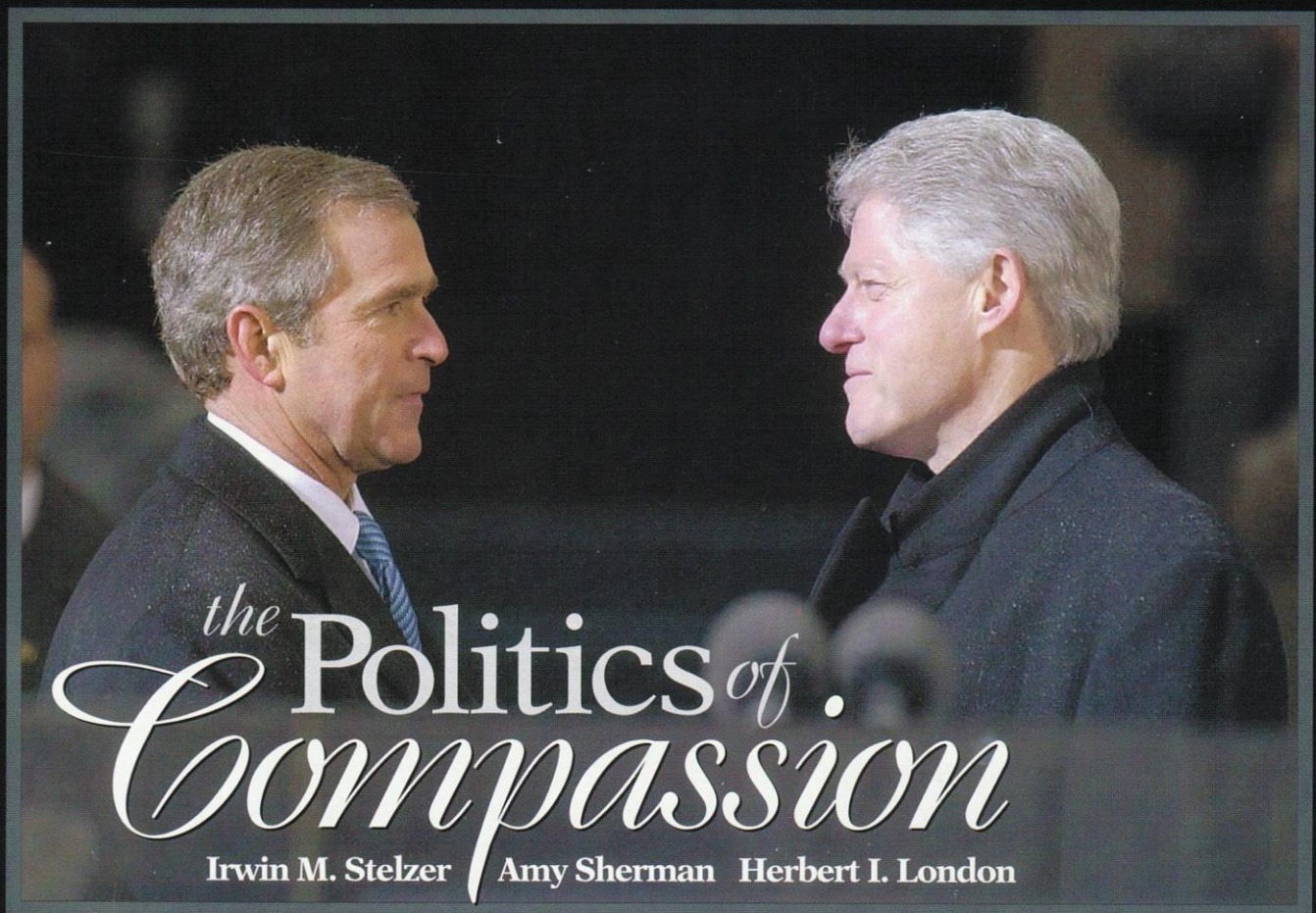


HOLLYWOOD GETS "NAPSTERED" ★ A NEW MARQUIS DE SADE

# American Outlook



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Vol. IV, No. IV  
JULY/AUGUST 2001

U.S. \$3.95

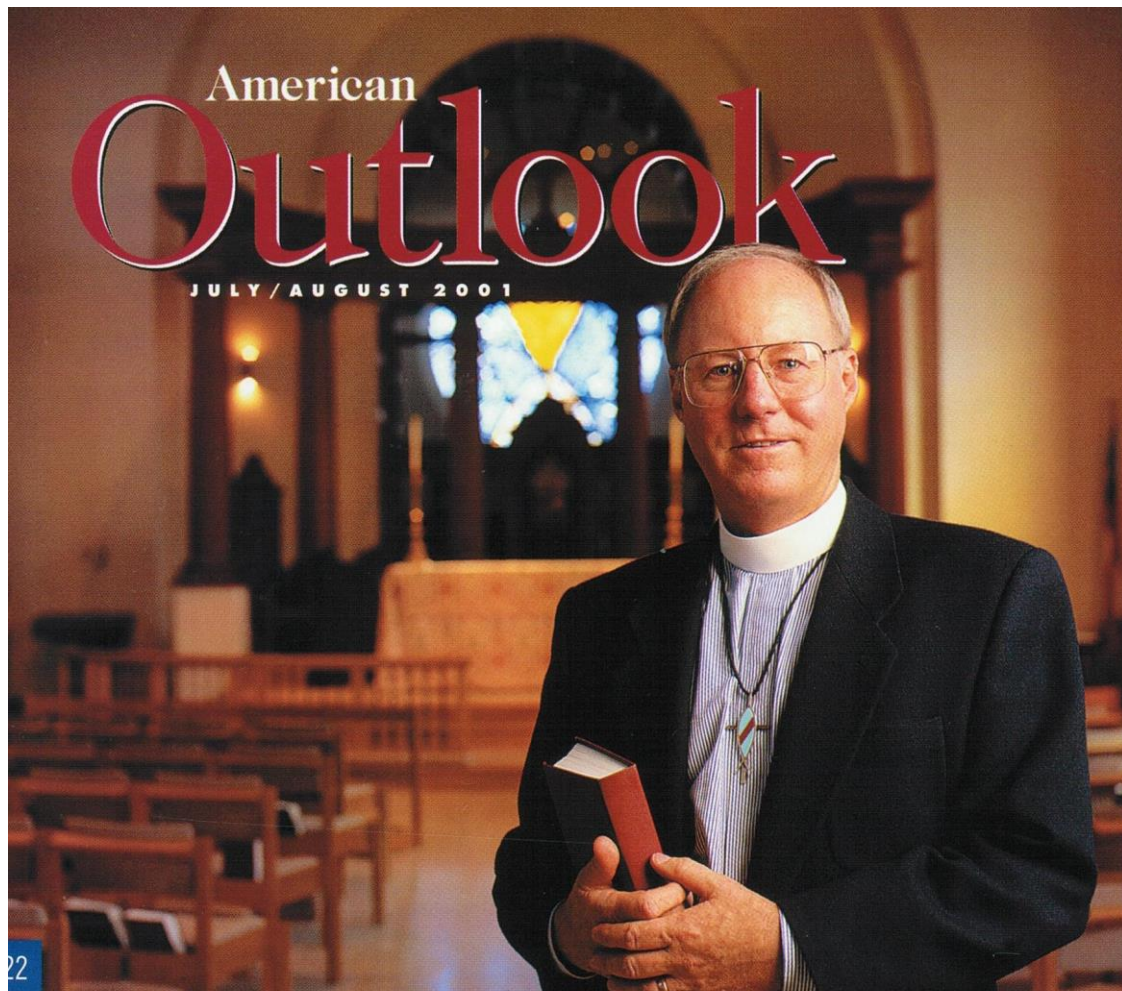
CANADA \$4.50

Published by the Hudson Institute



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E-cinema and cyber-entertainment are hastening the Napsterization of Hollywood—and a thorough, radical transformation of our entertainment media.

Jonathan D. Little

Telecommunications and mobile phone companies have invested billions of dollars in unprecedentedly risky long-term strategies based on their conviction that a large paying public will soon be clamoring for instantaneous access to high-quality moving pictures, music, text, and games via portable broadband wireless connections. Having only recently awakened to the likely impact of this technological development on the film industry, Hollywood's media moguls now have to deal with a new phenomenon: the coming Napsterization of the film industry.

Just as the entire income base of the music industry is thought by some analysts to be threatened by music-swap software such as Napster and similar Internet sites, so, with soon-to-be-improved data transfer capabilities, could copyrighted films soon be easily stored, swapped, and duplicated over the Internet or other portable devices. On top of recent contractual woes

between the Alliance of Motion Picture and Television Producers and both the Writers and the Screen Actors Guilds, the last thing Hollywood needs now is rampant Internet film piracy.

This fear is now especially acute because February's court ruling prohibiting Napster from enabling the free flow of copyrighted music over the Internet has not solved the Record Industry Association of America's (RIAA) copyright and income worries. A court ruling is one thing; putting such judgments into practice is quite another. Regardless of what happens to Napster, it is still quite easy for Internet users to download copyrighted material.

According to Wes Himes, director of the European Digital Media Association, the film industry is on the cusp of a new frontier, just as the music industry was three or four years ago. Yet the music industry hasn't even come close to sorting out the Internet piracy issue,