

As dust clears, what's next for Sony?

December 22 2014, by Mae Anderson



This Dec. 19, 2014 file photo shows an exterior view of the Sony Pictures Plaza building in Culver City, Calif. As the dust clears in the Sony hacking attack that has been delivering more dramatic plotlines than any fictional movie, Sony and others involved are trying to move forward and tackle the next steps in minimizing the mess. (AP Photo/Damian Dovarganes, File)

The Sony hacking attack continues to deliver more dramatic plotlines than any fictional movie, but meanwhile the movie studio must move forward and tackle the next steps in minimizing the mess. Will Sony eventually release "The Interview" in some form? In theaters, on DVD or



online? And what recourse does the company have against the North Korean-linked hackers?

Here's a look at what Sony is dealing with as it seeks to limit the damage after this unprecedented attack.

DAMAGE CONTROL

Sony went on the offensive after President Barack Obama said Friday that the studio made a mistake by canceling "The Interview," and said that he wished the company had talked to him first. Sony Entertainment CEO Michael Lynton told CNN on Friday that Sony did not cave to the hackers and canceled the release only after all major theater chains decided not to show the movie.

"The president, the press and the public are mistaken as to what actually happened," Lynton told CNN. "We do not own movie theaters. We cannot determine whether or not a movie will be played in movie theaters."

Lynton also maintained that Sony had spoken with a senior White House official about the situation.

Veteran publicist Howard Bragman said it was a smart decision for Lynton, whose leaked emails were a major part of the hack, to take Sony's case public.

"It's very important that you don't hide," Bragman said. "Sony has to start playing offense and remind people that they are a victim of a crime here."

Sony needs to quickly decide whether and how it is going to release "The Interview" and then stick with the plan, said Matthew Belloni, executive



editor of The Hollywood Reporter.

"They need to take a clear position on this," he said. "So far the position has been very muddled. ... So they need to stick with a clear decision and go through with it."

FINDING AN OUTLET

On "Meet the Press" on NBC on Sunday, Sony lawyer David Boies said "The Interview" is "going to be distributed, and what Sony has been trying to do is to get the picture out to the public," while protecting the rights of company employers and moviegoers.



In this Dec. 11, 2014 file photo, actor Seth Rogen, right, and director Evan Goldberg attend the premiere of the feature film "The Interview" in Los Angeles. As the dust clears in the Sony hacking attack that has been delivering



more dramatic plotlines than any fictional movie, Sony and others involved are trying to move forward and tackle the next steps in minimizing the mess. (Photo by Dan Steinberg/Invision/AP Images, File)

Media reports have suggested that Sony might air "The Interview" on Crackle, its own streaming video service, but neither Crackle nor parent Sony have responded to requests for comment.

Bragman said it is important for Sony to find a way to show the film.

"That will empower them a little bit, so they can say (to North Korea) 'Screw you, we got this out despite of these threats and heinous things you did to us."

GOVERNMENT RESPONSE

The government is trying to figure out the best response as well. President Barack Obama said Friday to CNN that the United States is reviewing whether to put North Korea back on its list of state sponsors of terrorism as Washington decides how to respond to what he calls an "act of cyber vandalism,"—not war—against a movie company.

In Washington on Monday, State Department spokeswoman Marie Harf repeated comments made by the White House over the weekend that if North Korea wants to help in the investigation of the hack, it should admit responsibility and compensate Sony for any damages it may have incurred.

Also Monday, North Korea experienced sweeping and progressively worse Internet outages, with one computer expert saying the country's online access is "totally down." The White House and the State



Department declined to say whether the U.S. government was responsible.

POWER PLAYERS

Seth Rogen and his co-director and creative partner Evan Goldberg have proven themselves a bankable box office team with a string of hits, including last year's "This Is the End," which grossed more than \$100 million domestically. And Rogen led the young-parent comedy "Neighbors" to a worldwide box-office haul of \$268 million. The fallout from "The Interview" likely won't hurt them in the eyes of their teen fan base, but studio executives may pause before giving them the same kind of creative leeway again.

Still, the two haven't slowed down. They're already making another movie for Sony: "Sausage Party," scheduled for release in June 2016. The film, which they are producing and co-wrote, is an R-rated animated movie starring a sausage voiced by Rogen.

Rogen and Goldberg have not commented since their film was shelved.

REPAIRING RELATIONSHIPS

The most important thing Sony can do behind the scenes is work on repairing relationships that might have been damaged because of the email leaks. For example, Hollywood producer Scott Rudin and Sony Pictures co-chairman Amy Pascal exchanged emails in which they made racially offensive jokes about President Barack Obama and Rudin made disparaging remarks about actress Angelina Jolie. The two have apologized, but there's more work to be done, said Bragman.

"Privately, they have to work to rebuild any relationships that were damaged with agents and talent," Bragman said. "The other thing they



have to do behind the scenes is work with other studios for support, because it could have been any studio."

Another relationship to massage is with exhibitors. When Sony on Friday put the blame squarely on theaters for pulling the film, they did considerable harm to one of their most important relationships. Studios and theaters work in a symbiotic relationship, roughly splitting ticket grosses.

Outwardly, Sony needs to keep up with its day-to-day operations.

"They have to do business as usual, open their movies, support their employees," Bragman said.

FACING LAWSUITS

Sony also has to deal with pending litigation. Sony faces six lawsuits by 10 ex-employees who claim the company violated California privacy laws by not securing their personal, financial and medical information. The cases all seek class action status and want to draw in the nearly 50,000 current and ex-employees whose private info was stolen and posted online. Sony has not responded to the lawsuits, which seek monetary damages as well as a requirement that the studio pay for credit monitoring and repair services for the next several years.

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