

Dick Cook, Hollywood want piracy fix Disney chairman addresses "Wolverine" leak

By Dave McNarey

Hollywood is offering a strong endorsement of congressional efforts to beef up antipiracy laws after last week's leak of "X-Men Origins: Wolverine" underlined the pervasiveness of the problem.

"A single infringing copy of a movie sourced in one country and placed on the Internet will be translated into mass distribution of counterfeit DVDs within hours," said Dick Cook, chairman of Walt Disney Studios at a congressional hearing Monday at Van Nuys City Hall. "And when it comes to Internet piracy, few if any borders remain."

Cook noted that a Ukrainian copy of "Wall-E," camcordered in July and posted on the Web, led to copies in 10 different languages within a month.

Rep. Howard Berman (D-Calif.), chairman of the House Foreign Affairs committee, called the hearing as a prelude to introducing legislation aimed at curbing piracy outside the United States. He noted the Office of the U.S. Trade Representative will release a report this month listing countries -- including Russia, China and India -- whose lack of intellectual property protection have the greatest adverse effects on the U.S.

"The United States and its trading partners rely heavily on investments in intellectual property to drive our economies," Berman said. "Unfortunately, the incentives and profits for engaging in piracy are high, and the risks of being apprehended and sanctioned are low in many countries around the world. Piracy of copyrighted materials is not a victimless crime, and its global repercussions must be addressed."

Steven Soderbergh, testifying as VP of the Directors Guild of America, noted that the entertainment industry managed to generate a \$13.6 billion trade surplus in 2007 despite piracy. He urged the panel to empower showbiz to track down pirates on its own, citing a recent French initiative.

"Litigation is slow and the Internet is fast, so it doesn't make sense to ask the government to be our police," Soderbergh said. "What we would like is to be deputized to solve our own problems, to be granted the kind of pull-down and inspection abilities being proposed in France so we can act swiftly and fairly on our own behalf."

In an interview prior to the hearing, Soderbergh said Internet piracy fouled up the international release plans on "Che," which opened last September in Spain.

"Spain's a hotbed of piracy, and the Latin American distributors told us after that 'We're dead,' " he admitted. "It's going to be a problem for films that aren't released day-and-date."

Zach Horowitz, president of Universal Music Group, told those at the hearing there's an online piracy rate of 95% in music, with an estimated 40 billion illegal downloads last year.

Those facts translate into lost jobs, lost tax revenues and, for artists, lost dreams," he added. "It affects everyone from musicians and songwriters to recording studio engineers to music retailers to album cover designers to truckers who carry CDs to retailers."

Several panel members cited use of pirated movies and music as a source of funding for terrorism. Dana Rohrabacher (R.-Calif.) urged that legislation include provisions to beef up inspections at the Canadian border.

"America's greatest asset has always been our creative genius," he added.