# Does Hollywood know they Lost $100 MM Over 23 Days for Just 6 New Titles?

Yes, you read that correctly. 100 million dollars across 6 major releases, owned by 4 major studios, from March 20 through April 11 is what Hollywood left on the table due to unauthorized views on social media platforms. We're not talking about the sinister dark web that requires a person to download Tor, buy a VPN, and navigate the backwaters of internet hell, we're talking about YouTube, Facebook, VK and OK. These films are currently available on common platforms that are easy for anyone to search, find, and watch for free, so it's no wonder there are millions of illegal views occurring as you read this. What I do wonder, and what you should be wondering too, is that this is the year 2020 and the internet is 27 years old; why does it seem that the pirates advance in their technology while the industry cannot get aligned on how to take a stronger approach? No content owner had much of an option when COVID-19 forced the industry to advance the home entertainment windows. But pirates exploiting these internal issues is not new. Since the days of VHS, piracy has wrought the entertainment industry and, in the digital age, we still are fighting the same internal squabbles while Hollywood as a whole hemorrhages $100 MM over 23 days.
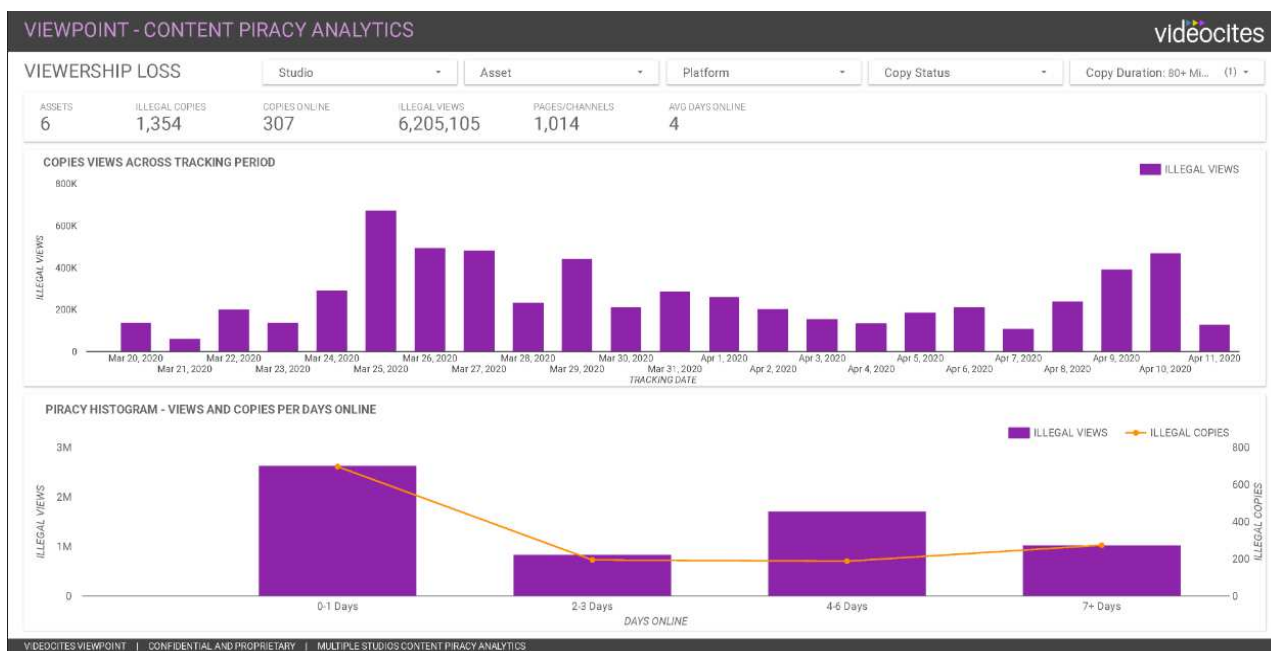

The Overview Graph above shows the daily activity of illegal copies and views (6,205,105 illegal views of the full-length feature to be exact) for all 6 titles. Below, the piracy histogram chart shows the online duration of copies (until finally removed) with the views that were lost in that time. For example, there were 206 copies online for 4-6 days that gained 1.7M illegal views. Takedowns were occurring, but not before gaining a great deal of illegal views, while more illegal copies replaced them, as is reflected by the 4 Average Days Online during this 23-day period. So, we must ask, who failed to decrease the amount of illegal copies and reduce the accumulating views? The analysis shows there were over one million lost views for the close to 300 unauthorized copies available online for over 7 days; 1 day of pirated content on social media platforms delivers a great deal of damage, but 7 days ushers a significant economic impact to the entertainment industry. What is needed is advanced technology that can identify content and adapt with speed and scalability to various alterations that pirates use to circumvent the current technologies. If we continue with the status quo, the pirates will continue to damage our industry

at an exponential rate hereby unprecedented with the new entertainment circumstances still too chaotic to properly predict.

A June 2019 study by the US Chamber of Commerce's Global Innovation Policy Center (GIPC) found digital piracy costs the US TV and film industry anywhere from $29.2 to $71 billion annually. This analysis validates the GIPC findings, as it is currently on track to lose billions of dollars. COVID-19 forced Hollywood to halt production around the globe and postpone major theatrical releases. No one is generating revenue except streaming services, cable, OTT and VOD. It is critical to preserve every dollar now more than ever as we are all on hold until hopefully early summer and it will be months after that until anything we used to know has a semblance of normalcy. Filmed Entertainment is not the only casualty in the fight against piracy. Before the global lockdown, Live Sports around the globe suffered from illegal livestreams. In late 2019, the Global Innovation Policy Center (GIPC) reported that Video piracy caused the loss of $229 billion in domestic revenues and 2.6 million jobs supported by the U.S. entertainment industry, many of which were related to sports.

Videocites, and the sports leagues with which we work acknowledged the need to measure the impact of piracy as having paramount importance. We have all read the reports, the percentages, and ranges of dollars. However, with the ability to actually measure the copies, views, and platforms, we can measure the true significant impact of anti-piracy performance. On Sep 20, 2019, AP reported that the accumulated damage to Italian soccer by illegal television streaming services is "well beyond a billion euros," according to CEO of Serie A. Serie A asked Videocites to assist them in their fight against Live piracy. The first step was Monitor the live piracy for 8 Rounds, then Monitor and execute Takedowns for the subsequent 12 rounds. The graph below measures the illegal views on streams that were online for over 20 minutes.
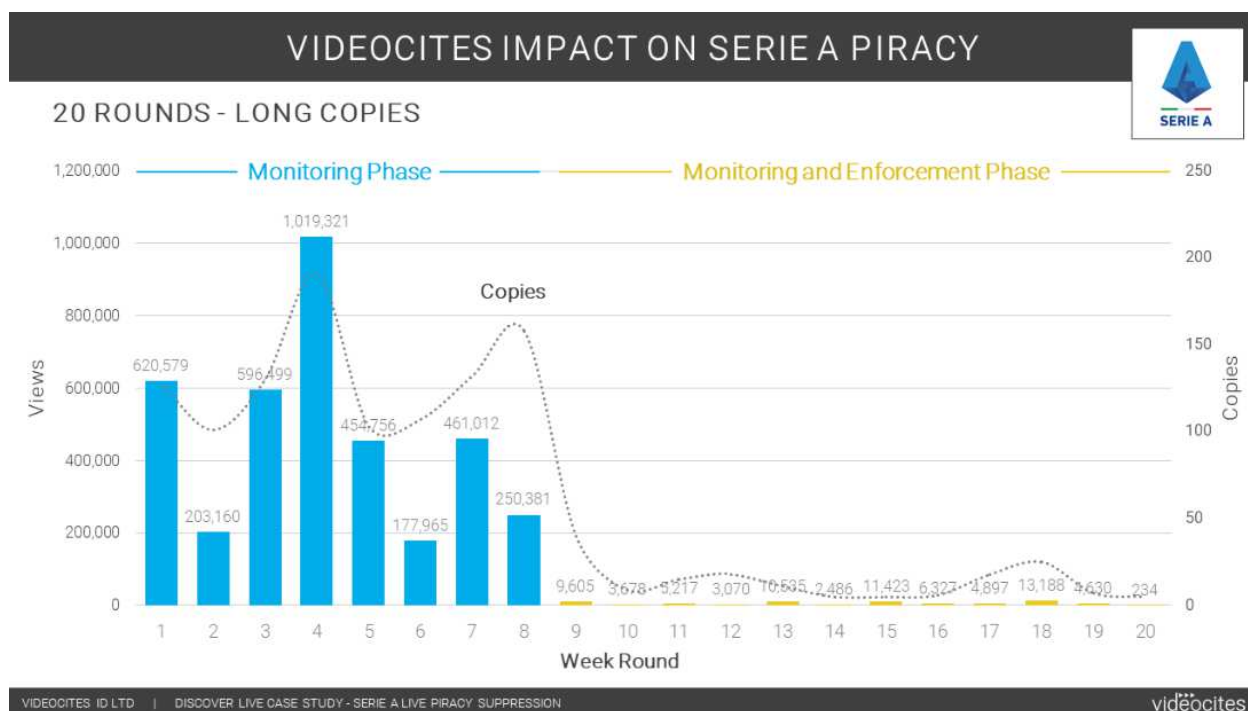

The Monitor phase brought to the light that there were more than 600 thousand illegal views on social media on average every week (round of 10 games). When Videocites was instructed to take action and Takedown these streams, Videocites not only detected all unauthorized streams within 1 minute, but also taking down all copies in under 5 minutes, resulting in a 91.5% reduction in

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illegal views. Eventually, represented by the grey-dotted trend line number of copies, the pirates gave up in their repeating attempts to continue re-uploading an unauthorized livestream. This achievement represents the shift that technology would eventually have on piracy across all content; Live, OTT, Broadcast, etc.

Any industry that is protecting their content from pirates, may it be full length films, Live events or series should be determined to stop any piracy as fast as possible. The ability to detect pirated content quickly and at scale is available now with detection time under a 1 minute and takedowns in within 5 minutes. This cutting-edge technology, when applied to your high-profile VOD/Streaming content, dramatically reduces piracy by over 90% as several of our clients are benefiting from the immediate takedowns today. The pressure to release major motion pictures to the masses in their own homes has become the industry's next step to save and, in some cases, increase revenue, as the industry evolves so does our mindset need to evolve when addressing piracy.

This ability to combat piracy in such a rapid manner has been absent in this fight, and as cord-cutting continues, so exponentially increases the rate at which pirates infiltrate and share high quality copies, especially on social media. The lack of alignment between Marketing, Sales and Legal has presented its issues for many years, giving pirates hunting grounds for exploitation. At the 10th annual Content Protection Summit in December 2019, Eric Haseltine, former NSA Research Director and now Chairman at the US Technology Leadership Council, explained that "The problem is the Lawyers and the Suits are not given a good deal of leeway to deal with the problem, but yet are held accountable when it goes wrong." Mr. Haseltine made this major observation over a decade ago in his work with the studio community, posing that dealing with issues like piracy "require(s) courage to make some hard decisions."

The chart below, depicts how pirates exploited the ease of uploading unauthorized content across varying social media platforms by day and the total piracy demand by title. These 6 newly released titles don't even represent a fraction of a percent of the total daily piracy.
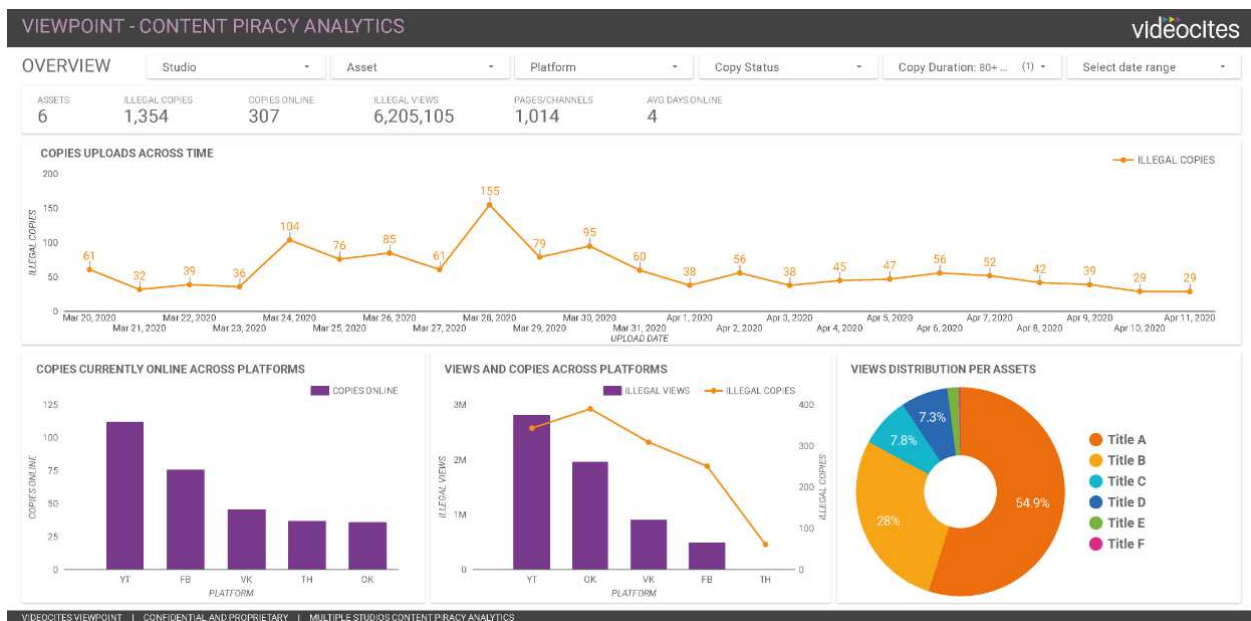
Piracy may never stop, but we should not make it easy for people to post illegal copies of your hard work or for others to find unauthorized content. Let us work with government agencies,

guilds, and associations to address piracy from multiple fronts. Let us keep pushing forward on laws like Article 17, holding the platforms more accountable, but also let us not sit by and think that what has been done up to today is "good enough." There is always something more that can be done and every day we wait, we lose millions (for the above 6 titles it's almost $4.3 MM per day). In a recent report by Video Entertainment, Peter Cossack stated "Based on an analysis of media usage during two previous crisis events, Hurricane Harvey (2017) and the Northeast blizzard of 2016, Nielsen predicted an increase of almost 60% in streaming consumption due to the coronavirus pandemic. This comes at a time when streaming consumption was already experiencing exponential growth."

Now, we look at our latest crisis: March 2020. COVID-19 has changed our lives. When the United States went into lockdown, business today changed on an unprecedented scale and, as those that have been paying attention know, it will be different long after this virus is behind us. Some of the industries that have already experienced dramatic adoption and will likely remain are Ed-Tech, Online Grocery Shopping, and Theatrical Home Entertainment. The next diagram tracks a major streaming service content illegally uploaded over the course of 3 months. The new release content has a high upload activity, but when we entered the "lockdown" phase in the US, the activity of illegal uploads spiked like a new release.
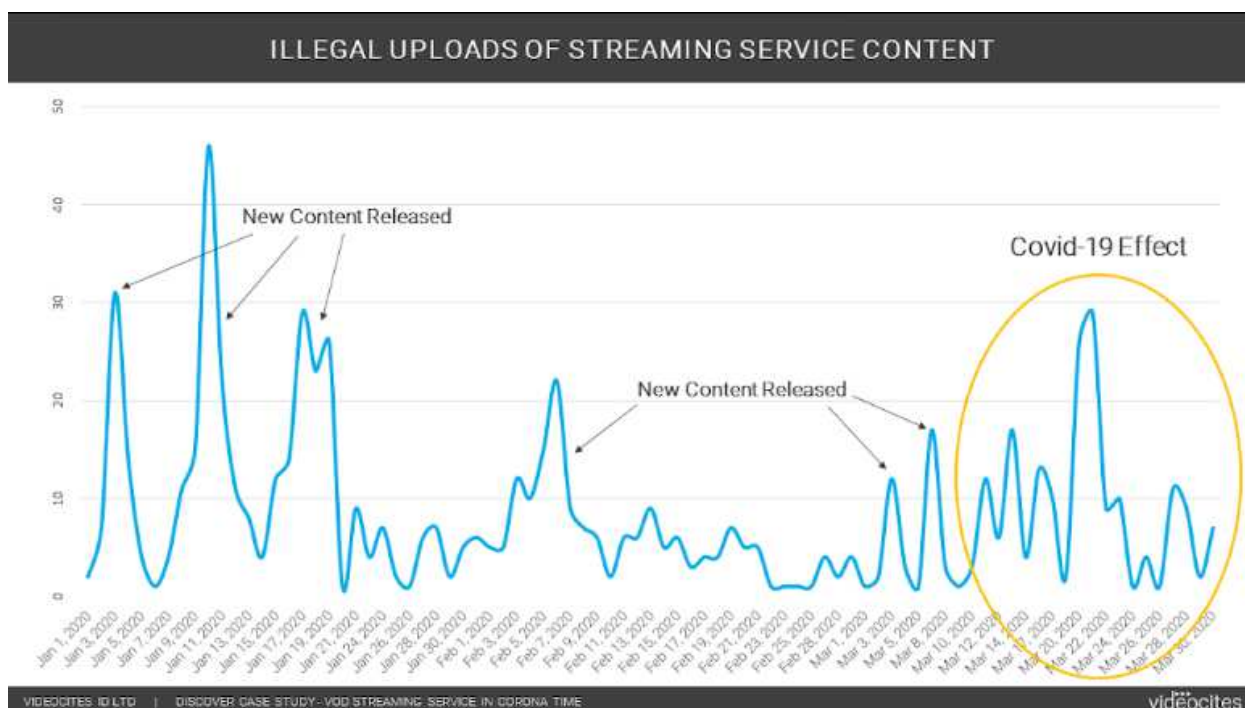
COVID-19 has accelerated many industries whether we wanted them or not. Consumers will change their learning, shopping, and entertainment patterns; many individuals did not even consider Ed-Tech viable; many did not trust Online Grocery Shopping and many did not want to watch big box office releases on the small screen. But here we are, where most of us did not think possible. It didn't take courage nor planning to make these changes to business models nor adjust to how we consume these services; it took a horrible disease to force the change. Now, we have the opportunity to learn and improve on the model, so let's start with piracy and efficiently fight piracy consumption. Let's take a lesson from the pirates and evolve our capabilities with advanced cutting-edge technology.

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