

Another Dimension

Film studios are looking to 3-D to revive the industry the way sound and color once did.



Courtesy Disney

Superhero canine Bolt (right) and his beloved owner, Penny, in Disney's 3-D film, 'Bolt'

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Published Jan 10, 2009

From the magazine issue dated Jan 19, 2009

Years ago, [Jeffrey Katzenberg](#), one of the most powerful men in [Hollywood](#), had a "Eureka!" moment while watching Robert Zemeckis's "The Polar Express." The adventure-filled Christmas story, starring Tom Hanks, used performance-capture technology to incorporate the movements of live actors into animated characters, a novelty at the time. But what made the viewing truly memorable for Katzenberg was that he was watching it in 3-D in an IMAX theater. For the CEO of DreamWorks Animation, who has overseen such hits as the "Shrek" franchise and the recently released "Madagascar 2," the experience was a revelation. As soon as he got back in his car, he called his team: "I've seen the future of cinema, and it is 3-D," he said. "We've got to go and figure this out because it's a tidal wave of opportunity, and whoever gets on it at the beginning and rides it is going to profit the most."

He's not talking about the 3-D of the Eisenhower era. Back in the 1950s, the film industry, threatened by the rise of television, developed a crude form of three-dimensional projection. Two cameras captured two separate images and then superimposed them to create an illusion of depth. But this stereoscopic imaging often strained viewers' eyes, causing headaches and nausea, and it never really took off. The rise of digital technology has changed all that; a digital projector can now create a three-dimensional picture by sending two images—one for the left eye and one for the right—eliminating eyestrain as well as the blurred lines that marred many earlier 3-D experiences. Instead of goofy cardboard red-and-blue glasses, viewers wear sleek, fashionably tinted specs to keep their focus. "It's unfortunate it's still called 3-D because it has nothing to do with the 3-D of the past," said Steve Schklair, CEO of the California-based 3-D technology company 3ality Digital Systems, during the inaugural 3D Film & Entertainment Technology Festival in [Singapore](#) in November.

Ever since his "Polar Express" epiphany, Katzenberg has become one of the most vocal proponents of 3-D [movies](#), believing the improved technology could be the third revolution for his industry, akin to the introduction of sound in the 1920s and color in the 1930s. "The first two were about bringing a better film experience to the audience," he says. "This one is about bringing audiences into the film experience itself." Indeed, [DreamWorks Animation](#) has announced that all future films will be shot in 3-D, beginning with "Monsters vs. Aliens," a spoof of a 1950s science-fiction movie scheduled for release in March—making history by being the first animated work designed from start to finish in 3-D.

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It will have plenty of competition. An onslaught of new releases is expected to open audiences' eyes to what the technology can do in the hands of such master craftsmen as Zemeckis—whose 3-D "A Christmas Carol" starring Jim Carrey as Scrooge is expected in November—and James Cameron, who is directing the much anticipated \$220 million live-action 3-D film "Avatar." Other Hollywood luminaries are also working on 3-D films; Steven Spielberg is planning to turn "Ghost in the Shell" into a 3-D action film and is working with Peter Jackson on a "Tintin" series in 3-D, and George Lucas plans to release all six "Star Wars" movies in 3-D. Meanwhile, Disney's first full effort,

"Up," about two unlikely explorers in a lost world, will be released this summer. In addition to "A Christmas Carol," the studio has another 16 3-D films in development, including Tim Burton's "Alice in Wonderland," with Johnny Depp in the role of the Mad Hatter, and Jerry Bruckheimer's live-action "G-Force," a spy comedy starring animals. Fox will release the animated 3-D "Ice Age 3" this summer.

At a time when the movie industry is trying to meet growing audience demand for fresh experiences and new media, many Hollywood bigwigs believe 3-D films could bring back some magic to the silver screen, re-energizing moviegoers and increasing profits. "The key to a good film has always been story, story, story; but in today's environment, it's story, story, story and 'Blow me away,'" Walt Disney Studios Motion Pictures Group president Mark Zoradi told the audience at the Singapore festival during the world premiere of Disney's 3-D film "Bolt."

The technology also offers a solution to one of the industry's biggest problems: piracy. About 90 percent of pirated movies come from a camera brought in to a movie theater, and no camera can yet capture a 3-D film. But it doesn't come cheap; the additional average cost of making a 3-D movie will range from 15 to 20 percent of the overall budget, says Jim Gianopulos, chairman and CEO of Fox Filmed Entertainment. So far, audiences have shown they are willing to pay a 20 percent premium for the experience; a 3-D theater showing the same film as a 2-D theater sells 3.5 times as many tickets. But that means higher ticket prices; Katzenberg has been suggesting theaters charge an additional \$5 per ticket for a 3-D movie—roughly 60 percent more than the current North American average of \$7.

Some of the larger studios are so convinced that 3-D is the key to their future profitability that they are willing to share the financial burden of helping North American theaters convert to digital by replacing their current projectors with 3-D ones. So far there are only about 1,400 3-D ready screens—including IMAX theaters—in the United States and another 700 around the world, mainly in the U.K., France, Germany and South Korea. But Zoradi believes the number is now approaching "a critical mass" that will soon be big enough to justify 3-D-only releases. (Typically, 3-D films like "Bolt" also have to be released in 2-D to make them cost-effective.) "Without question, we're close to a meaningful tipping point," Dan Glickman, chairman of the Motion Picture Association of America, said at the Singapore festival. "The technology is a genuine revolution in the experience of enjoying a film."

A key difference between today's 3-D films and those of the past is that the third dimension has become a central part of the storytelling. "In the past, the technology was used for moments and gimmicks," says Greg Foster, chairman and president of filmed entertainment at [IMAX Corp.](#) "The 3-D was rather gratuitous. So, for example, you would have a spear coming at you and it would be thrown dead-center screen because that was the only way you could experience the 3-D. Now the entire frame is in 3-D and you're able to experience the 3-D environment from beginning to end." Filmmakers appreciate the new artistic opportunities; when the DreamWorks Animation team decided recently to "re-tackle" in 3-D Tai Lung's escape scene in "Kung Fu Panda," 70

percent of the shots turned out differently from a cinematographic point of view, explains Katzenberg. "And the scene was 11 seconds longer, so everything changes," he says. The "Kung Fu Panda" sequel will be produced entirely in 3-D.

Ever the optimist, Katzenberg believes that in five to seven years all movies will be made in 3-D. Others are more cautious. "I don't think 3-D is the cure for everything that ails the movie business," says Foster. "You have to pick the right movies. Not everything is suited to 3-D." He says that, inspired by the success of "The Polar Express," IMAX tried to make a few more 3-D movies, which didn't turn out nearly as well. "That's when we realized we have to be a bit more discerning about our decision-making process when it comes to 3-D films," he says. Among those that have since made the cut: "Under the Sea 3D," a documentary about marine life narrated by Jim Carrey and coproduced with Warner Bros. that is scheduled for release next month.

Yet it's only a matter of time before 3-D technology is so prevalent that it's even available at home. Companies like Samsung and Mitsubishi have started rolling out "3-D ready" TV sets, which refresh images at high speed and use either rear-projection models or plasma TVs. "Glasses-free" sets by Philips—which operate like a holographic greeting card—are in development. DreamWorks Animation and PepsiCo will each air 3-D spots in the Feb. 1 Super Bowl as part of a joint initiative that includes distributing 125 million pairs of special 3-D glasses to American households. Still, most professionals agree it will take years before the technology can achieve its full potential. Those who have invested in a 3-D future are gambling that it's no trick of the eye.