

The Moving Picture: Evolving Media



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STATE OF EVOLVING MEDIA 2009: 10 TOP TRENDS

2009 will be another year of rapid developments in the world of evolving media, as technology platforms for distributing content continue to proliferate. From my industry observation, here is a list of 10 top trends (in no particular order) to watch out for 2009.

Evolving Media Enters Politics

Regardless of your politics, it was evident from the 2008 Presidential Campaign that the age of new media in politics has arrived. The top candidates—in particular Barack Obama and later in their respective campaigns Hillary Clinton and John McCain—took advantage of the Internet, social networking sites, text messages and other new media tools to reach voters and draw significant donations. Obama's evolving media campaign was particularly impressive. Obama launched an official YouTube channel that received 4 times as many views as McCain's: 97 million vs. 24 million. His YouTube channel was

rich with content—growing to nearly 2000 videos. Obama also used an official video podcast. He also had an iPhone application, viral video content, and presences through Facebook, Myspace, Flickr, Digg and Twitter.

While 2009 is not a major election year, expect evolving media platforms to continue playing a key role in politics.

Blu-Ray Will Break Out...But May Be Challenged By Digital Media Services Flowing Into the Living Room

Once Warner Bros. withdrew support for the burgeoning HD-DVD video format, the road was left clear for Blu-ray to become the standard format for high definition DVD. But before Blu-ray can even take over the home entertainment market, there is some chance that it will be usurped by digital media services that may flow directly into living rooms and television sets. For example, at the 2009 Consumer Electronics Show, Korean television manufacturer LG Electronics announced a new line of high-def televisions that connect directly to the Internet with no set-top box required. Netflix and Blockbuster have their own efforts to deliver film videos to consumers via the Internet. If HD movies can easily be downloaded or accessed directly on home television monitors – the era of Blu-ray may be shortlived.

The RIAA Stopped Suing File-Sharers; This Should Help Usher in a New Era of Increased Cooperation and Strategic Partnerships Between Old Media and New Media.

In a major strategy for battling online music piracy, in December 2008, the Recording Industry Association of

America announced that it would no longer sue users for illegal filesharing. Instead, it will try an approach that relies on cooperation with Internet service providers to combat piracy. Many industry observers have long believed that success in evolving media environments will depend on partnerships between “new media” and “old media” constituents. The RIAA's move is not the first attempt to create such a partnership, but is one of the most notable. It may lead more content owners to consider partnerships with “new media” technology partners to both generate revenue and protect IP.

Social Networks Will Broaden Their Reach and Utility and Users Will Increasingly Look to Internet Destinations as Social Gathering Sites

With MySpace, Facebook, LinkedIn, Classmates and other sister social destinations, online social networking sites are all the rage. 35% of US Web users aged 18 or older have a profile on a social network such as Facebook, MySpace or LinkedIn, according to a Pew Internet & American Life Project survey released in January 2009. Among teenagers, usage is far higher; 65% percent of online Americans aged 12 to 17 years old use social networks.

The Internet is also becoming a social gathering site. SocialLister.com claims to be the Internet's hottest social gathering site. Popular blogs such as The Huffington Post; game communities such as Sony Playstation's new HOME virtual world (in Beta testing); and other special interest web sites are becoming places where like-minded users gather to share interests and ideas. They are virtual block parties, especially during events of public interest—such as the 2008 election season and major sporting events.

In 2009, look for social networking sites and many other web properties to continue their rise as the destination at which Internet users to gather.

Text Messaging, Twitter and Other Forms of “Soundbite” Communication Will Rise

Text messaging continues to be very popular. According to the Mobile Data Association, as of May 2008, there was a 30% annual increase in the number of mobile phone messages being sent worldwide. Every day, some 212,616,000 SMS text messages are sent, and every week, more than 10 million pictures and video messaging (MMS) are sent.

“Soundbite” communication is advancing with technologies. For example, Twitter is a free social networking and micro-blogging service that allows users to send text messages (“tweets”) of 140 characters maximum. Updates are displayed on a user’s profile page and delivered to other users who have signed up to receive them (“followers”), or just to a user’s “circle of friends” if so selected. Users can receive updates via the Twitter website, SMS, RSS feed, email or through other applications such as Facebook. Some estimates place Twitter as having over 3 million accounts, and over 5 millions visitors in September 2008. Twitter has proven to be especially powerful during news events. For example, Twitter was used to spread information quickly during the 2008 terrorist attacks in Mumbai, India. Some media outlets such as CNN are starting to use Twitter to gauge real-time public opinion on issues.

Expect more soundbite messaging platforms to take off in 2009.

Television Will Become Increasingly “Webified”

In 2008, free, high-quality television episodes became available on the Internet in far better fashion. Hulu.com

was launched (in an alliance between NBC Universal and News Corp.) and instantly provided a good library of television program content. It joined AOL Video, Joost and other online television platforms. Broadband television channels proliferated with high-quality video content available for free viewing.

For the download market, in January 2009, Apple announced changes to its iTunes pricing model and that it would forego DRM copy protection. This will affect not just the market for online music, but also television programs available (though not all content owners have reached agreement yet with Apple over the new pricing structure for downloadable TV episodes).

In 2009, expect the webification of television to progress even further. However, do *not* expect the Internet to take over yet as the preferred destination for watching television programs. Until Internet content can easily be delivered to TV screens in the living room, consumers will still prefer the “lean-back” experience of watching programs on a television screen over the “lean-forward” experience of watching video on a computer monitor.

Dr. Horrible’s Sing-A-Long Blog is a Harbinger of More Successful Entertainment Content Being Launched Virally Through the Internet

In 2008, it was all the rage on the Internet: “Dr. Horrible’s Sing-A-Long Blog,” a 3-part, 45 minute superhero musical featuring actor Neil Patrick Harris and produced exclusively for Internet distribution. It tells the story of Dr. Horrible, the aspiring supervillain alter ego of Billy, his nemesis Captain Hammer, and Penny, their mutual love interest. The writing team was led writer/director Josh Whedon, and the project was written during the WGA writer’s strike. “Dr. Horrible’s Sing-A-Long

Blog” confirms that there is definitely a market for web-only content, but it also instructs web-only programming needs to be more daring and creative to attract fickle Internet audiences. In 2009, expect some more attempts to capture the zeitgeist of Dr. Horrible.

Widgets Will Increase the Customizing Power of the Internet for Users

Widgets are HTML mini-applications or “gadgets,” which can be incorporated into a user’s personal web site, blog, social network page, or computer desktop. They are especially popular additions to social network pages on MySpace and Facebook. Google, Yahoo! and other Internet services offer thousands of widgets: calendars; clocks; news updates; sports score; weather information; games; an iPod player control; a thesaurus-dictionary look-up function; and even “mood rings” to let users know what mood their computers are in.

The magic of widgets is that they are “live,” constantly updating with content or information. Widgets also allow Internet users to personalize and customize their Web experience—everything that interests you can be on one homepage for easy access. They are powerful new tool for trademark and copyright owners to promote their brands, and to deliver content, products and services over the Internet.

Expect to see the rise of widgets to continue in 2009, and also spark further innovations for customizing users’ Internet experiences.

The Rise of Apps: Web Applications Will Become Increasingly Valuable for Mobile Devices

Like widgets, web applications have become a phenomenon. A webapp is a software application that is accessed via a web browser over the Internet (or an

intranet network). In layperson's terms, webapps are those really cool features that can be loaded onto and used on an Apple iPhone, Blackberry or other mobile devices). They provide access to Facebook, AOL Instant Messenger, the Zagat restaurant guide, news, music, and more services. Users love webapps because they permit customization of your mobile device. Content and brand owners love webapps because they present a compelling opportunity to connect their properties and generate revenue with mobile device users.

Apple launched an online "App Store," which now features over 10,000 applications for download and usage for iPhone. Over 100 million apps were downloaded in just the first 60 days. In 2008, Google announced Android Market, an online center for users to find, buy, download and rate applications and other content for mobile phones.

Expect webapps to continue to grow in sheer number and functionality, and expect more users to download and use web apps.

Video/Online Games and Virtual Worlds Will Increase Their User Base and Value

According to an ABI research study, video game industry revenue is expected to double from \$32.6 billion in 2005 to \$65.9 billion in 2011. The main growth areas appear to be in online and mobile gaming.

While video games have long been the domain of young men, demographics are changing. According to the Entertainment Software Association, in 2007, 40% of game players are now female, and 44% of *online* gamers are now female. From an age perspective, 20% of Americans over the age of 50 played video games compared to only 9% in 1999. In 2009, expect the age and gender demographics of gamers to continue to diversify.

Nintendo's Wii, SonyPlaystation 3 and Microsoft's Xbox 360 and other game consoles have advanced the capabilities of video game units to be universal entertainment devices. Music video games like Guitar Hero and MTV's Rock Band are now popular franchises. Games have also migrated to mobile devices and to the Internet. In massively multiple player online role playing games (MMORPGs) like "World of Warcraft" and "City of Heroes," players do battle with dozens if not hundreds of other players at the same time.

Meanwhile, living "la vida virtual" is all the rage. Virtual worlds allow online users to create avatars to represent their personas, socially interact, play games and inhabits lives online with thousands of other people worldwide. Linden Lab's "Second Life" allows players to create a second life for themselves in a cyber universe. Since opening to the public in 2003, Second Life has attracted over 200,000 worldwide "inhabitants." Other rising virtual worlds include Habbo Hotel and Disney's Club Penguin. By inspiring digital creativity and interaction, these virtual worlds are now havens for creating content and marketing real life brands.

In 2009 and beyond, expect video games and virtual worlds to account for a greater piece of the entertainment revenue pie. ■

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