

Disney Worldwide Post-Production and Operations: Delivering Quality Content While Addressing the Challenge of Piracy

It used to be challenging enough just to create high-quality movies, music, and electronic games. Now, according to Jeff Miller, President of Worldwide Post-Production and Operations for Walt Disney Studios, “The entertainment industry is facing two competing challenges: the creation and delivery of compelling content into a global marketplace, and the protection of these assets from piracy.”

Consider the breadth of industry production slates and the challenge becomes all too clear. The Walt Disney Studios, for example, annually produces 20-25 films, 270 television episodes, and hundreds of millions of DVDs. Ensuring the security of every print, track and dub of every version, at every step of the process, is a formidable but critical task.

Piracy is now widespread throughout the entertainment industry. Film studios have seen rapidly advancing technologies make it possible for movie thieves to produce a high-quality counterfeit copy of a film and make it available on the Internet within hours of the first public screening. The files are then burned to DVDs and sold on street corners and at swap meets, alongside higher quality “manufactured” counterfeit DVDs that masquerade as “real” product to unknowing consumers. In most major entertainment markets of the world, this happens within 14 days of a film’s opening.

Pirate “Market Share”

The business of film piracy is so large it must now be looked at in terms of market share. The market share held by the counterfeiters covers all major markets globally and ranges from over 95% in some countries to a more moderate 10% in others. In any case, piracy continues to increase. Markets where piracy appeared nonexistent or at low levels only a year ago now show numbers that are startlingly high. “Although piracy has long been prevalent in smaller markets, it is now becoming a growing influence in some of our key markets,” says Miller. “For example, last year we saw a 30% loss of market share to street piracy in Spain, which had barely registered on the charts just the year before. This rampant growth is of great concern and we are engaged in taking action on multiple fronts.”

Who Are These Pirates?

Today’s film pirates fall into three categories: “Free Love Pirates,” “Garage Pirates,” and “Professional Pirates.” The film pirate no longer only fits the commonly held stereotype of the 13-year-old boy burning DVDs in his garage (hence the term “Garage Pirate”) for quick sale on the street corner. He is now joined by the “Free Love Pirates,” whose super-distribution, peer-to-peer Internet networks distribute counterfeit files at the speed of light to be replicated in nearly real time by pirates all over the world. Lastly, there are the “Professional Pirates” who operate large, sophisticated manufacturing and distribution centers in countries such as Russia, Taiwan, China, and Pakistan, and smuggle their product by the millions through normal shipping channels. Hundreds of thousands of

DVDs are being shipped inside rolls of carpet, water dispensers, shipping barrels and even children's toys. Many times the peer-to-peer "Free Love Pirates" are the unwitting sources of masters for the "Professional Pirates," linking themselves to organized crime. DVD piracy is big business, it is global, and it is highly organized.

Organized Crime

The quality of the counterfeit product and the speed with which it can reach consumers has made it very attractive to the consumer and extremely lucrative for the professional criminal. In fact, the mass production of counterfeit DVDs has become an integral part of organized crime operations. The UK-based Foundation Against Copyright Theft (FACT) summarizes the situation saying, "It is known that organized crime has now taken up film piracy as an effective means of generating funds for other serious criminal activity and for laundering money. The potential financial gain attained through counterfeiting is disproportionately favorable to the criminal compared to the risk of detection and effective prosecution."

DVDs Online: Are They Real or Counterfeit?

Another emerging issue is the increasing use of e-commerce as a method of distribution by the pirates. The Internet has made finding consumers for illegal product much easier. These are not people looking for deals from makeshift vendors on the street corners of New York, but rather moms and dads who are looking to buy their children's favorite movies on the Internet. Once they find a web site that features their film of choice – at a remarkably reasonable price – they make their credit card purchase on a secure server, their funds are processed in most cases by a well established financial institution, and the product is delivered to their mailbox via the US Postal Service.

It is entirely possible that the consumer never realizes the true origin of the DVD they have received. If the quality is "good enough," there is a real threat that the pirates who have already stolen content have now stolen a legitimate customer, too.

Anti-Piracy: It Starts with Awareness and Understanding

Creating awareness of the problem of piracy, both within the industry and in the mind of the public, is integral to combating the issue. Once people begin to understand the professional criminal element involved, attitudes toward the problem can begin to change. In addition to awareness, the entertainment industry is employing a variety of strategies to address the piracy issue including tightening control of content within the production and distribution processes, and creating a close circle of trusted vendors with whom the industry does business.

The Role of Post-Production in the Anti-Piracy Battle

According to Miller, Disney's approach to anti-piracy begins with production and operations. "We are tightening physical control of content and facilities – this includes the studio, our vendors, and the manner in which the product is transported both physically and electronically," he explains. "We are also building a secure media digital post-production infrastructure while maintaining interoperability both internally and with our vendors." The final aspect of Disney's production and operations strategy is a more

robust use of forensics for both image and audio. “This allows us to quickly and accurately trace back to the leak point,” Miller says.

Another key element of the Disney anti-piracy campaign is the set of stringent requirements necessary to become a vendor. The goal is to create a tight circle of vendor partners worldwide who not only excel in their craft, but also share a dedication to combating piracy on all levels. Engaging these trusted partners in a highly consistent and cohesive business process will be the key to success.

Juggling the rigors of meeting enormous worldwide post production and distribution schedules, all the while protecting content from piracy, is an unprecedented undertaking for the film industry. But it is one that Miller and the Disney Studios are setting out to accomplish together with other content providers (software, games, and music) facing similar issues. “No matter what area of entertainment we’re in, we’re all in this together, and it is by working together that we will successfully meet the piracy challenge,” says Miller. “Once we understand the issue and build awareness among ourselves, our vendors and the public, we can begin to establish our defensive approaches, build integrated strategies, and initiate offensive action in one united, global effort to take back what belongs to us.”