

2014 GIPC Global IP Summit
Remarks by Senator Chris Dodd
U.S. Chamber of Commerce
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As Prepared for Delivery

Thank you, David, for that very kind introduction, and good afternoon ladies and gentlemen.

Over the past seven years, the Global Intellectual Property Center has emerged as a leading voice promoting and protecting intellectual property rights around the world. On behalf of all those within the film and television community who rely, every day, on those very rights to do their jobs and create the wonderful content loved by audiences, I want to thank you.

As head of the Motion Picture Association of America, I am delighted to have been invited to come today and speak about the vital role intellectual property plays in encouraging innovation within the film and television industry, as well as our ongoing efforts to promote and protect the work of our creators.

Except for its birth more than a century ago, there has perhaps never been more innovation, investment, and experimentation in the American film and television industry than there is today. We find ourselves in a period of seemingly endless promise and opportunity.

Over the last century, technological advances have dramatically altered and shaped the art of filmmaking. The introduction of sound and color changed the way audiences enjoy our stories. The invention of the dolly and later the Steadicam made a film's scenes far more dynamic. And anamorphic widescreen gave birth to stunning visuals able to draw audiences even further into the stories they were watching.

But over the past two decades, the rate at which these kinds of technological innovations have been emerging has grown at a dizzying pace. IMAX and 3-D systems, coupled with surround sound, digital projectors, and state of the art visual effects allow today's filmmakers to craft unique and groundbreaking stories unimaginable only a few years ago.

One only has to look at the incredible alien worlds and visuals Christopher Nolan and his team created for Paramount's "Interstellar" to see just how innovative the film and television industry is. Wired magazine had an article discussing how the black hole – a central element of the film – is, from a scientific perspective, the most accurate portrayal of this phenomenon ever created. The result of collaboration between renowned astrophysicist Kip Thorne and the academy award winning special effects team at Double Negative, the black hole took 30 people and thousands of computers more than a year to create. In fact, some individual frames took over 100 hours to make. The observational data from this collaboration is so compelling that Thorne said he will be able to produce at least two academic journal articles out of the work. That is innovation.

And it is not only the images filmmakers are able to bring to life on screen that are being transformed; these same technological advancements extend to the ways those stories are shared with and enjoyed by a growing global audience.

Whether cinema, television, tablet or mobile screens; Blu-Ray and DVD; video-on-demand or online streaming –there are now more ways to enjoy these innovative stories than any other time in history.

At this moment, there are over 400 online services around the world for legally downloading or streaming movies and TV shows. More than 100 of these unique legal services are here in the United States. And audiences are embracing them. According to IHS Screen Digest, consumers used legal online services to access more than 5.7 billion films and 56 billion television episodes in 2013 alone.

But we have to remember that these ongoing innovations do not happen miraculously. It takes dedicated, creative, hard-working men and women willing to invest their time, energy, and finances in order to make them happen. Every day, more than 1.9 million people go to work in jobs connected to, contributing to, or dependent upon the American film and television industry.

These are not just actors, directors, or producers. They are lighting and makeup artists; costume designers, engineers, construction workers, accountants, truck drivers, lumber suppliers and caterers. Hardworking, middle-class Americans who will never walk a red carpet or appear in the gossip columns, but without whom the film and television industry could not exist.

And their hard work is reflected in the numbers: \$111 billion in wages generated, \$120 billion in sales recorded, and \$16.2 billion in worldwide exports created by this industry in 2012 alone. There can be no denying the enormous impact film and television has on the American economy.

In fact, last year the Bureau of Economic Analysis revised the way in which they calculate the national GDP to incorporate the contributions of the creative industries such as film and television to better reflect their economic significance.

This story of innovation, creativity, investment, and experimentation is the story of Hollywood. However, for many we are only thought of as a red-carpet walking, tuxedo wearing industry more interested in celebrity and the status quo than innovation.

I hope I have dissuaded you of that false notion. At the MPAA we are working hard to change those assumptions in communities across the country.

Whenever possible we seek to highlight the remarkable contributions and creativity of the men and women working below the line who ensure this industry's continued success.

We have held a growing number of events such as our annual Creativity Conference showcasing the remarkable innovations being created and utilized by the film and industry.

And last Wednesday, the MPAA launched a brand new website designed to give consumers an unparalleled ability to search for the films and TV they want to watch legally and conveniently.

The site is called WhereToWatch and it is the most comprehensive search tool of its kind.

[Cue WhereToWatch logo/slide]

As I mentioned earlier, there are now more than 100 different legitimate sites available to users for watching content in the U.S. But with all of these different sites, and the fierce competition they create, there can also come confusion given the preponderance of available choices.

That is where WhereToWatch comes in.

WhereToWatch is a one-stop shop, connecting users directly to legal content sites. All one has to do is type in the title of a film or TV show, the name of an actor or director, or the type of film genre they want to watch, and the site will provide legal options for buying, renting or streaming what they are seeking. And for those looking to see something currently in theaters, all they have to do is type in a zip code and the site will provide show times for what's playing in nearby theaters.

WhereToWatch features a wide array of providers ranging from major sites like iTunes, Netflix, Amazon and Hulu to smaller sites like SnagFilms and WolfeOnDemand in order to ensure fans are able to find what they are looking for — whether genre and independent films or the latest Hollywood blockbusters. And if a film or TV show is not yet available, all a consumer has to do is set an alert and the site will let them know when and in what format that title will become available.

And I am happy to announce that the service has been well received! National figures such as Senator Leahy of Vermont, Congressman Adam Schiff of California, and President of Americans for Tax Reform Grover Norquist have all praised the site for being an easy to use one-stop shop.

All of us at the MPAA are extremely excited by the launch of WhereToWatch and what we believe it will mean for the entire film and television industry. We hope the site will educate consumers about the greater volume and ease of access to today's remarkable diversity of content, while also ensuring those who create these incredible stories are compensated for their hard work.

To accompany this great new site and spread the word about what it can do, we at the MPAA also released a series of advertisements meant to educate and inspire people about our industry and drive even greater interest in WhereToWatch.

You may not have had the chance to see these spots, so I have brought them along to share with you.

[SHOW KNOWLEDGE CAMPAIGN VIDEOS]

Exciting; inspiring; and relentlessly innovative – I believe these videos do a great job of summing up what makes the American film and television industry so unique and so important.

So why is this new site so important to the American film and television industry?

Well, despite the film and television industry's great contributions— the joy we bring to our audiences, the jobs we create, our economic contributions to our country, and our relentless innovation – consumers, as well this century old American industry, are, facing serious challenges today. The same tools making it easier to create and share our stories, and grow our industry, have also created serious problems for our audiences: malware, identity theft, and invasions of privacy in the digital age. They also pose threats for our creators in the new ways by which these technological advances allow bad actors to steal the very content these innovators have created.

For as long as the art of film has existed, protecting its intellectual property has been the foundation of a healthy film and television industry. And it remains among the most effective guarantors for the creation, production, and dissemination of cultural works anywhere in the world today.

Intellectual property ensures every one of the hardworking individuals involved in bringing films and television series to life have jobs and are decently compensated for the countless hours of work they contribute to these stirring productions.

Intellectual property ensures that independent producers, film studios, and financial backers will have the chance to be compensated and rewarded for the risks they take, and the incentive to do it again when the next great film or television story comes along.

Unfortunately, though, far too many want to enjoy the hard work of our industry's creators without paying for it. They seem to believe that everything online should be free, regardless of the creator's intentions.

In cyberspace, there are those who have divorced movies or TV shows from the people who create them. To many, this "theft" is a victimless crime.

And then there are those who perpetuate the myth that the film and television industry is antiquated, out of touch with the modern world. That, despite all evidence to the contrary, these creative industries stifle innovation and creativity of aspiring artists, dampening technological advances.

Rather, I would argue that those who appropriate others' intellectual property are stifling innovation and creativity.

Indeed, creating the best content in the world is a risky, investment intensive enterprise with no guarantee of success. Few realize that only 2 in 10 movies ever recoup their investment at the box office. And even after you factor in other revenue streams such as product placement, syndication, DVD sales, digital licensing and more, only 4 in 10 films ever make a profit.

IP theft makes the daunting task of commercial success that much more difficult, thereby making it harder for creators to raise the capital necessary to realize their visions and perhaps even earn a living wage doing what they love.

And despite claims by some is costless the academic literature is clear on this matter – 16 of 19 peer reviewed papers have concluded that piracy does in fact harm sales.

The truth is that bad actors who pirate the creative work of others are not doing it for any noble purpose. No, they seek to profit from what others have created – and the unfortunate fact is, their business is lucrative. The Digital Citizens Alliance recently released a pair of reports which concluded that ad-supported piracy generates \$227 million annually, and the top 30 cyberlockers – a particular flavor of piracy – generate nearly \$100 million in revenue through subscriptions and advertisements.

When you see numbers like those, the notion of fighting against piracy seems daunting. So what do we do about it? How do we ensure creators and their work are protected?

Well, first of all, there are no silver bullets; no cure-all solutions. It will take a coordinated effort and a number of different approaches. We believe that all stakeholders within the Internet ecosystem must take responsibility for maintaining an Internet that works for everyone.

Indeed, one of the Internet's greatest strengths is that it is not a centralized network. No single entity, government, corporation or individuals controls it. But, conversely, no single entity can solve its problems. That is why it is vital for responsible actors, to work together to reach commercially reasonable and technically feasible solutions if we are going to reduce piracy, and stimulate innovation.

Whenever possible we seek out opportunities to work with fellow stakeholders to create voluntary initiatives such as our partnership with the five largest ISPs to institute the Copyright Alert System warning users when they have downloaded content illegally and then directing them to legal content sites.

But while we continue pursuing these types of voluntary initiatives, we also recognize that we can do more to help consumers legally find the content they are looking for.

WhereToWatch fulfills that essential role. And while it is still a work in progress it has already shown itself to be a useful tool for consumers across the country and in the coming months, we hope to continue growing it.

But this is only the beginning.

The American film and television industry is constantly innovating, constantly evolving. And the MPAA remains committed to advancing the business and art of filmmaking while also protecting the creative rights of those within the industry.

So I thank you once again for inviting to join you today. I hope you are as excited to see what wonderful possibilities the future holds as I am, and in the meantime make sure to go check out WhereToWatch.com.