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After Pirates Steal 'Sicko,' Weinsteins Deploy Decoys

People Hunting for New Moore Movie Might Find Advertising Instead

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LOS ANGELES (AdAge.com) -- When Michael Moore said he wanted universal health care, this wasn't what he had in mind.



The Oscar-winning filmmaker's new documentary from the Weinstein Co., "Sicko," was [pirated last week](#), triggering thousands of free downloads online via file-sharing software such as BitTorrent and peer-to-peer websites such as The Pirate Bay.

The move highlights pressing questions about movie piracy and its effects on the marketing of Hollywood's wares: Can one ever put a price tag on piracy? How much damage is done to a film when it winds up being shared via the internet? And what recourse do studios have?



Ill will: Company says health care is an issue that will draw people to theaters.

Pirate mole

For starters, they can hire Randy Saaf, president of Media Defender, a Santa Monica, Calif.-based company that works to stop the spread of illegally traded copyrighted material over the internet and peer-to-peer networks. Weinstein Co. insiders confirm that Mr. Saaf has been retained by the company to flood the web with "Sicko" decoys -- downloads that are coded to look like "Sicko" but often contain advertiser-supported content.

"If you can see or hear something, you can copy it," Mr. Saaf told Ad Age in an exclusive interview. "Copies go through BitTorrent, which causes this explosive viral spread. But we then send out billions of fake files that are designed to frustrate the end user -- create a needle-in-the-haystack experience."

Media Defender isn't just using diversionary "scarecrow" files to confuse what Mr. Saaf said are millions of "Sicko" download attempts; his company has started using advertising to give would-be pirates a lovely parting gift, if not the actual movie they were seeking to steal.

Last October, for example, a video clip from Jay-Z's live concert in June at Radio City Music Hall began showing up on all sorts of peer-to-peer websites. But Team Jay-Z wasn't fazed. Thanks to a deal with Coca-Cola, Media Defender replaced what people were searching for (Jay-Z's new MTV video) with the eight-minute Radio City clip that included promotions for Coke.

Serendipitous experiences

"The kid searching for the video doesn't think, 'Oh, wow, Jay-Z's hired this company to screw with me.' He thinks, 'Wow, another cool Jay-Z video,'" Mr. Saaf said. "Jay-Z doesn't worry about the piracy, and Coke gets their lightly branded ad experience. It's win-win-win."

Neither the Weinstein insiders nor Mr. Saaf would say what, if any, advertising would support the chaff being used to thwart would-be Michael Moore pirates.

Exactly four years ago, Universal Pictures was hit with the same headache, when Ang Lee's "Hulk" was uploaded to the web two weeks before it was due to unspool in theaters. The pirate was caught, jailed and fined, but that was cold comfort to Universal's then-parent, Vivendi Universal. After hiring Deloitte & Touche to tally box-office losses due to piracy, a stunning number came back: \$100 million in lost revenue.

But there are lots of reasons why such figures and comparisons are wildly unreliable. For one, broadband penetration in the U.S. then was at 37%; today, just over 50% of American homes that have fat, fast pipes -- meaning the average Joe's ability to steal films is far greater today and growing. (By year's end, some 60 million U.S. households -- around 55% -- will be connected to the web via broadband, according to market researcher Parks Associates.) For another, the "Hulk" print that was pirated wasn't the final version that was to appear in theaters, meaning audiences might have been biased against a film the studio never planned to show them in the first place.

Election relevance

"Is 'Sicko' going to be hurt?" asked Kori Bernards, VP-corporate communications for the Motion Picture Association of America. "It's a credible argument to make. Can I quantify it? No."

Meanwhile, Weinstein Co. is banking on "Sicko's" relevance to the coming presidential election to help buoy its prospects even as it goes viral.

In an e-mailed statement, spokeswoman Sarah Rothman offered this prognosis: "Health care impacts everybody right in their homes, and it is not surprising that people are eager to see 'Sicko' and become part of a larger movement. While virtually every movie released these days faces a similar situation, 'Sicko' is more than just a movie; it is a call to action. We are responding aggressively to protect our film, but from our research, it is clear that people interested in the movement are excited to go to the theater so they can be part of the experience and fight to reform health care."

Ironically, the very medium used to illegally disseminate Mr. Moore's film is also being used to haunt and taunt him. As Wired.com blogger Adario Strange noted on his [Epicenter](#) blog, "Not long ago, when Moore was asked about his feelings on online movie piracy, he said, 'I don't agree with the copyright laws, and I don't have a problem with people downloading the movie and sharing it with people as long as they're not trying to make a profit off my labor. I would oppose that.'"

Oops.

Rough crowd

Yet Mr. Moore's liberal views when it comes to copyright infringement may not be such a disaster. True, numerous links to the pirated "Sicko" encourage web surfers to download the film in order to deny Mr. Moore any box-office profits owing to their dislike of his politics. But those conservatives aren't the loyal audience that will ultimately go out and support the polarizing filmmaker and his movie, Hollywood publicity executives said.

Other commentators, such as DCash on Wired.com, make the novel suggestion that the shareware model could be used to monetize a pirated movie. "A good stance on this would be to set up a PayPal account for the movie and ask viewers to contribute relatively [sic] to their liking of the feature; that would be the ultimate switcheroo, where you would live of [sic] a good movie pretty well (assuming widespread high standards) and not make a dime out of a piece of crap. Quite common in the small shareware/freeware area."

Films as shareware? Rewarding pirates with consolation prizes? Clearly it's going to be a long, hot summer in Hollywood.

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