

THE OLYMPICS



Why China Is Finally Tackling Video Piracy

Beijing wants to prove it can protect the lucrative broadcasting rights for the Summer Games

By Peter Burrows



The People's Republic of China has long been a land of opportunity for copyright infringers. On Web sites such as Youku.com, unlicensed Western TV shows and Hollywood flicks are plentiful and free to all comers. But with the Olympics set to start in Beijing in August, Chinese officials vow to crack down on video piracy on the Net. At a May gathering in Beijing, government officials warned executives from video sites to keep their hands off Olympic coverage or risk being shut down. "Our goal is to make the Beijing Olympic Games a fine example of copyright protection," said Hu Zhan Fan, vice-minister of media regulator State Administration of Radio, Film & Television. NBC Universal and the state-owned CCTV have Olympic broadcast rights in the U.S. and China, respectively.

The threat seems to be more than just talk. The Chinese government is making Web site owners responsible

for screening out Olympic clips, much the way they're required to censor content on topics such as Tibet protests and the spiritual group Falun Gong. But there's an added layer of protection. CCTV, NBC, and the International Olympic Committee are all using technology from Silicon Valley's Vobile Inc. to spot any pirated video that does end up online. The idea is that

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Vobile's technology will flag unofficial clips, and then the authorities can take action against the offending Web site. "Hopefully, this will be a success and a landmark in copyright protection," says Yangbin Wang, CEO of Vobile.

Vobile sells what's known as video-

performers carry out their routine 100 days ahead of the Beijing Summer Games fingerprinting technology. It extracts bits of code from each video and then files these unique

"fingerprints" in a database. After that, Vobile's software automatically scans sites such as YouTube to see if any of the clips in the database show up. The technology is far faster than human monitors. It's designed to spot videos even if they're played for only a few seconds. Liu Lu, director of CCTV's Copyright Protection Center, says the company decided to use Vobile's technology after testing it during the Olympic torch relay and the Chinese New Year celebration.

BILLIONS AT STAKE

It's all part of a broad effort to fight piracy in the YouTube era. At the time of the Athens Games four years ago, watching video online hadn't become a mass phenomenon. Now millions visit YouTube and other sites for the latest clips. "This is an historic moment," says Richard Cotton, general counsel at NBC. "This is the first Summer Olympics since the spread of video sharing."

Billions in broadcasting fees are at stake. The IOC is taking in \$2.5 billion from media companies for rights to the 2006 Winter and the 2008 Summer Games. If unofficial video sites siphon off too much of the audience, licensees won't pay as much in the future. To limit the piracy, the IOC hopes to use Vobile's technology to send legal notices to Web sites within minutes of their posting pirated videos.

The Beijing Olympics could prove a test case for China's overall approach to copyright protection. CCTV appears to have the full backing of the government. Now media execu-

tives will watch to see whether China's diligence continues after the Games. "[Chinese officials] recognize the future of the Chinese economy depends on innovation and creativity, and they have to protect the [intellectual property] that drives it," says NBC's Cotton,