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New Study Finds Search Engines Play Critical Role in Introducing Audiences To Infringing Content Online

Representatives Coble, Schiff, Blackburn and Chu join MPAA Chairman Senator Chris Dodd on Capitol Hill to Announce Study Findings

WASHINGTON – Today, MPAA Chairman Senator Chris Dodd joined Representatives Howard Coble, Adam Schiff, Marsha Blackburn and Judy Chu on Capitol Hill to release the results of a new study that found that search engines play a significant role in introducing audiences to infringing movies and TV shows online. Infringing content is a TV show or movie that has been stolen and illegally distributed online without any compensation to the show or film's owner.

"This study reaffirms the significant responsibility that search engines share with all of us in the Internet ecosystem to help prevent the theft of movies and TV shows online," **said Senator Dodd.** "Search engines bear responsibility for introducing people to infringing content -- even people who aren't actively looking for it. The television and movie community is working every day to develop new and innovative ways to watch content online, and as the Internet's gatekeepers, search engines share a responsibility to play a constructive role in not directing audiences to illegitimate content."

"For years, I have been making the case that responsible players in the Internet ecosystem – from payment processors to advertisers to ISPs – have a responsibility and a self-interest to take voluntary, good faith steps against rampant online piracy," **said Rep. Schiff.** "This study shows that there is much more that search engines must do when it comes to pointing consumers towards legal outlets. By supporting legitimate sites rather than illegal ones, everyone wins – content creators, the U.S. economy, and consumers themselves."

"Everyone in the online ecosystem has a responsibility to step up their efforts to protect creators and innovators from having their content literally hijacked for mass distribution without permission or compensation," **said Rep. Blackburn.** "The question search engines need to answer is this: do they want to be the digital highways for legitimate information, entertainment and education, or do they want to be the get-away car for stolen content and mass exploitation of private property? Leaders in technology innovation are in a unique position to do something serious and they're being called on to do better." I applaud the MPAA for their efforts to address online piracy of movies and television shows," **said Rep Chu.** "It is clear from this study that search engines play a key role in connecting consumers with infringed content, undercutting the ability of creators to receive pay for their work. Online infringement diminishes our economic competitiveness and costs us jobs. In fact, American workers and individual creators lose \$16.3 billion in earnings annually to copyright piracy, with about 141,000 lost jobs in the motion picture industry alone. As co-chair of Creative Rights Caucus, I am committed to fighting online piracy to preserve and protect the creative community."

The study found that search is a major gateway to the initial discovery of infringing content online, even in cases when the consumer was not looking for infringing content. 74% of consumers surveyed cited using a search engine as a navigational tool the first time they arrived at a site with infringing content. And the majority of searches (58%) that led to infringing content contained only general keywords -- such as the titles of recent films or TV shows, or phrases related to watching films or TV online -- and not specific keywords aimed at finding illegitimate content.

According to the study, first time consumers at sites with infringing content were more than twice as likely as repeat consumers to use a search engine in their navigation path. Search engine use naturally becomes less prevalent once audiences bookmark or find other ways to access the site. The vast majority (82%) of queries that led to the infringing content examined came from the largest search engine, Google.

The study also found no evidence that the change Google made to its algorithm last year to take into account the number of copyright takedown notices a site has received had an impact on search-referred traffic to infringing sites. The share of referral traffic from Google to infringing sites included in the Google Transparency Report remained flat in the three months following Google's implementation of the change last August.

Key findings of the study include:

• Search engines play a significant role in introducing audiences to infringing movies and TV shows online. 74% of consumers surveyed cited using a search engine as a discovery or navigation tool in their initial viewing sessions on sites with infringing content.

• Audiences who view infringing TV or film content for the first time online are more than twice as likely to use a search engine in their navigation path as repeat visitors.

• The majority of search queries that lead to audiences viewing infringing film or TV content do not contain keywords that indicate a specific intent to find illegal content. 58% of queries that consumers use prior to viewing infringing content contain generic or title-specific keywords only, indicating that consumers who were not even seeking infringing content in the first place were directed there regardless.

• For the infringing film and TV content URLs measured, the largest share of search queries that lead to these URLs (82%) came from the largest search engine, Google.

• The share of referral traffic from Google to sites included in the Google Transparency Report remained flat in the three months following the implementation of Google's "signal demotion" algorithm in August 2012.

• Overall, search engines influenced 20% of the sessions in which consumers accessed infringing TV or film content online between 2010 and 2012.

Search engines tend to try to focus the conversation on this percentage and the fact that the majority of the searches conducted daily for movie titles generally lead to non-infringing sites – a statistic that misses three critical points. According to the MPAA's own analysis, 20% of daily searches still represents an enormous number; 20% of visits daily would mean search engines <u>refer over 4 billion</u> visits per year, or over 300 million visits per month to a sample set of known infringing sites, based on our analysis. Second, it ignores the fact that non-title searches, including generic searches like "watch movies," number in the billions each year, even when you only look at a limited specific title list using Google Ad Words. Finally, it sidesteps discussion of search's most significant responsibility in the piracy landscape – as a discovery tool.

To view the full study, click [<u>HERE</u>].

About the MPAA:

The Motion Picture Association of America, Inc. (MPAA) serves as the voice and advocate of the American motion picture, home video and television industries from its offices in Los Angeles and Washington, D.C. Its members include: Walt Disney Studios Motion Pictures; Paramount Pictures Corporation; Sony Pictures Entertainment Inc.; Twentieth Century Fox Film Corporation; Universal City Studios LLC; and Warner Bros. Entertainment Inc.

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