

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)
)
A National Broadband Plan for Our Future) GN Docket No. 09-51
)

**COMMENTS OF PARAMOUNT PICTURES CORPORATION
IN RESPONSE TO THE NATIONAL BROADBAND PLAN WORKSHOP ON
THE ROLE OF CONTENT IN THE BROADBAND ECOSYSTEM**

Paramount Pictures Corporation (“Paramount Pictures”) hereby submits these comments for the purpose of demonstrating the threat to the Federal Communications Commission’s goal of ubiquitous broadband adoption from unrestrained intellectual property theft online.

Paramount Pictures is a global producer and distributor of filmed entertainment.¹ A division of the leading global entertainment content company Viacom Inc., Paramount Pictures is part of a family of major pay television producers that includes MTV Networks and BET Networks and more than 20 television networks like MTV, Nickelodeon, Comedy Central and BET.

As explained more fully in the comments of the Motion Picture Association of America, Inc. (“MPAA”), which are being filed as part of this proceeding contemporaneously with these comments, the National Broadband Plan can only serve as a successful road map for ubiquitous broadband if the government recognizes the vital role that high quality, high value content plays in driving adoption of new technologies. Compelling content is an essential ingredient in the consumer Internet experience and a key driver of broadband adoption. At the same time, online copyright theft represents one of the most significant threats facing the motion picture industry today.

As described below, a variety of increasingly sophisticated web sites and technologies are being deployed today to facilitate the widespread transmission of unlawful content online. These comments are intended to provide an overview both of the scope of this threat and the ease with which consumers can access copyrighted material on unlawful web sites that have no legitimate

¹ Paramount Pictures Corporation consists of several film labels including, the legendary Paramount Pictures; leading youth brand, MTV Films; the preeminent family entertainment label, Nickelodeon Movies; and specialty film labels, Paramount Vantage and Paramount Classics. Paramount Pictures also has established distribution deals with iconic comic book creator, Marvel Entertainment and renowned animated film producer, DreamWorks Animation.

right to transmit this content. Paramount Pictures submits that the tremendous threat posed by piracy, as detailed herein, warrants an aggressive response. Accordingly, Paramount Pictures urges the Commission to adopt the policy proposals described in the MPAA comments, which are incorporated herein by reference.

These comments also are intended to bolster the video presentation provided by Frederick Huntsberry, Paramount Pictures' Chief Operating Officer, on September 17, 2009 at the FCC's National Broadband Plan Workshop entitled "The Role of Content in the Broadband Ecosystem."² As this summary of the presentation makes clear, online piracy poses a threat to content owners, consumers and the government's policy goals alike.³

Summary

In the weeks following the worldwide theatrical release of *Star Trek*, Paramount Pictures counted more than 5 million IP addresses downloading localized version of 6 camcorded copies of the movie. Complete peer-to-peer (P2P) downloads of a motion picture can take more than a day, so instantaneous online streaming has seen a surge in popularity. Just five years ago, one had to be computer literate and exceedingly patient to pirate movies. Today, literally anyone with an internet connection can do it. Clunky websites are being replaced by legitimate looking and legitimate feeling pirate movie websites, a perception enhanced by the presence of premium advertisers and subscription fees processed by major financial institutions. It is clear that piracy has advanced from geek to sleek.

As measured by leading Internet analytics firm Alexa, nearly one-third of the world's top 100 most highly trafficked websites -- Google.com, Rapidshare.com, Megaupload.com, Mininova.org, Yahoo.com, Youtube.com, Bing.com and others -- provide access to or host pirated content. These websites and Internet applications that can either host pirated movies or direct consumers to pirated movies fall into six categories: aggregators (zml.com), cyberlockers (rapidshare.com), search engines (google.com), leech sites (watch-movies-online.tv), user generated content sites (megavideo.com) and P2P networks (Mininova.org). Many receive financial support from premium advertisers, like Tivo, Citibank, Ann Taylor, and even Netflix, who may be unaware that their ads have been placed on sites featuring illegal content, and

² See http://www.broadband.gov/ws_bb_ecosystem.html.

³ Public Notice, "*The Commission Welcomes Response to Staff Workshops*," GN Docket No. 09-51, DA 09-1992 (rel. Sept. 1, 2009) (seeking responses to "The Role of Content in the Broadband Ecosystem" workshop by October 30, 2009).

payment processors like Visa and MasterCard. They are exceedingly professional and legitimate-looking, which can be deceiving to consumers who provide sensitive financial information to these criminal enterprises and put themselves at risk for consumer fraud or identity theft. These trends are made all the more problematic given that internet-enabled TVs have arrived.

For its part, Hollywood has embraced broadband and the distribution possibilities it offers. Paramount Pictures has over 200 digital distributions deals with big and small partners like iTunes, Amazon, Nokia, Sony Playstation, Microsoft Xbox360 and Seagate. These business arrangements will fail, however, if their main source of competition remains “free by theft” movies easily available on the Internet.

Fundamentally, the prevalence of pirated material online provides a strong disincentive to invest in motion pictures and other professional video content, which are well-understood to be key drivers of broadband adoption. As more fully described in the comments of MPAA in this docket, content creators and internet service providers must have the legal and regulatory flexibility to use technological tools in partnership with Internet service providers to stem the tide of online copyright theft.

Star Trek: A Case Study

Star Trek kicked off the 2009 summer film box office for Paramount Pictures.⁴ The movie was theatrically released in select countries on May 6th and rolled out worldwide two days later on May 8th. The first pirated copy was made available on DVD and the Internet on May 8th using a video camcorder placed in a theater. Based on unique markings imbedded in each print of the film, but invisible to viewers, Paramount Pictures was able to determine that the stolen copy originated from a Russian theater and was considered to be of “fair” quality. The attached “Piracy Propagation Chart” outlines the proliferation of stolen copies of *Star Trek* across the world in the days and weeks following its release.⁵

Once the first copy (with Russian language) was made available via the Internet, it was quickly localized by online “release groups” who married that video image with stolen copies of just the soundtrack (easily and discretely recorded directly from the headphone jack in the theater seat) in every language in which the film was released. Following the Russian release,

⁴ See <http://www.imdb.com/title/tt0796366/>.

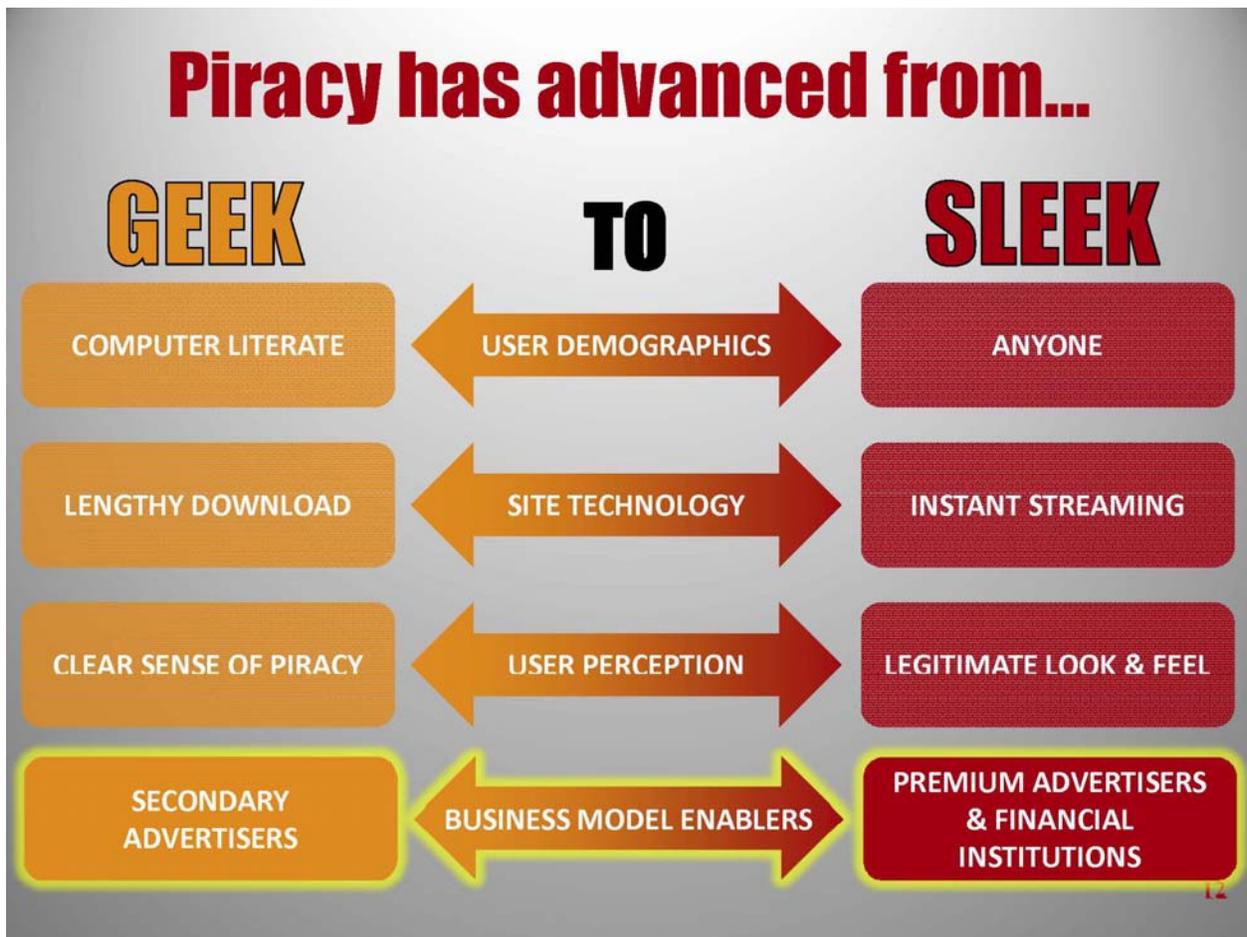
⁵ See Appendix.

“camcorded” copies emerged on the Internet within days from the Philippines, the Ukraine, Spain, Germany and the United States. Quality drives consumption in markets both legal and illegal, and demand soon shifted to the high quality Ukrainian copy. All told, just 6 camcorded copies of *Star Trek* were released on the Internet, but once the high quality Ukrainian version was discovered, further versions were unnecessary and the release groups could turn their attention to the next major theatrical release.

By the end of August, Paramount Pictures counted over 5 million worldwide unique IP addresses downloading a copy of *Star Trek* using forensic technology provided by Bay TSP. By comparison, approximately 35 million people attended the film in theaters. As staggering as these piracy numbers may seem, they tell only part of the story. Illicit digital film downloads, which can take an entire day to complete on a P2P network, are now complemented by streaming video versions available almost instantaneously, and the Bay TSP calculations do not include video streams. Streaming video is particularly appealing to consumers, as hulu.com and youtube.com have learned, and that appeal has been exploited by sophisticated criminal syndicates now operating professional-quality but illegal websites.

Piracy Has Advanced From Geek to Sleek

Just five years ago, one had to be computer literate and exceedingly patient to pirate movies. Today, literally anyone with an internet connection can easily find illegal movies. Lengthy downloads are being replaced with instantaneous streaming and clunky websites are being replaced by legitimate looking and legitimate feeling websites, a perception enhanced by the presence of premium advertisers and subscription fees processed by major financial institutions.



Indeed, a typical Internet user can now find pirated movies via the world's most popular websites, often with just a few keystrokes. As measured by leading Internet analytics firm Alexa, nearly one-third of the world's top 100 most highly trafficked websites -- Google.com, Rapidshare.com, Megaupload.com, Mininova.org, Yahoo.com, Youtube.com, Bing.com and others -- provide access to or host pirated content.

Nearly one-third of the top 100 Alexa ranked sites provide access to or host pirated content

TOP 100 RANKED ALEXA WEBSITES SEPTEMBER 2009							
RANK	WEBSITE	RANK	WEBSITE	RANK	WEBSITE	RANK	WEBSITE
1	Google.com	26	amazon.com	51	conduit.com	76	about.com
2	Facebook.com	27	craigslist.org	52	livejasmin.com	77	dailymotion.com
3	Yahoo.com	28	yandex.ru	53	tudou.com	78	livedoor.com
4	Youtube.com	29	vkontakte.ru	54	google.ca	79	livejournal.com
5	Live.com	30	google.com.br	55	apple.com	80	google.ru
6	Wikipedia.org	31	google.co.jp	56	cnn.com	81	google.com.au
7	Blogger.com	32	mail.ru	57	youku.com	82	zynga.com
8	msn.com	33	flickr.com	58	adobe.com	83	4shared.com
9	baidu.com	34	google.it	59	sohu.com	84	megaupload.com
10	yahoo.co.jp	35	aol.com	60	orkut.co.in	85	xvideos.com
11	myspace.com	36	google.es	61	linkedin.com	86	google.co.id
12	google.co.in	37	taobao.com	62	imageshack.us	87	mixi.jp
13	Twitter.com	38	hi5.com	63	redtube.com	88	globo.com
14	Google.de.com	39	imdb.com	64	google.com.tru	89	google.pl
15	qq.com	40	163.com	65	mediafire.com	90	adultfriendfinder.com
16	Rapidshare.com	41	photobucket.com	66	cnet.com	91	rediff.com
17	microsoft.com	42	orkut.com.br	67	uol.com.br	92	nasza-klasa.pl
18	google.fr	43	go.com	68	rakuten.co.jp	93	mininova.org
19	wordpress.com	44	google.com.mx	69	tube8.com	94	xhamster.com
20	google.co.uk	45	bbc.co.uk	70	ebay.de	95	deviantart.com
21	bing.com	46	ask.com	71	odnoklassniki.ru	96	goo.ne.jp
22	ebay.com	47	doubleclick.com	72	megavideo.com	97	soso.com
23	sina.com.cn	48	pornhub.com	73	ameblo.jp	98	clicksor.com
24	fc2.com	49	youporn.com	74	skyrock.com	99	vmn.net
25	google.cn	50	bp.blogspot.com	75	espn.go.com	100	files.wordpress.com

KEY: LEECH SITE UGC CYBERLOCKER PEER TO PEER

Paramount Pictures recognizes six types of websites and Internet applications that can either host pirated movies or direct consumers to pirated movies: aggregators, cyberlockers, search engines, leech sites, user generated content sites and peer-to-peer (P2P) networks.

- **Aggregators:** Aggregators like zml.com provide direct downloads of pirated films in a variety of file formats and in high quality for a per movie or monthly subscription fee.
- **Cyberlockers:** Cyberlockers allow users to upload a file in exchange for a unique URL which they can then share with others via social media like Facebook and Twitter. While cyberlockers have legitimate uses, they are also used to pirate content with an easy-to-use, one-click upload interface and integrated social networking tools.
- **Search engines:** Major search engines like google.com, yahoo.com, bing.com and others provide quick and easy access to pirated movies through keyword searching, and in some case, sponsored search results.

- **Leech Sites:** Leech sites have a mutually beneficial relationship with cyberlockers. Leech sites provide links to the content in cyberlockers and elsewhere without hosting any of the content themselves.
- **User Generated Content Sites:** User generated content sites permit consumers to upload video files and are a large source of pirated content.
- **P2P:** P2P applications like Bittorrent and Limewire and the network of “torrent” websites that support them like thepiratebay.org and mininova.org, remain a large source of pirated films.

Examples

Aggregator: Zml.com

Zml.com represents an emerging business model for pirate movie websites. In addition to a slick and consumer-friendly user interface, zml.com provides direct download access to pirated movies via sophisticated search and recommendation engines, all for a monthly subscription fee payable by major credit cards. Some of the content is hosted by zml.com while other content is pulled from cyberlockers and P2P networks, but the experience is seamless for the subscriber. According to comScore statistics, zml.com had over 3.1 million unique visitors in the month of August 2009. About 1 million of those visitors were from the United States. The site's U.S. traffic has increased by almost 1,363% since August 2008.

Today, sources of pirated content look legitimate

ZML.com
the movie library

Share and save this site:

E-Mail:
Password:
[Login](#) [remind password](#)

Quick Search: [Movies](#) [TV Shows](#) [Search >>](#) [Home](#) [Sign Up](#) [Support](#) [Help](#) [FAQ](#)

Browse by Letter: [0-9](#) [A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#) [N](#) [O](#) [P](#) [Q](#) [R](#) [S](#) [T](#) [U](#) [V](#) [W](#) [X](#) [Y](#) [Z](#) [Browse Movies](#) [Browse TV Shows](#)

District 9
[Sci-Fi](#)

Inglourious Basterds
[Action](#), [Adventure](#), [War](#)

Aliens in the Attic
[Adventure](#), [Fantasy](#)

Gamer
[Sci-Fi](#), [Thriller](#)

Year One
[Adventure](#), [Comedy](#)

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Burn a movie to a CD or DVD and watch it everywhere

Cyberlockers: Megaupload.com and Rapidshare.com

Megaupload.com and Rapidshare.com are examples of “cyberlockers” that permit easy uploading and distribution of pirated movies via links shared on social media websites. Although these sites have legitimate uses, they attract millions of viewers because they offer access to free movies and other stolen content. Rapidshare.com is the 18th most popular site in the world according to Alexa, and comScore reports the site having over 77 million unique visitors in the month of August 2009, approximately 4.3 million of which came from the United States. Cyberlockers are growing in popularity as evidenced by comScore’s reported 105% increase in U.S. traffic for Rapidshare since August 2008. Notably, RapidShare has a membership rewards program which benefits those who drive traffic to the site by uploading content and publishing the location. The site also reportedly pays out 20 euros for each new customer referral.

...and consumers are incentivized to subscribe to these sites...

BECOME A PREMIUM MEMBER | BENEFITS

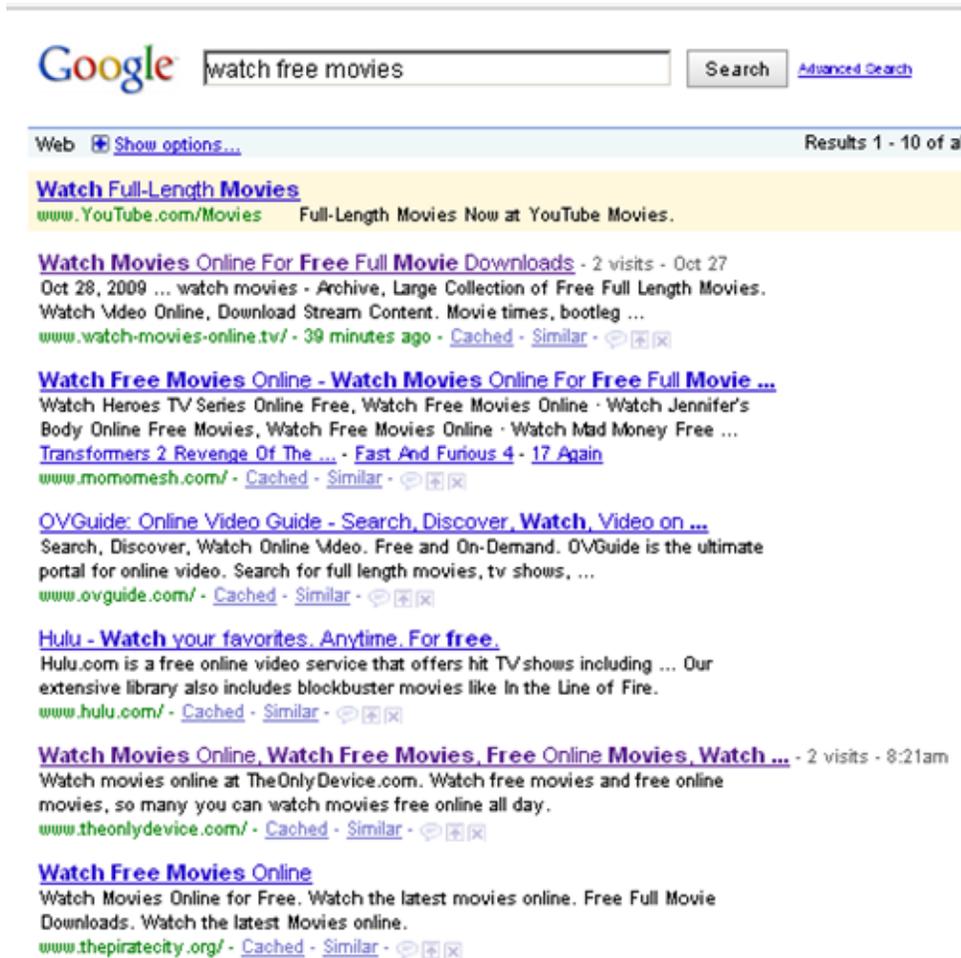
30 Days Premium-Account	90 Days Premium-Account	180 Days Premium-Account	365 Days Premium-Account
€6 ⁹⁹	€16 ⁹⁹	€29 ⁹⁹	€54 ⁹⁹
23 Cent per day 1000 RapidPoints	19 Cent per day 3000 RapidPoints Save 17 %	17 Cent per day 6000 RapidPoints Save 26 %	15 Cent per day 12000 RapidPoints Save 34 %
PayPal	PayPal	PayPal	PayPal
Reseller	Reseller	Reseller	Reseller
PayByCall	Wiretransfer	Wiretransfer	Wiretransfer

SUBSCRIPTION TIERS		
	Free	Premium
Max. upload size	200 MB / file	2,000 MB / file
Max. downloads per file	10, then inactive	Unlimited
Expiration of files	After 90 days w/out download	Never
Download speed	Limited	Unlimited
Download limit	200MB/download	5,000MB/day
Download management	No	Yes
Instant DL start	No	Yes

15

Search Engine: Google

Search engines provide quick and easy access to pirated movies. If one types in “watch free movies” on Google, the first three unsponsored search results are “leech” sites with links to pirated movies. The fourth search result is Hulu.com, a legitimate video site.



Google [Advanced Search](#)

Web [Show options...](#) Results 1 - 10 of a

[Watch Full-Length Movies](#)
www.YouTube.com/Movies Full-Length Movies Now at YouTube Movies.

[Watch Movies Online For Free Full Movie Downloads](#) - 2 visits - Oct 27
Oct 28, 2009 ... watch movies - Archive, Large Collection of Free Full Length Movies.
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Watch Heroes TV Series Online Free, Watch Free Movies Online · Watch Jennifer's
Body Online Free Movies, Watch Free Movies Online · Watch Mad Money Free ...
[Transformers 2 Revenge Of The ...](#) - [Fast And Furious 4](#) - [17 Again](#)
www.momomesh.com/ - [Cached](#) - [Similar](#) -

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www.ovguide.com/ - [Cached](#) - [Similar](#) -

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Hulu.com is a free online video service that offers hit TV shows including ... Our
extensive library also includes blockbuster movies like In the Line of Fire.
www.hulu.com/ - [Cached](#) - [Similar](#) -

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movies, so many you can watch movies free online all day.
www.theonlydevice.com/ - [Cached](#) - [Similar](#) -

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Downloads. Watch the latest Movies online.
www.thepiratecity.org/ - [Cached](#) - [Similar](#) -

Leech Sites: watch-movies-links.net and watch-movies-online.tv

Watch-movies-links.net and related URLs like watch-movies-online.tv collect links to cyberlockers and other storage sites hosting pirated movies. According to comScore, watch-movies-links.net had over 13.1 million unique visitors in the month of August 2009. About 5.8 million of those visitors were from the United States. The site's U.S. traffic has increased by almost 254% since February 2009. On any given day, watch-movies-links.net and watch-movies-online.tv have multiple links to camcorder versions of films released theatrically the prior weekend. With two simple clicks, a user can instantly start streaming the movie and expand the viewer to full screen for an optimal experience similar to video on demand or legitimate online rental via Netflix.

The screenshot shows the website's homepage with a navigation menu and featured movie listings. The navigation menu includes: Watch Movies, New Releases, Top Rated, Tags, Genres, Playlists, Users, Forum, and Submit Links. A secondary menu has Download Movies and FAQ. The main content area features a search bar, a list of online users, and a grid of featured movies with their respective details.

Movie Title	Rate	Votes	Hits	Release Date
Saw VI	7.4/10	2635	0	23 Oct.
Tinker Bell and the Lost Treasure	8.6/10	2235	0	2009 Oct.
The Invention of Solving	8.8/10	955	0	2009 Oct.
Cirque Du Freak: The Vampires Assistant	8.3/10	775	0	2009 Oct.
The Stepfather (2009)	7.9/10	325	0	2009 Oct.

Movie Title	Genre	Release	Views	Rate
Astro Boy	Action	2009 October	0 (510 votes)	8.1/10
The Tournament	Action	2009 September	0 (1474 votes)	8/10
Law Abiding Citizen	Drama	2009 October	0 (3164 votes)	7.6/10
The Informant!	Comedy	2009 September	0 (136 votes)	7.5/10
Mary and Max	Comedy	2009 September	0 (296 votes)	8.7/10
Couples Retreat	Comedy	2009 October	0 (1000 votes)	8.3/10

User Generated Content: MEGAVIDEO.com

Many of the leading user generated content sites like dailymotion.com and youtube.com have partnered with the content industry to implement effective copyright filtering and other measures to combat piracy.⁶ Others, like MEGAVIDEO.com have not and permit uploading of pirated material.



⁶ See <http://www.ugcprinciples.com>.

P2P: Mininova.org

Mininova.org is a P2P torrent site that is ranked 89th by Alexa. Pirated books, software, video games, music, movies, and tv shows are available via the site. A user needs only to have P2P software installed on their computer to begin downloading. A simple search for “Star Trek 2009” yields 209 torrents, including copies of the DVD and Blu-Ray before those products have even hit store shelves. According to comScore, Mininova.org had over 30 million unique visitors in the month of August 2009. About 3 million of those visitors were from the United States. The site’s U.S. traffic has increased by almost 64% since August 2008.

The screenshot shows a Mozilla Firefox browser window displaying the search results for "star trek 2009" on Mininova.org. The page features a search bar with the query "star trek 2009" and a search button. Below the search bar, there are navigation links for Home, Browse categories, Upload, Advanced search, Community, About, and Search cloud. The page also includes promotional banners for Zapu Accelerator and Snotr.com. The main content area displays a table of search results for "star trek 2009" (209 torrents), with columns for Added, Category, Name, Size, Seeds, and Leechers. The results list various torrents, including French DVDRIP, Gag Reel, Blu-ray 720p, German AC3 HDRIP, Sub Spanish, STAR TREK 1080 P BluRay, MULTISUBS INTERNAL PAL DVDR-Vcore, PAL DVDR-REWIND, and ITALIAN BDRip. A sidebar on the right contains a vertical advertisement for "I WAS A FAT SLOB" featuring a before-and-after photo of a man's torso.

Search results for star trek 2009 (209 torrents)

Added	Category	Name	Size	Seeds	Leechers
26 Oct 09	Movies	Star Trek 2009 FRENCH DVDRIP @@@ www.atmosphery.com @@@	696.14 MB	2	0
26 Oct 09	Other	Star Trek 2009 Gag Reel (avi)	139.87 MB	---	---
26 Oct 09	Movies	Star Trek 2009 Blu-ray 720p torrent [ceasers palace info]	6.46 GB	1	1
25 Oct 09	Movies	Star Trek 1-11 1979-2009 German AC3 HDRIP h264-TP	12.72 GB	4	0
25 Oct 09	Movies	Star Trek 2009 Sub Spanish[KIT SIM] m4v	674.27 MB	1	0
24 Oct 09	Movies	STAR TREK 1080 P BluRay x264 (2009)(nl subs) 2Lions-Team	8.75 GB	26	304
24 Oct 09	Movies	Star Trek 2009 MULTISUBS INTERNAL PAL DVDR-Vcore [www.torrentsforall.net]	4.46 GB	1	3
24 Oct 09	Movies	Star Trek 2009 PAL DVDR-REWIND [www.torrentsforall.net]	4.42 GB	0	4
		Star Trek 2009 ITALIAN BDRip XviD-Republic[survival ofmisa]			

Role of Advertisers and Financial Institutions

In the past, many of the sites described here received financial support from advertisements for the adult entertainment industry and were unlikely to offer subscriptions through legitimate payment processors. Today, these sites are often supported by legitimate and premium advertisers like Tivo, Citibank, Ann Taylor, and even Netflix. As these ads are often purchased through and placed by ad brokers, advertisers may be unaware of the unlawful activity they are supporting.

Sites are supported by reputable advertisers who are often unaware...

The screenshot displays the SideReel website interface. At the top, there is a navigation bar with links for Home, TV, Movies, Calendar, News, and My Profile. A prominent advertisement for 'Table for 4 AIR OPTIX' is highlighted with a yellow circle. Below the navigation bar, there are links for 'Upcoming', 'Comedy', 'Drama', 'Action', 'Sci-Fi', and 'Horror'. A video player shows a scene from the movie 'Extract' with the text 'Extract Opens at #10'. To the right, there is a 'DVDs by mail' advertisement featuring a Netflix logo and a red circle. Below this, there is a section titled 'Looking forward to this Fall Movie Release:' with a list of items: 9, 2012, Surrogates, and Fame.

Sites are supported by reputable advertisers who are often unaware...

The screenshot shows a website interface with a navigation bar at the top containing links for Home, Log In, Bookmark, and Directory, along with search boxes. Below the navigation bar is a video player with a play button and a progress bar showing 02:12 / 142:10. To the right of the video player is a large advertisement for Citibank, featuring the text "Free Money Transfers", "10 Year Minimum Balance Waiver", "Get FREE Movie Downloads on Big Flix", and "CITIBANK RUPEE CHECKING ACCOUNT". Below this is a smaller advertisement for "ANN TAYLOR THE SUIT Refined". A yellow oval highlights the Citibank advertisement, and another yellow oval highlights the Tivo advertisement at the top of the page.

Novamov.com

TiVo. It's not what you think. [Learn More](#)

Home | Log In | Bookmark | Directory | Search

Download this video

Free Money Transfers
10 Year Minimum Balance Waiver
Get FREE Movie Downloads on Big Flix
CITIBANK RUPEE CHECKING ACCOUNT
Apply Now
*Conditions Apply

ANN TAYLOR
THE SUIT
Refined

Some of these sites are supported by subscription fees processed by major payment processors and financial institutions. Zml.com offers users a \$29.99 per month subscription to get camcorded movies that can be transferred to an iPod or burned to a DVD.

...and these sites are enabled by legitimate payment processors

Activate Your Account

Total Charge: **0.99 USD**, no hidden or extra charges
1 day Trial Access (Includes 10 downloads, less than 10 cents per movie!)

Personal Details

*First Name:
*Last Name:
*Country:
*State:
*Street Address:
*City or Town:
*Zip Code:

Purchase Details

*Card Number:
*CVV2 Code:
*Expiration Date: month: year:

Please click on this button to confirm your payment:

Confirm Your Secure Purchase »

VERIFIED by VISA MasterCard SecureCode McAfee HACKER SAFE HACKER SAFE TESTED

Please contact our customer support at tickets@zml.com if you have any questions or difficulties.
For additional security we do not keep credit card database online.

Your private information always stays private with us.

Zml.com accepts Visa and Mastercard and includes a McAfee Hacker Safe icon to further add to the air of legitimacy. Paramount Pictures research revealed that the site has no licensing arrangement with McAfee and the use of the icon is unauthorized. Because the site looks legitimate, it could deceive consumers into unknowingly providing sensitive financial information to criminal enterprises, putting them at risk for consumer fraud or identity theft.

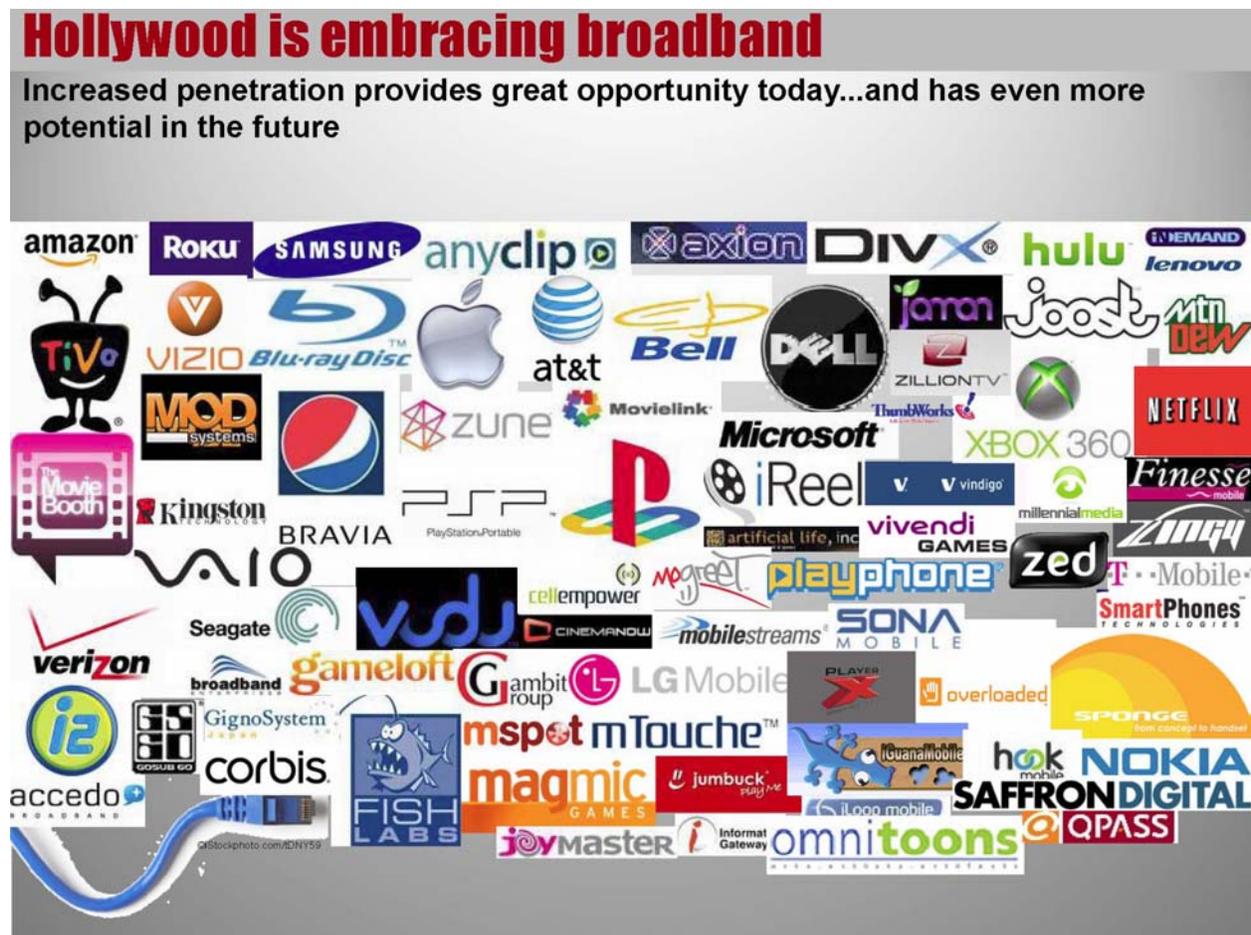
These trends are made all the more problematic given that internet-enabled TVs have arrived. According to Forrester Research's "The Year of the Connected TV" report, there will be 1 million internet-connected televisions in the United States this year.⁷ That number is expected to grow rapidly as the consumer electronics industry builds this functionality into all

⁷ The report is available here: <http://www.forrester.com/Research/Document/Excerpt/0,7211,46712,00.html>.

television sets. Open source applications like “dropboxee,” which are available for use on these devices, make it easy to bring pirated content into the home and onto the big screen.

Hollywood Embraces Broadband

Each major motion picture studio has a distribution organization charged solely with licensing films for digital distribution. Paramount Pictures has over 200 distribution deals for over 750 films, in over 50 countries and 25 languages with big and small partners like iTunes, Amazon, Nokia, Playstation, Xbox, and Seagate. These deals deliver content to the consumer on the platform or device they desire. They will fail, however, if their main source of competition remains “free by theft” movies easily available on the Internet.



Conclusion

The flood of stolen content currently available online – including every major theatrical film within hours of release – poses an immediate threat to the motion picture industry, which in 2007 supported 2.5 million jobs, \$41.1 billion in wages, and had a trade surplus of \$13.6 billion.⁸ The prevalence of pirated material online provides a strong disincentive for investment in motion pictures and other professional video content, which are well-understood to be key drivers of broadband adoption. Consumers are at risk for fraud or identity theft when they are deceived into providing sensitive financial information to professional quality pirate websites. As more fully described in the comments of MPAA in this docket, content creators must have the legal and regulatory flexibility to use technological tools in partnership with Internet service providers to stem the tide of online copyright theft.

Respectfully submitted,

VIACOM INC.

On behalf of
Paramount Pictures Corporation

By: _____/s/
Keith R. Murphy, Vice President,
Government Relations and Regulatory
Counsel
Viacom Inc.
1501 M Street N.W., Suite 1100
Washington, D.C. 20005
(202) 785-7300

October 30, 2009

⁸ See *The Economic Impact of the Motion Picture & Television Industry on the United States*, Motion Picture Association of America, Inc. (April 2009).

Appendix