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Unless international action happens, virtual reality films may die in crib

Global IP

By [Doris Estelle Long](#)

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There were two hot topics at the Cannes Film Festival last month. The first was, of course, who would win the Palme D'Or.

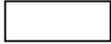
The second, and in my opinion more important topic, was whether the cinematic potential for virtual reality would be destroyed by the current pirate culture before it ever had the chance to revolutionize video story-telling. Unless we act quickly, my money is on the pirates.

In its most basic format, with the use of special equipment, virtual reality enables the viewer to watch video in an expanded format that makes wide-screen televisions look antiquated. As opposed to being restricted to a particular camera angle, the viewer has a 360-degree screen.

I saw an excerpt from "The Martian" done in 360 degrees. While I am a Matt Damon fan, I have to confess, I spent my time looking around Mars. From the sky to the ground, to the left and right of the action, it was spectacular.

But current virtual reality technologies on display at Cannes go far beyond a 360 view. Current technology not only places you in the middle of the action, you are part of it, literally. I experienced a virtual reality video game in Cannes based on "The Walking Dead" television show. My avatar was in a wheelchair, battling zombies with a gun, which, of course, runs out of ammunition.

Looking for zombies in a 360-degree sight line pulled me into the story. But what amazed me about virtual reality was the feeling of movement that I experienced. My character was in a wheelchair, racing through desolate hallways to avoid zombies. I felt the movement even though I was sitting still in a regular chair while watching my avatar in full survival mode.



But right now virtual reality is on the knife's edge. Unless it can be successfully monetized, virtual reality will suffer the same fate as the Smell-o-Vision of the 1950s. It will remain a quirky historical footnote. Smell-o-Vision probably deserved its fate. Virtual reality doesn't.

There is no question that digital piracy has had an impact on the film industry. Piracy affects returns, which in turn affects the money available to develop new projects. There is a reason why every other movie is either a sequel or a reimagining of a former box office hit. I was told point blank by producers that they are looking for movies that will draw people into the theater on the first weekend of their release. Without such a guaranteed box office bonanza, they would rather invest their money elsewhere.

Because of its digital format, virtual reality is particularly vulnerable to digital piracy. It is also vulnerable because it is aimed at a younger audience who has grown up in a culture that finds digital piracy acceptable. In my book, that means virtual reality has two strikes against it before it has even approached the development plate.

But the third strike may come from the industry itself. It is the disastrous belief that, in the digital arena, you develop an audience for new products by giving away content. I heard too many producers say they were going to build excitement for virtual reality by giving complete films away for free. They all claimed that they would eventually start charging for content "later."

Seriously?

Name one successful industry that has used that model and still paid creators value for their content.

Other producers seek to solve the monetization problem by following the same, ultimately disastrous, course the music industry followed when it switched to CDs in the 1980s. They want to charge too much to recoup their investment costs. The price point I heard for a five-minute virtual reality experience was \$20.

As I have said in other arenas, if you want to combat piracy as a cultural choice, your monetization scheme has to be reasonable. You have to provide a price point that works for both sides of the equation.

There is one way to avoid the three-strike problem for virtual reality technology. Mount a rational, international effort to reduce digital piracy. Now.

The public domain cannot be enhanced without new voices to build it. Those new voices need adequate compensation or they will spend their time and labor in other lucrative, but non-creative, pursuits. But compensation for creative works requires that



This rational approach, however, becomes irrelevant if the tools for removing illegal content are not improved, and quickly. We are past the time for a debate over whether copyright owners deserve to receive value for their contribution to our cultural heritage. We need international agreements to establish more effective methods for reducing access to pirate sites. Those efforts should focus on removing the financial benefits of piracy.

There are four entities that earn money from digital piracy: (1) the online service provider for the pirate website; (2) the creator or owner of the pirate website; (3) the provider of online advertising appearing on the site; and (4) credit card companies whose clients purchase pirated products.

The service provider is generally immune under current safe harbor laws. The other three moneymakers are the focus of a patchwork of private contractual arrangements with varying effectiveness.

It is time to replace such spotty self-help measures with bilateral international agreements. Bilateral agreements can be focused on single enforcement issues and can be established relatively quickly. They would provide a consistent definition of what qualifies as a "pirate website." Most significantly, they would require enforceable remedies against those who make money from piracy.

Ideally, these agreements would mandate the domestic availability of diverse legal remedies to remove access to identified pirate websites. These remedies could include such diverse techniques as site blockers and rights permissions filters for single-work posts.

There are countless debates over how to measure the impact of digital piracy. If we don't act soon, we will have a measure I would hate to see. The death of virtual reality as a viable tool for video storytelling.