

Free for all? The digital dilemma

The relentless advance of technology has had a profound impact on film-making – but not all the new possibilities help the industry

Kate Bulkeley

While the newest 3D film technology is heralded as a great breakthrough, the online pirates are also ramping up their activities. Just as Martin Scorsese uses cutting-edge digital technology to lovingly restore great film classics like *The Red Shoes*, racketeers are doing much the same. There is growing concern about the cracks in film's traditional business model in an increasingly digital world. Fox even called in the FBI to investigate when *X-Men Origins: Wolverine* was leaked from the "secure" studio, in one of the biggest shocks in cinema history. The stolen version was missing its score and many of the visual effects, and you could apparently see Wolverine's "fly wires" in some of the stunts. Star Hugh Jackman likened it to a "Ferrari without a paint job".

But digital brings big benefits. Film-makers are able to shoot very differently using digital equipment, because the cost of "film" is not an issue. The galvanising effect of being able to see what you have shot straight away cannot be underestimated. "It is much cheaper to shoot in digital because you don't have the film stock costs, and with digital you can keep re-taking until you get it right," says *Screen Digest* magazine's David Hancock.

"Digital shooting is becoming more common, although there a lot of UK directors are staying with 35mm because it is actually pretty easy to put it into digital afterwards."

Then there is film promotion, something that digital has made a lot easier

and a lot more engaging. Studios have embraced the internet and digital for film promotion, adding alternative reality games and online quizzes to the standard fare of big-voice trailers to get audiences involved with films before they are even released.

The next dimension

And then, of course, there is 3D. The Cannes Film Festival's decision to open with Disney/Pixar's animated 3D film *Up* is significant. "I think 3D is a phenomenal moment for film," says Rhidian Davis, curator of public programmes at the BFI. "It's been associated with gimmicks and the crazy experience of the B-movie, but that is changing."

Davis points out that some 16 3D films are coming out this year, from *Bolt* to *Monsters & Aliens* and, probably most significantly, James Cameron's \$200m *Avatar*, to be released in December.

"Cameron understands probably more than any other director that there's a synergy to the coming together of games platforms and virtual digital worlds. But the fact that he has chosen the big cinema experience for *Avatar* shows he still believes in the big screen blockbuster to drive the narrative," says Davis.

3D is important to film-makers, not just because it allows for a more immersive experience but because it also gives cinema owners an incentive to upgrade their screens. At the end of last year only 310 of the UK's 3,600 cinema screens were digital, according to *Screen Digest*. But the numbers are due to rise appreciably this year because box office receipts for a 3D film are three times higher than for a 2D film. "We forecast that by the end of 2010 between 25% and 30% of all cinemas will be 3D-equipped," says Hancock.

This is the upside of digital, but there is, of course, a catch. "The bad thing about online is piracy," says David Kosse, president of Universal Pictures International.

Recent moves in France to police online

Restoration Keeping the Red Shoes red

Restoration is the new buzz word in movies, but although the word suggests only nostalgia, it is modern digital technology that is behind this latest trend to return the greatest films of all time to pristine condition for today's audiences.

The Red Shoes, the 1948 film by Michael Powell and Emeric Pressburger, has been the most high profile recent restoration, with Martin Scorsese as the main man pushing the project. The African Queen, Humphrey Bogart and Katharine Hepburn's 1951 triumph, is one of the next on the restoration list, along with *The Life and Death of Colonel Blimp*.

A sell-out crowd at the recent Cannes Film Festival attended the premiere of the restored version of *The Red Shoes*, underlining just how much interest there is among the film community for rejuvenating classics of the genre. Scorsese has called *The Red Shoes* "truly

the most beautiful Technicolour film ever made" – but before the \$500,000 restoration work the colours were faded almost beyond recognition.

"The result (of the restoration) is stunning and not too digital-looking," says Fiona Maxwell, director of operations at ITV Global Entertainment, which co-funded the restoration work with the Hollywood Foreign Press Association, The Film Foundation and Louis B Mayer Foundation. The work was carried out by the UCLA Film & Television Archive in association with the British Film Institute (BFI) and Janus Films. "Great care was taken to keep the filmic look and at every stage of the two-and-a-half-year restoring process Scorsese and editor Thelma Schoonmaker (Michael Powell's widow) approved the colour grading."

At Cannes, the audience broke into spontaneous applause on seeing the

film's famous ballet sequence, a tribute to the quality of the restoration. The restoration process is not simple and it's not inexpensive – and a three-strip negative like that used for *The Red Shoes* is the most costly.

ITV, which owns of *The Red Shoes*, plans to issue both a new DVD and a Blu-Ray disc, as well as digital and new 35mm versions of the film.

"The days of 35mm as the principle carrier medium for film are over," says Rhidian Davis, curator of public programmes at the BFI. "But at the same time, the specific qualities of the 35mm print are becoming more valued by the art world and the experience of watching film on celluloid will become a rarer and more fetishised experience. This is fine for a place like the BFI because people will want to see old films on real celluloid – and that's what we can offer." **KB**

P2P sharing sites have been greeted with enthusiasm (see panel opposite). Kosse says that as well as stopping pirates, the film industry needs to continue to work to create robust online distribution models, in the same way that iTunes has found its way around illegal music file sharing. Otherwise, how does the film industry continue to fund its films?

But Kosse admits it's difficult. "We are all dealing with the windowing structure (for generating a film's revenue) and it's necessary at this point, because the exhibitors have invested a huge amount of money in building cinemas around the world. That is their only way to get that money back – to get people into their cinemas," says Kosse.

Lobbying by the UK creative industries has intensified in the run-up to the publication of the Digital Britain report, the

blueprint for how the UK should embrace the online age expected this month. So far, one of the safeguards for the industry has been the gut-busting amount of time it takes to download a feature film, putting off many who have slower internet connections.

But slow connections are becoming a thing of the past. The UK government recently endorsed a key part of the interim Digital Britain report that promises internet connections to all UK homes of at least two megabits (2Mbps) by 2012. In response last month, a Who's Who of the UK creative industries (including the UK Film Council, Directors UK, the Film Distributors' Association, Equity and the Cinema Exhibitors' Association) called for the government to require internet service providers (ISPs) to issue sanctions against customers who repeatedly download illegal content.

Right: Hugh Jackman, X-Men's Wolverine was devastated that an unfinished version of the film was stolen from the studio and then leaked

"There is a complete change in the economics of media going on. The cost of everything is falling on a massive scale, and that is going to affect the film business as well," says Adam Singer, chairman of the British Screen Advisory Council. "At the moment we are hearing a variation of the National Trust theme: it's all about preservation of the traditional ways of doing things."

"But what we desperately need are conversations about innovation, because preservation is only going to get us so far. Copyright 1.0 is not going to save us in a copyright 2.0 age, because of the sheer ease of people's ability to copy."



Beating piracy The French take a hard line

The British government has recognised that illegal file sharing on the internet is eating into the UK's £6bn audiovisual production sector in a big way: in 2007 alone digital piracy accounted for over £150m in lost revenue, according to an IPSOS study. Some six million UK citizens are illegally downloading.

The government says it would like to curb piracy by some 80% by 2011: its interim Digital Britain Report put forward the idea of creating a new Digital Rights Agency to coordinate between industry players from the music, film and television businesses and internet service providers (ISPs) to find technical solutions to block illegal downloading. Industry critics say this does not go far enough.

Meanwhile, France's parliament has passed the toughest law yet in Europe. It would force ISPs to target persistent illegal file sharers to the point of cutting off their internet connection on their third breach of copyright rules. The law, passed in May but not yet signed into law, has become known as the "three-strike rule" and is being heralded by studio bosses across Europe as the best way forward.

But Richard Mullet, director of public affairs at the British Phonographic Industry, which represents music labels, told *The Media Show* on BBC

"Radio4 recently that a 'major criticism' of the interim Digital Britain report is that it recommends the industry 'write to infringers and then sue them'."

"We don't want to be suing fans," he says. "We want to be steering them toward legitimate services."

The French law looks good to rights holders. But to get something like that passed in the UK

'We don't want to be suing fans. We want to be steering them toward legitimate services'

will require at least a couple of changes to current law, not least of which is the freedom of individual expression enshrined in the Human Rights Act. "You could make the case that internet connectivity is a right under the rules of freedom of expression," says Scott Singer, an intellectual property partner at Denton Wilde Sapte. "And a law like the French one would also bump up against data protection laws."

Singer adds that a three-strike rule also doesn't address the central problem of creative industries "haemorrhaging money" from illegal downloads. He proposes extending the powers of the traditional collecting societies – like the Performing Rights Society for music – as a more elegant solution.

It's clear that the industry needs to create legitimate alternatives to illegal sites and P2P file sharing. One positive move may be the launch in the UK later this year of Hulu, an online US site backed by Fox, NBC Universal and Disney. It offers TV shows supported by advertising to online viewers.

In the UK, Lovefilm offers a streaming service for many films and FindAnyFilm, a site that includes information on 30,000 films in the UK, was launched by the UK Film Council earlier this year to try and steer film fans towards legitimacy, both on- and off-line. **KB**

America's got talent

HBO doesn't make television, it makes extended, high-quality movies. So says Tom Hanks, just one Hollywood A-lister drawn to the channel

Stephen Armstrong

Television and film have always had an uneasy relationship. The launch of the small screen may have decimated movie theatre audiences but, in the UK at least, the cinema industry depends heavily on TV money. So at first glance, it looks a little odd that the 63rd Edinburgh Film Festival is doing the unheard-of: showcasing television, particularly the work of the subscription service known as Home Box Office (HBO). But on closer inspection, it makes a little more sense. As the advertising slogan has it: "This isn't television: this is HBO."

"HBO's work is incredibly cinematic," explains Diane Henderson, the festival's deputy artistic director. "I fell in love with the channel over the western series *Deadwood* - Walter Hill directing a TV show! And when you look at HBO's cast and crew, you realise that's where film and television is really crossing over."

The Hollywood A-list agrees. "The economy of making pictures has become so prohibitive - I personally know of Academy Award-winning directors who have gone in to pitch their next project and have been told: 'This studio doesn't make adult pictures,'" says Tom Hanks. The Oscar-winning actor, whose domestic box office totals come to more than \$3.3bn, now enjoys almost as much success as a producer. He produced *Band of Brothers*, John Adams and the forthcoming big-budget mini-series, *The Pacific*, for the channel. "Actors, writers and directors are migrating to TV, where they can

'The stuff you get to do on HBO - it's close to the reasons you became an actor in the first place'



Compelling evidence: could any channel but HBO - with its big-fight revenue stream - have produced *The Wire*?

make extended, high-quality movies like *The Sopranos* without worrying about the three acts and 24 beats the studio demands. The stuff you get to do on HBO - it's close to the reasons you became an actor in the first place."

The festival is hosting screenings of two HBO programmes - both unfamiliar to the UK viewer: *True Blood* and *In Treatment*. The first is a sensual, gothic vampire drama set in Louisiana from the pen of American Beauty and *Six Feet Under*'s Alan Ball. Another Oscar winner, Anna Pacquin, stars as Sookie Stackhouse - a young virgin who falls for Stephen Moyer's 153-year-old bloodsucker at a time when vampires are out of the closet and demanding equal treatment. It airs on FX Channel in July and Channel 4 in the autumn.

"I specifically wrote it with HBO in mind because *The Sopranos* had just started airing and it sort of restored my faith in television," says Ball. "You do try to make little movies, a little movie every week." *True Blood* fits neatly into HBO's cinematic visual output - everything from the epic sweep of *Band of Brothers* to the intimate close-ups of *The Sopranos* could have been made for the big screen.

In Treatment falls into the latter camp, although it has yet to be snapped up by a UK broadcaster - surprising, given Gabriel Byrne's breathtaking lead as an analyst battling with his own demons as much as those of his patients. Both shows are part of a massive investment by the channel, at a time when most broadcasters are halting expensive commissions in a desperately uncertain financial environment.

Comic timing

The station has also taken a stake in Hollywood funny men Will Ferrell and Judd Apatow's website *Funny Or Die* - a sort of "hot or not" arena for user-uploaded skits, and material from Apatow's *Frat Pack* buddies like Ben Stiller, Owen Wilson and Steve Carell. It has also inked development deals with Hanks, Steven Spielberg, Brit director Tom Hooper and *The Wire*/*Generation Kill*'s David Simon.

It can afford to do all this, according to HBO's west coast president Michael Lombardo, because of its subscription and pay-per-view (PPV) revenue - in particular, boxing. Having pioneered the live satellite feed for the Thriller in Manila in 1975, the noble art - especially the pay-per-view



Write track: American Beauty writer Alan Ball tailors his work to HBO

fight - has proved very lucrative. The 2007 Floyd Mayweather vs Ricky Hatton welterweight title bout generated 850,000 pay-per-view buys and \$47m (£30m) in PPV revenue. Time Warner Cable - HBO's parent company - increased revenues by 8% and operating income by 16% in the third quarter of 2008. The BBC must look at those numbers and wince.

"We're fortunate to be a subscriber service," says Lombardo. "I'm not selling eyeballs to advertisers. So if I satisfy 20% or 10% of my audience with 10 different programmes, so that they're all satisfied by different shows, that's fine. I'm not looking for shows the way networks tend to do - ones that will attract the widest array of viewers. The kind of shows we do have a very distinct point of view. We supported *The Wire* for five years. It had a very small, but fiercely loyal, viewership. That may have been the only show they watched on the channel, but that was reason enough for them to get HBO."

Lombardo admits this will be a tough year. "You would be crazy not to think so. Initially we thought how fortunate we were not to be an ad-supported business. Now, I think we're braced to pivot if we need to pivot. That could have an impact on programme budgets. I hope it doesn't, but we're prepared if it does. To be seen, I think, is the answer." He speaks with the confidence of a man who can expect to take more than \$50m (£32m) the next time two prizefighters slug it out in the ring. Given how valuable the boxing has proved, it's rather a shame poor old Channel 4 went so big on televising horse racing, no?