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Word Builder*upload* - when a person sends or makes available a file over the Internet*digital* - computer*copyright* – the right of artists to control the use of their original works*intellectual* – relating to thoughts and ideas*camcorder* – a video camera*bootleg* - illegal

Reading Activity

Stealing the Show

Directions: Read the article below. On a separate sheet of paper answer the questions that follow.

In August 2005, FBI agents working undercover as part of “Operation Copycat” arrested a Missouri teenager for making copies of recently released movies. According to FBI records, the teenager intended to upload the copies of the movies to the Internet for distribution. The nineteen-year-old faced \$250,000 in fines and five years in prison.

What crime did this young man from Missouri commit? And why would the FBI get involved?

The Copyright Law

Internet technology makes sharing of digital files easy and fast. With this new technology, however, has come a new crime: specifically, the illegal copying of film, music, and other computer software. Law officials call these criminals “Internet pirates.”

But why is copying a film a crime? It’s all about copyright. In the United States, copyright laws protect the creative and intellectual property of artists in America. For example, if you write the lyrics to a song and copyright those lyrics, they become your property. Likewise, if you create a film, that too is your property. No one can steal it from you. According to Federal law, copying is a form of stealing.

“The creative works of the entertainment industry belong to the millions of people who make them, and are not for others to steal or unlawfully distribute,” said Dan Glickman, head of the Motion Picture Association of America.

In April 2005, President George W. Bush signed the “Family Entertainment and Copyright Act of 2005.” This law made it a federal crime to steal the creative work of artists. The mission of the Federal Bureau of Investigation, or FBI, is to enforce federal laws.

Understanding the Film Piracy Problem

How do the movies get on the Internet in the first place?

In some instances, such as in the case of the Missouri teenager, a person brings into the movie theater a camcorder and simply videotapes the film as it plays on the screen. In other instances, the theft occurs long before the film is released to the theaters. And it is usually an industry insider who “steals the show.”

An industry insider is someone who has access to the movie studio or knows the filmmakers themselves. This insider may steal a print from the editor’s rooms or from a copy provided to the music composer who is creating the music for the film. The insider makes a copy and distributes it.

Film piracy has both a short-term and long-term effect. The short-term, or immediate, effect is that bootleg copies of films cut into the profits of the movie studios. That loss of profits can be as much as billions of dollars.

Consider the case of “The Revenge of the Sith,” directed by George Lucas. The film is part 3 of the six-part Star Wars series. Seven hours before its release in movie theaters in May 2005, a film pirate uploaded a copy to the Internet. Within just 24 hours, approximately 10,000 Internet users had downloaded a copy of the film. Those are 10,000 Internet users who saw the film without having to purchase a movie ticket. While not all of those people would have gone to the theaters to see the film, many thousands surely would have rented or purchased the film on DVD.

“Where movies make the bulk of their money is on DVD and home video. Fifty percent of the revenues from any movie come out of home video rentals and purchases,” says Peter Chernin, President of News Corp. Multiply 10,000 copies a day by seven days a week, four weeks a month, and you begin to understand

the loss of income to the people who work in the film industry. And that's just for one movie.

Illegal copies of M. Night Shyamalan's film "Signs" began appearing two weeks before its release in movie theaters. In an interview, the director told 60 Minutes that he believes such a large loss of profits threatens more than just a single movie. It puts the entire movie-making industry at risk, says Night Shyamalan. That is the long-term effect. Loss of profits means less money to budget for new films. Not only will fewer films be made, but those that are made will be of lesser quality, he says.

Pursuing the Pirates

The FBI closed down the computer site that was distributing the illegal copies of "Revenge of the Sith." Visitors to the site discovered this message: *This site has been permanently shut down by the Federal Bureau of Investigation and U.S. Immigration and Customs Enforcement.*

However, movie studios are also fighting film piracy. One method is to educate audiences in movie theaters that copying a film is against the law. You may have seen a short "commercial" during the previews of films that indicate copying a movie is illegal.

A second method, called "spoofing," is a bit more devious. A "spoof" is a phony copy of a film uploaded to the Internet or a fake listing for a bootleg film on a file sharing site. When the person who downloads the spoofed film attempts to open it, nothing is there but a blank screen.

Spoofers work for the movie studios. Their goal is to make piracy difficult and frustrating and thus discourage people from downloading illegal movie prints. The strategy is not always successful, however, because Internet users quickly alert others that the file being shared is a phony.

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1. What crime did the Missouri teenager commit and why was the FBI involved in the arrest?
2. What are two ways a stolen movie print can get online?
3. Approximately what percentage of profits does the movie industry make from DVD rentals or purchases?
4. What is *spoofing*? Why is this strategy not always effective in stopping film piracy?
5. What is the short-term effect of film piracy?
6. What is the long-term effect of film piracy?

Think More About It

7. If someone came into your home and took a camera or a DVD player without your knowledge or your permission, would you consider that stealing or sharing? Provide a reason for your answer. Explain how this situation is or is not different from someone downloading from the Internet an illegal copy of a movie.

Group Activity 1

Solving the Film Piracy Problem

Introduction

The film industry is faced with a serious problem—how to prevent digital copies of movies from being distributed free of charge over the Internet to millions of people. Because of your knowledge of the filmmaking process, The Film Foundation has chosen your team to research and devise a solution to this problem.

Task

First, you must understand why film piracy is a problem. Each member of the team will assume one of five roles in order to explore opposing viewpoints about the problem. Each team member will

- research information within his or her role;
- share/present his or her information to the team members;
- work together with the team to create the “best solution” to the problem.

Process

Step 1. Build your team.

Discuss the five roles as described below. Then assign (or your teacher will assign) one or two students to each of the five roles.

- *The Legal Assistant:* The legal assistant should have excellent reading skills. He or she will research copyright laws for video and film creation and distribution. The person or persons who take this role will read and interpret copyright laws, and then create a presentation about the laws for your team members.
- *The Business Assistant:* The business assistant should have a good understanding of mathematics and be able to read and interpret numbers presented on a graph. The person or persons who take this role will first research statistics about film piracy and then create a graph to present to the team.
- *The Technology Specialist:* The technology specialist should understand how computers work, especially how to download files from the Internet. The person or persons who take this role will research P2P (peer-to-peer) technology, which makes downloading and uploading of digital files possible.
- *The Film-Industry Spokesperson:* The film-industry spokesperson is someone who presents the point of view of people in the film industry. The person or persons who take this role will locate interviews and quotes from directors, actors, and others who work in the film industry. They may also search for viewpoints of people who work in local movie theaters or video rental stores.
- *The Movie Consumer:* A consumer is someone who uses a product. A movie consumer, therefore, is someone who goes to the movies, purchases or rents movies, or downloads movies from the Internet. The person or persons who take this role will research the point of view of movie consumers and what they think about the film-piracy problem.

(Group Activity 1, continued)

Step 2. Research the subject.

Each member of the team will receive a research sheet specific to his or her assigned role. This sheet will provide “Essential Questions” that will be the starting point for that person’s research. The sheet also lists possible research sources. Finally, the research sheet has suggestions on ways the person can present information to the team. Read your sheet carefully. If you have any questions, ask your teacher to explain more clearly what your research focus should be.

Step 3. Report your research findings to your team.

Each member of the team will have a limited amount of time to present the information he or she has researched. The team member may choose to present the information through discussion and/or through the use of prepared materials such as charts or graphs.

Step 4. Brainstorm solutions.

Once all team members have made their reports, the team works together to brainstorm possible solutions. The team will review a group activity sheet with three possible solutions offered. The team will discuss the strengths and weaknesses of these solutions. The team should also consider coming up with at least one to three additional solutions to the problem.

Step 5. Create a best solution.

After discussing possible ways to approach the problem, the team selects their “best” solution. A best solution is one that answers the following questions:

- What opposing viewpoints have been considered?
- How will your team implement or put the solution into action?
- How will your team determine whether the solution is effective?

Step 6. Present your solution.

The team will make a group presentation of their solution to the class. In doing so, they will touch upon the three key questions listed in step 5.

Research Activity 2-A

The Legal Assistant

Job Description: Researches and interprets copyright laws about film and video

Qualifications: The legal assistant should have good reading, research, and communication skills. He or she will find answers to specific copyright questions and communicate the answers to the team.

Getting Started: Below is a list of Essential Questions about copyright that your team should know, in order to understand the film-piracy problem and to create an effective solution to that problem. Use print and Internet resources to find the answers to these questions. Remember: A good researcher always records his or her sources of information. For each answer, therefore, include where you got your information.

Essential Questions

1. What is copyright?
2. What is “intellectual property”?
3. Who is the author of a movie?
4. Copyright laws protect artists’ rights. For example, a person cannot copy a work without the artist’s permission. Name three additional rights protected under copyright laws.
5. What is meant by the term *fair use*?
6. What are the four points, or factors, that determine fair use?
7. What is meant by the term *public domain*?
8. What is copyright infringement?
9. **Situation A:** If a movie is posted on the Internet, does this mean the movie is automatically in the public domain? Explain your answer.
10. **Situation B:** A teacher rents a DVD copy of the movie *Romeo and Juliet* to show in the classroom. Has this teacher broken any copyright law? Explain your answer.
11. **Situation C:** An Internet user uploads a copy of the movie *Romeo and Juliet* so that his or her friends can download their own copy for private viewing in their homes. The Internet user does not charge his or her friends to download the file. Has this person broken any copyright law? Explain your answer.
12. **Situation D:** An Internet user uploads a copy of the movie *Romeo and Juliet* so that his or her friends can download their own copy for private viewing in their homes. However, the Internet user charges his or her friends to download the file. Has this person broken any copyright law? Explain your answer.

Online Resources: Add your own resources to those listed below.

✓ United States Copyright Office Web site <http://www.copyright.gov/>—Use this site for researching copyright basics and frequently asked questions about copyright.

✓ “Copyright with Cyberbee” Web site <http://www.cyberbee.com/copyrt.html>—Web site with articles and interactive graphics

✓ (Advanced) Nolo Law for All Web site <http://www.nolo.com/>—Much of the material on this site is advanced, but Nolo does provide an excellent law dictionary.

Team Presentation: How you present your information to the team is your choice. However, you might consider creating a chart on copyright and fair-use guidelines for film and video. You may use one of the options below or design a chart of your own, depending on the type of information you wish to illustrate.

Option A

What the Copyright Law Says About Film and Video Property	How You <i>Can</i> Use Copyrighted Film and Video Property	How You <i>Cannot</i> Use Copyrighted Film and Video Property

Option B

Example of Copyrighted Film and Video Material	Example of Fair-Use Film and Video Material	Example of Public-Domain Film and Video Material

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Research Activity 2-B

The Business Assistant

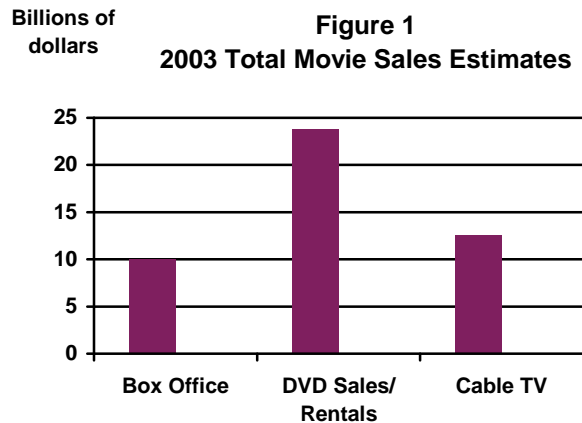
Job Description: Researches and interprets financial information about film piracy and film use

Qualifications: The business assistant should have good mathematical skills. He or she will research statistics about the film industry and film piracy, in particular. Then he or she will communicate that information to the team. He or she should be able to read a graph and to create a graph or chart to present information to the team.

Getting Started: Below is a list of Essential Questions about how movie studios earn money from their films. These are important points that your team should consider in order to better understand the film-piracy problem and to create an effective solution to that problem. Use the graph below as well as Internet resources to find the answers to the questions. Remember: A good researcher always records his or her sources of information. For each answer, therefore, include where you got your information.

Essential Questions

1. Read the graph below, then answer the questions that follow.



Source: Pricewaterhouse Coopers

- A. The chart identifies three sources of income, or revenue, from a movie. What are they?
 - B. Which source of income, or revenue, creates the greatest profit for the movie studios?
 - C. In 2003, how much money did movie studios expect to earn from selling their movies to cable television networks?
2. Which source or sources of income are likely to decrease if illegal movie prints are distributed free over the Internet? Explain your answer.
 3. Movie industry profits benefit more than just the movie studios. Who in your local community depends upon income generated by people going to see movies or buying/renting movie videos?

4. The Motion Picture Association of America provides these statistics on its Web site:
- In 2002, the average price of a home DVD recorder was approximately \$750.
 - In 2003, the average price dropped to approximately \$440.
 - The average price of DVD recorders is expected to continue to drop every year.

What connection can you make, if any, between the price of home DVD recorders and the film-piracy problem?

Online Resources: Add your own resources to those listed below.

✓ Motion Picture Association of America Web site <http://www.mpa.org>—This site includes anti-piracy information, and information on movie revenues and the ways in which the movie industry benefits the American economy.

✓ International Federation of the Phonographic Industry (IFPI) Web site <http://www.ifpi.org>—This source has a great deal of information on music piracy that may be useful for a comparison to the film-piracy problem.

✓ National Center for Educational Statistics Web site <http://nces.ed.gov/nceskids>—Use this site to learn more about how to read and create a graph.

Team Presentation: How you present your information to your team is your choice. However, you might consider creating a graph to communicate your information visually to your team. To create a graph, follow the steps below.

1. Decide what information you wish to show visually on your graph. Three options are to
 - compare lost revenues for the film industry due to online piracy over a three-year period;
 - compare the increase in purchases of DVD recorders with the increased incidences of film piracy over a three-year period;
 - identify how the movie industry benefits the economy by providing a variety of jobs and services.
2. Select the best type of graph to illustrate your information. Three options are:
 - a line graph—shows how something changes over time;
 - a bar graph—shows how one or more things change over time;
 - a pie chart—shows percentages but *not* changes over time.
3. If using a line or bar graph, determine what information the Y, or vertical, axis will explain and what information the X, or horizontal, axis will explain. Then plot your information on the graph, using lines or bars.
4. If using a pie chart, decide how many slices—or percentages—you wish to show. Then assign each slice one of the numerical values, or percentages, that you are reporting. A larger percentage will be a larger slice of the pie. The smallest percentage will be the smallest slice. Name each slice.
5. Give your graph a title.

Research Activity 2-c

The Technology Specialist

Job Description: Researches and interprets how digital technology works

Qualifications: The technology specialist should have a basic understanding of computer technology and Internet use as well as good communication skills. He or she will research and then explain to the team what a P2P (peer-to-peer) network is and how it works.

Getting Started: Below is a list of Essential Questions about digital technology. These are important points that your team should consider to better understand the film-piracy problem and to create an effective solution to that problem. Remember: A good researcher always records his or her sources of information. For each answer, therefore, include where you got your information.

Essential Questions

1. What is a P2P network?
2. Compare two different P2P network home pages. How do they promote their services or otherwise encourage Internet users to access their services?
3. What information, if any, do these P2P networks provide about copyright law?
4. What steps are involved in order for an Internet user to download a file—either music, video, or film—from a P2P network?
5. Read the paragraph below, taken from pro-music.org regarding P2P software. Then answer the questions that follow.

RESETTING OR UNINSTALLING YOUR PEER-TO-PEER SOFTWARE TO KEEP IT—AND YOU—LEGAL

When used properly, “peer-to-peer” file sharing is an exciting new technology. Unfortunately, P2P networks are often used improperly—usually for the illegal distribution of copyrighted content.

If you’re involved in P2P file sharing, you may be using KaZaA software, Grokster, GTK-Gnutella, LimeWire, or some similar application. You may not be aware of it, but when you registered as a P2P software user, you probably agreed to let the network use your computer as a distribution source of music files. In other words, if you’re like most P2P software users, you do more than simply download files. You probably also make files on your hard drive available for copying by others. Not only does this make you a potential illegal distributor, it also means that whenever you’re online, every other network user around the world (and there are tens of millions of them) has the ability to access your hard drive.

If you want to do the right thing—and, not incidentally, keep strangers out of your hard drive—you should disable your P2P software’s uploading capabilities.

- A. What warning about file sharing does pro-music.org provide in this passage?
 - B. What recommendation does pro-music.org make for Internet users to avoid becoming an illegal distributor of copyrighted materials?
6. What cause-and-effect links can you make between P2P technology and the current film-piracy problem?
 7. What is iTunes?
 8. What actions to combat music piracy might the film industry consider to solve their piracy problem?

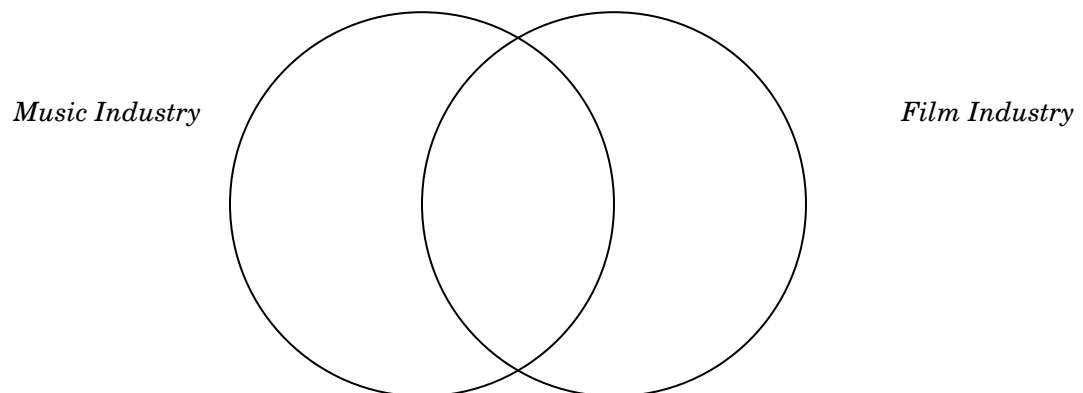
Online Resources: Add your own resources to those listed below.

✓ The Free Dictionary Web site <http://www.thefreedictionary.com>—This site has a dictionary for understanding computer terms, including P2P networks and file sharing.

✓ Pro-music Web site <http://www.pro-music.org>—This Web site is supported by an international association of musicians, performers, artists, major and independent record companies, and retailers across the music industry. Use this site to learn about problems, points of view, and solutions to the music-piracy problem.

✓ iTunes Web site <http://www.apple.com/itunes>—Some people in the music industry think iTunes may help solve the music-piracy problem. Learn more about how iTunes works at this site.

Team Presentation: How you present your information to your team is your choice. However, one option you might consider is to create a Venn diagram (see below) to compare and contrast the music industry's piracy problem with the film industry's piracy problem. The overlapping area between the circles should contain characteristics or points both industries have in common.



Research Activity 2-D

The Film-Industry Spokesperson

Job Description: Researches and interprets the film industry's point of view on film-piracy issues.

Qualifications: The film industry spokesperson should have good research and writing skills. He or she will locate articles about film piracy, especially ones that include quotes from directors, actors, writers, and/or others involved in the making of a movie. They will organize information from these resources into a presentation on the industry's main concerns, then present this information to the team.

Getting Started: Below is a list of Essential Questions about how film piracy affects the filmmaking industry. These are important points that your team should consider to better understand the film-piracy problem and to create an effective solution to that problem. Remember: A good researcher always records his or her sources of information. For each answer, therefore, include where you got your information.

Essential Questions

1. What are "residuals," and who in the filmmaking industry receives residuals?
2. What is a cause-and-effect relationship between online film piracy and residuals paid to the artists who helped make the movie?
3. Read the statement below, based on information provided by the Motion Picture Association of America on their Web site, then answer the questions that follow.

Movies make money and lots of it, right?

Wrong!

According to the Motion Picture Association of America, only four out of every ten movies earn back the original amount invested to create the work. In 2000, the average investment was \$55 million. Add to the figure \$27 million to advertise and market the movie. Simple addition shows that for a movie to break even in the year 2000, it had to earn approximately \$80 million!

Movie studios have developed a strategy to help earn back that money. The strategy is called "sequential release." Here is how it works:

- *First, a studio releases its movie in theaters across the country. Box office sales create the first wave of income.*

- *Second, a few months later, the studio releases the movie in a new format—VHS and /or DVDs for home use. Purchase or rental of these videos creates a second wave of income.*

- *Third, the studio sells the rights to broadcast a movie over pay-per-view and cable television. The cable TV stations pay what is called a "licensing fee" for permission to broadcast the movie. The licensing fees create the third wave of income. However, the cable stations must wait a few months to a year after box office release before broadcasting the movie on their networks.*

These three steps are "vital to the health of the industry," says the MPAA. When piracy of a film occurs at any point in the release sequence, all subsequent markets are negatively affected. In other words, if a pirate uploads a movie on the Internet before it is released in theaters, then ticket sales for the

movie will be smaller. If a pirate uploads a movie before it is released in video stores, then fewer people are likely to rent or buy the video.

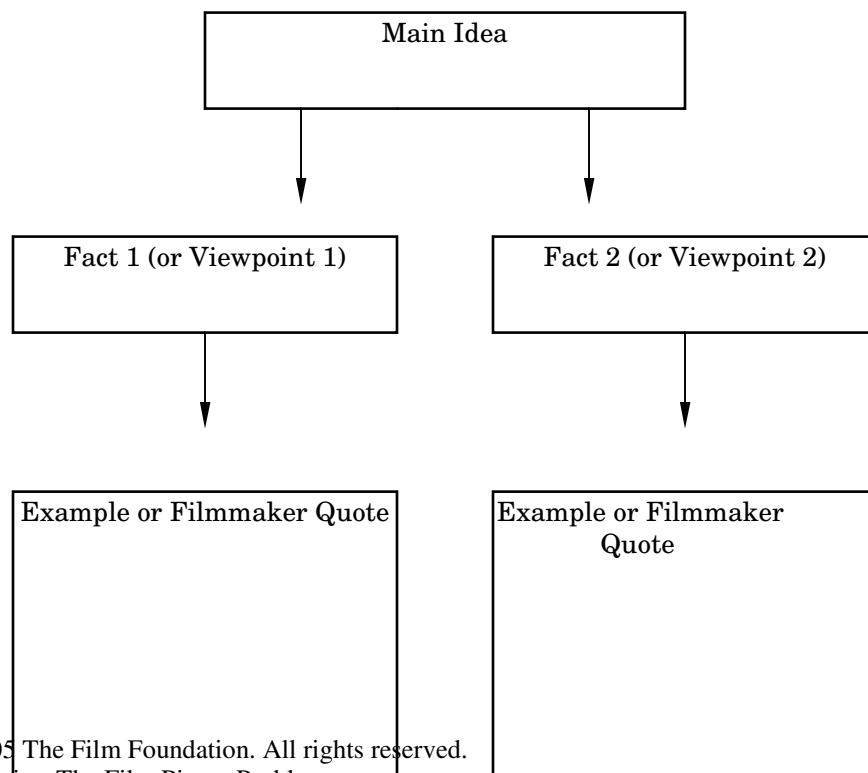
- A. What is a myth about moviemaking?
 - B. What is meant by “sequential release” of movies?
 - C. How does sequential release help the movie studio earn profits?
 - D. Explain what might happen if the sequence were reversed, that is, if a movie studio released a movie for television broadcast or in home-video format before releasing it in the movie theaters.
 - E. How does film piracy hurt or prevent a movie studio from earning back the money it invested to make a movie?
4. Aside from money concerns, what are some other viewpoints filmmakers express about film piracy and protection of artists’ rights?

Online Resources: Add your own resources to those listed below.

✓ Motion Picture Association of America Web site <http://www.mpaa.org>—This site includes anti-piracy information and information on movie revenues and the ways in which the movie industry benefits the American economy.

✓ The Writers Guild of America Web site <http://www.wga.org>—This site includes information for writers of both print and video materials.

Team Presentation: How you present your information to your team is your choice. However, you might consider using a tree diagram, also known as a sequence chart (see below) to illustrate the film industry’s concerns.



Research Activity 2-E

The Movie Consumer

Job Description: Researches and interprets the movie consumer's point of view on film-piracy issues.

Qualifications: The consumer researcher should have good research and writing skills. He or she will locate multiple articles about Internet users who download/upload files, as well as consumers who purchase box office tickets and purchase or rent DVDs for home use. They will organize information from these resources into a presentation for the team.

Getting Started: Below is a list of Essential Questions about people who are consumers of films. These are important points that your team should consider to better understand the film-piracy problem and to create an effective solution to that problem. Remember: A good researcher always records his or her sources of information. For each answer, therefore, include where you got your information.

Essential Questions

1. What is the average price a consumer pays to purchase (a) a movie theater ticket? (b) a VHS or DVD copy of a movie in a video store?
2. Read the comments below from movie consumers. This article was published in June 2003 on the Washingtonpost.com Web site as part of the "Live Online" discussion of online music and film piracy. Then answer the questions that follow.

I've never downloaded a music file from the Internet because, well, I don't know how. But, being monumentally broke, I also haven't bought a CD in a really, really, long time. I have to say that one of the root causes of rampant online piracy is that music and movies are so . . . expensive.

I can only speak for myself, but I would definitely be willing to pay a small monthly fee to download content from a provider such as SCIFI or Cartoon Network, that would be commercial-free.

- A. What important issue about film piracy do both consumer comments mention?
 - B. Which comment—the first or the second—identifies a cause of online piracy, and which—the first or the second—identifies a possible solution to online piracy?
3. Has any consumer ever been arrested for music or film piracy? If so, what were the circumstances of the arrest and the punishment?

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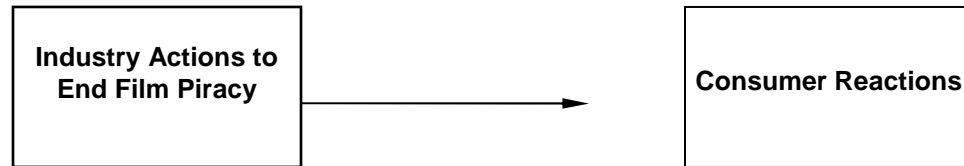
4. Identify three or more viewpoints consumers have about movie studio profits and/or downloading and uploading pirated copies of movies. Try to find specific quotes made by consumers about this subject.

Name _____

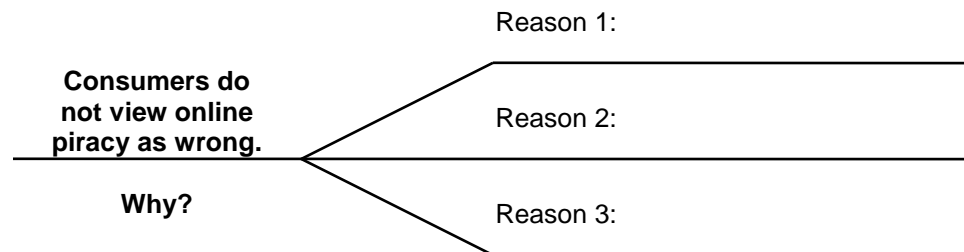
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Online Resources: Any site at which you can order movies, such as <http://www.Amazon.com>.

Team Presentation: How you present your information to your team is your choice. However, you might consider presenting your information in a chart or graphic organizer. The chart you create may illustrate a link between cause and effect, such as the one below.



Or, you might consider a fishbone graphic, as shown below, to illustrate a main idea with supporting details or examples.



Group Activity 3

Brainstorming Solutions

Directions: As a team, complete the chart below. The first three strategies are actions the movie industry has taken or is taking to end film piracy. First, discuss which of the three is most effective and which is least effective. Next, add three new strategies of your own to the chart and evaluate them in the same way.

Strategy	Why It Could Work	Why It Could Fail
<ul style="list-style-type: none"> Take legal action against a person who breaks copyright laws. Legal action would be a fine or even an arrest. 		
<ul style="list-style-type: none"> Develop technology to block the download and upload processes so that Internet users can't make copies of movies without permission. 		
<ul style="list-style-type: none"> Create public service commercials to explain the consequences of film piracy on the movie industry. 		
<ul style="list-style-type: none"> [Your idea] 		
<ul style="list-style-type: none"> [Your idea] 		
<ul style="list-style-type: none"> [Your idea] 		

Group Activity 4

Best Solution Presentation Sheet

Directions: As a team, complete the chart below in preparation for your presentation to the class.

1. Problem-Solving Goal

What do you want to happen?

2. Strategy

What action do you recommend?

3. Implementation

How will your action plan work? Provide steps, if necessary.

4. Evaluation

How will you know if your action plan is working? How will you measure the results?