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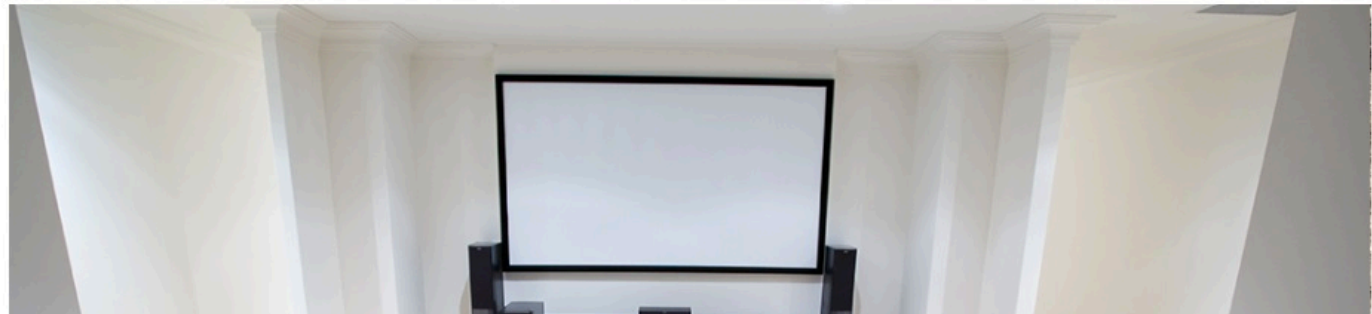
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Lights, camera, no action: Napster founder slights movie theaters



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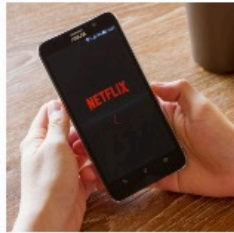
BLAVITY: DAME DASH SPARKS QUESTIONS ABOUT JOB RELOCATION DOS AND DON'TS



Sean Parker, the founder of Napster, is at it again. Only this time instead of potentially getting into trouble with musicians and record labels, he's now turned his focus on the movie-going experience. This summer, [Forbes](#) reported that his latest venture The Screening Room would allow film enthusiasts to see new films from a highly secure box from the comforts of their own homes.



As if [Netflix's success](#) with original series wasn't



As if [Netflix's success](#) with original series wasn't already making cable television stations nervous, this would be yet another opportunity for people to avoid loud talkers, overpriced snacks and fluctuating movie theater prices depending on the movies' show times. The suggested price for Parker's box is \$150 for the device and \$50 per viewing. While \$50 for a film may seem extremely high, think about the amount spent for a film: \$20 for two people to see the movie, \$15 on a drink and popcorn or nachos, and travel time to and from the movie theater. Parker's box could essentially operate the way an On Demand film would, and no matter how many people are in the room, all can watch at the same time and split the viewing price.

While the viewers win, there are all kinds of reasons why this would be a downward spiral for movie theaters:

- Salaries spent on actors involved in the film could certainly be reevaluated.

- Salaries spent on extras may diminish altogether.
- Movie theater employees will probably face layoffs.
- [Pirated movies](#) may increase tremendously.
- Theater food refreshments will undoubtedly be trashed more often.
- Movie theaters could go in the same direction as drive-in movies: nonexistent.

Screenwriters and production companies can protect themselves from potentially losing money if Parker's idea comes to fruition by the terms they negotiate into a distribution agreement. A distribution agreement states in what medium a movie or film can be released (i.e. theaters, cable television, Amazon Prime, Netflix, Redbox, etc.).

Screenwriters and production companies can limit the outlets where their film is released in these distribution agreements. Let's say a screenwriter or production company secures a distribution deal with a major distributor like Lion's Gate. They can stipulate in the distribution agreement that their film cannot be released on The Screening Room.



Or, the creator of the film would want to give each streaming service a limited license. A limited license could stipulate that the streaming services can only make the film available on approved streaming platforms. Then if the film shows up on free streaming outlets, such as YouTube, the creator will know that it's been pirated and can reach out to YouTube to have the film removed.

The Screening Room's streaming platform is new and raises concerns about how filmmakers will be paid for films distributed. Filmmakers will want to negotiate monthly or quarterly accounting into the distribution agreement. This way the filmmakers can ensure they are receiving the proper amount owed to them from streams on the site.

Have more questions about film distribution agreements? Contact [J. Paye & Associates](#) today.

Shamontiel L. Vaughn contributed to this blog. Find out more about her at

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