

WILL YOU WALK INTO MY PARLOUR...

said the spider to the fly...I have many curious things to show you when you are there.



Rajesh Mishra who is targeting 2,000 screens by March '09.

Besides the low comparative cost of digital cinema, (one-tenth), Mishra re-inforces the fact that not only do they encode and encrypt the film, there is no human intervention between their office and the theatres, movies are directly delivered via satellite to the theatres, elimination of the act of duplicating the films. "Let's say UFO has contributed 25-30% contribution to a movie's collection and in at least 20% markets which were not covered earlier," adds Mishra. Goel adds that since E-City digitized the video parlours, their contribution to the industry over the last year - and a half has been around Rs 1.5 crore.

Head, media and entertainment, Pricewaterhouse-Coopers, Timmy Kandhari sums it up well: "For one it enables the widest possible release for a movie, day and date so it lessens the effect of piracy and allows the film maker to maximize his revenue, which sets the tone."

The digital form while a saviour in some forms, can also be the threat. According to M M Satish, head, T-Series Public Performing License (TTPL), who has been very active in raiding cable operators, video parlours, others like video operator Sadaf says that threat of the future is digital. "I call it white collar piracy where the you digital downloading is done by almost any commercial establishment from hotels to coffee chains, restaurants who all play film music or videos or even show movies without paying us licence fees, and I see T-Series alone losing at least Rs 100 crore here," says Satish.

Or Home video?

The alternate answer is also the home video market, which is growing phenomenally and with players like Moser Bear with its aggressive pricing things could change dramatically. "Enforcement, is not a solution. The pricing difference between the original and the pirated is so wide which is why the consumer goes for the pirated. Also the time between release and home window must come down ideally to 2-3 days, so that the film-maker can maximize what he otherwise loses to the pirate who is out with a duplicate in 24 hours," says Harish Dayani, CEO, Moser Bear.

Biggest pirate of 'em all

The biggest trouble comes from Pakistan. Sadaf, for example, is funded by the underworld and willing to cough upto a crore for a good master print of a single film as the market in Pakistan runs into crores. "Hindi movies are popular in Pakistan and we lose thousands of crores there. During the release of *Krrish*, we battled it and managed to stop thousands of pirated VCDs," says Satish who even faced threats to his life. So, what if Pakistan were to go legit? Kandhari puts it simply. "The US industry grew because it concentrated on growing its markets and so Pakistan, being a big market would be critical market." In fact, Satish is so keen on battling the Pakistan piracy menace he is looking at opening an anti-piracy office there!

The long hand of the law

The Central government has promised to focus on violations. Various state governments have played their own roles, from the Goonda Act in the South and Punjab. The anti-piracy cells in these states have codes on the prints of the films, which can be traced on the seized VCDs and DVDs. Company then tally these codes and trace the theatre house where the piracy took place. The market is not just India but also the Diaspora across the globe. "The loss of business due to piracy, is immense and almost incalculable. In Europe in particular, on the second day after the release of *Fanaa*, almost 100,000 DVDs of the film were being imported into Germany and France by pirates through their regular network. This menace can only be resolved with the co-operation of local governments as well as by releasing our films much earlier in various countries. This is an on-going process," said Yash Chopra speaking at a platform in Germany last year.

And we all fall down?

The Motion Pictures Association (MPA) have, through their raids, made 2,143 arrests between 1994 and 2006, across burners, DVDs, VCDs. This is an organization where all the six studios of Hollywood have formed to fight the cancer of piracy. "We conduct these raids for our films but almost 70% of the content is local and we pick up everything. We have requested the industry here to join us but so far there has been no support," says Chander Lall, all India Legal Counsel for MPA. In 2005, more than 43,000 raids were conducted worldwide; as a result more than 81 million illegally-manufactured discs were seized and 100 high-profile Internet piracy facilitator sites were shut down. So, the Indian film industry has to decide if this battle just for some or for the protection of the rights of millions who work for India's film industry. The answers lie with them.

NO, THERE are no solutions to the problem. This is what you realise when you look at the number of film-makers fighting lawsuits across the globe and follow the statements from industry veterans like Yash Chopra who despair at the business loss.

Yet, there have been some individual attempts at curbing, if not stopping, the piracy menace. Take the case of Atul Patel — who is a converted man today. He welcomes the 120 cine fans who enter his air-conditioned video parlours for each show with a smile on his face. He collects approximately Rs 20,000 a day if all his four shows go full at an average of Rs 40 a ticket. Till a year ago, Patel's collections were not even a few thousand. Till a year ago, his parlour was among the 200 video parlours in Varacha which showed pirated VCD/DVDs.

In Gujarat where video parlours are pretty much common, they are allowed to operate after paying a nominal entertainment tax of Rs 2,000 a week. Most are located in remote areas of a city where access to theatres is difficult.

Patel now coughs up as much as Rs 25-30,000 for the rights of a movie and has also invested Rs 2.5-3 lakh in equipping his parlour to be digital. Of course the lure is the higher lucre which comes from better prints. Patel controls six of these parlours in his area and is now actively trying to convert the rest. He needs to or else they will eat into his business. "He acts as the ideal control factor now, as he does not want to be out priced," says Atul Goel, CEO, E-City which has converted 12-14 video parlours from pirated driven to legitimate businesses which have a license.

Is digital cinema the saviour?

Does this mean that piracy has found a solution and a saviour? The rate at which digital screens are growing, (UFO Moviez alone has got 950 screens across more than 50 towns while E-City has 115 and there are more players getting in) the industry is looking towards it as the fastest way to meet pent-up demand. Besides, for the franchisee or licensee, investment in digital does not need deep pockets as the capital expenditure comes from the equipment guys who are the big boys with the deep pockets. "It is a basic demand and supply situation. Our films advertise to all India audience but release the same movies in about 200-400 cinemas, what will the rest do but turn to pirated merchandise," says UFO Moviez CEO

Video parlours are still the biggest threat to the Indian film industry. Cable piracy has been curbed to some extent. Caught in the piracy web, the Indian film industry is left to make its own individual efforts, says Nandini Raghavendra