SONY, THE WHITE HOUSE, AND 10 DOWNING STREET: WHAT'S THE QUID PRO QUO?



Lots of ugly things crawled out of Sony Pictures Entertainment's emails leaked by hackers this past autumn.

The leak of emails and intellectual property, including then-unreleased film The Interview, was labeled "a serious national security matter" by the White House. In January this year, President Obama issued an executive order increasing sanctions against North Korea, the purported origin of the hack on SPE's network and computers.

Sony Pictures Entertainment (SPE) is a wholly-owned subsidiary of Sony Corporation, a Japanese multinational conglomerate. In offering retaliation on behalf of SPE, the White House placed SPE on par with critical U.S. infrastructure, though no one will be physically injured or die should SPE be hacked again, and the market won't collapse if SPE loses money on all its movies this year.

If SPE, a foreign-owned, information security-challenged entertainment firm, is now entitled to military protection against cyberattack, what is it the White House and the U.S. will receive or has received in exchange?

What’s the exchange in this quid pro quo?

Which brings us to the matter of STARZ’ cable series, Outlander, and UK Prime Minister David Cameron‘s government.

In 2013, STARZ network ordered the 16-episode adaptation of bestselling historical fiction novel, Outlander by author Diana Gabaldon, from production companies Tall Ship Productions, Story Mining & Supply Co., and Left Bank Productions, in association with Sony Pictures Television.

While STARZ was the U.S. distributor, offering the series on its own cable network, SPE’s TV arm appears to have handled overseas distribution to broadcast, cable, and video streaming services.

Outlander’s cross-genre narrative is set mainly in 1740s Scotland; the story is sympathetic to a Scottish protagonist and his time-traveling English wife who are caught between the British and Jacobites in the ramp up to the 1746 Battle at Culloden. The Scottish people and countryside are treated favorably in the series’ production.

The program debuted on STARZ in the U.S. on August 9 last year – a little less than six weeks before Scotland’s independence referendum (“IndyRef”). Outlander began airing in Canada and Australia in August also, and in October in Ireland after the IndyRef vote.

Distribution deals in other countries including Germany, Hungary, Japan, and the Netherlands led to wider release overseas last year.

But Outlander never received a distribution deal in 2014 in the UK, in spite of its many Scottish and British fans’ clamor and the source book’s status as a renewed bestseller in advance of the show’s U.S. debut. To date the series has only released on Amazon Prime Instant Video in the UK, for paid video-on-demand streaming – not on broadcast or cable.

At least one email leaked by hackers revealed

that SPE personnel had a meeting or meetings with Cameron's government. In an internal email from Keith E. Weaver, executive vice president, SPE executives were told,

> "Your meeting with Prime Minister Cameron on Monday will likely focus on our overall investment in the U.K. – with special emphasis on the jobs created by Tommy Cooper [the ITV show], the importance of Outlander (i.e., particularly vis-a-vis the political issues in the U.K. as Scotland contemplates detachment this Fall), and the growth of our channels business…"

The implication is that SPE would suppress any effort to distribute Outlander to the benefit of Cameron's anti-independence position, in exchange for "growth of our channels business…"

What exactly does this mean?

And is the pursuit of growth confined to SPE, or did "channels business" mean something else? Were Sony executives also looking for opportunities for Sony Corporation, which includes Sony Computer Entertainment, Sony Music Entertainment, Sony Mobile Communications (once known as Sony Ericsson), and Sony Financial?

Did SPE executives and the Prime Minister agree not to seek broadcast or cable distribution Outlander in the UK before this month's election?

It's bad enough that SPE may have mislead Outlander's other production companies as well as author Gabaldon, who believed that a UK distribution deal was being sought as of last summer.

But this sustained suppression of content based on historic fact, to reduce friction against Cameron's government, is beyond the pale.

Think about it: Was Cameron so worried about the outcome of not only Scotland's independence referendum, but his Conservative Party's

performance in this week's upcoming UK election, such that he negotiated a deal with a U.S.-supported Japanese-owned entertainment company to suppress a cable television series featuring a positive Scottish sentiment?

Recall what SPE president Michael Lynton said about the theatrical release of The Interview this past Christmas:

> ''We have never given up on releasing 'The Interview,''' Lynton said in a statement Tuesday. ''While we hope this is only the first step of the film's release, we are proud to make it available to the public and to have stood up to those who attempted to suppress free speech.''

Apparently SPE's okay with trampling creators' free speech provided there's a quid pro quo negotiated in the Queen's English with a foreign government.

The undisclosed quid pro quos may explain, though, why Sony Corporation hasn't booted SPE president Lynton out on his ass. One would think that a business whose core product is digitized intellectual property would have placed more resources and effort on information security, rather than spending $20 million a year on membership fees to the Motion Picture Association of America for lobbyists protecting their intellectual property rights. And one would think that a major failure like the 2014 email hack would have resulted in an executive purge at SPE.

Having kept Lynton on board, what exactly did parent Sony Corporation get out of the hack, or out of negotiations with UK's PM David Cameron?

But go one step further: Do the other major film studios and their parent corporations also enter quid pro quos with governments to suppress intellectual property in exchange for undisclosed benefits?

And will Sony and its subsidiaries, along with the other major film studios and their parents, seek more quid pro quo arrangements from within U.S. government-established and protected Information Sharing and Analysis Organizations, as outlined by President Obama’s Executive Order 13691, signed after increasing sanctions against North Korea?