Gadget makers look to avoid rankling entertainment world

By Associated Press, 7/21/2003

SAN JOSE, Calif. -- It's like a shotgun marriage gone oddly harmonious: Hollywood and the consumer electronics industry are now working closer together after a few years of antagonism in courtrooms and on Capitol Hill.

It could be the tough economic times or a distaste for further legal showdowns, but many top gadget makers are now trying hard to please the purveyors of entertainment.

More often than not, that is giving Hollywood's copy-protection interests a virtual seat at the product design table.

"Without good content there, my products are nothing but furniture or art. So it all falls back on what Hollywood is comfortable with," said Chris Cudina, national sales and marketing manager for Samsung's digital set-top box group.

Others contend that such coziness sometimes deprives consumers of flexibility -- or worse, privacy rights and civil liberties -- as entertainment companies exert control over how people use creative works gone digital.

"The threat of litigation has had a chilling effect on what technologists would be prepared to include in any new devices they release," said Gwen Hinze, a staff attorney at the Electronic Frontier Foundation.

Consider how one-time rebel ReplayTV backed down. The tech company's new owners said last month that its upcoming digital video recorders will no longer allow people to automatically skip ads or share shows over the Internet.

Those features on previous models rattled Hollywood, which fears the Napsterization of television programming and contends that the loss of commercial viewership would kill television's bread-and-butter.

In true form, 28 studios sued ReplayTV's previous owner, SONICblue Inc., forcing the struggling consumer electronics company to pay millions of dollars in legal fees.

SONICblue sank. It filed for bankruptcy in March and sold ReplayTV to another electronics company, D&M Holdings Inc., effectively making the copyright-infringement lawsuit moot.

ReplayTV's president, Jim Hollingsworth, called cooperation with Hollywood the best
approach to bringing digital video recording technology to market. "You look for complementary solutions rather than riding roughshod," he said.

D&M's technology adviser Tom McCarthy does not think consumers will lose out: "We'll be in belt and suspenders, but it'll be done in a way where the consumer will feel they can still keep up with their digital lifestyle."

ReplayTV's start-up rival, TiVo Inc., has deliberately tried to avoid rankling Tinseltown.

TiVo even recruited a TV network veteran to preach to Hollywood the potential benefits of the disruptive technology that lets consumers record programming onto a hard disk and pause or fast-forward through live television.

"We go to significant lengths to make sure that we stay on the good side of the networks," said Martin J. Yudkovitz, who left his post as NBC's executive vice president to become TiVo's president in April. He said TiVo has stayed away from any file-sharing over the Net or automatic ad-zapping features.

"At first, when the DVR technology came out, there was a near universal gagging from the networks and the advertisers," said Yudkovitz. "Now TiVo is earning a good-guy image."

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