

The Nintendo Story

By ALEX KOZINSKI

Late one night, as I sat up reading about the convoluted negotiations between Nintendo Co. and the Soviet government that led to the licensing of "Tetris," I was suddenly overcome with an odd need to play the game. I slipped out of bed, pushed my dusty "Tetris" cartridge into the game deck and lost myself amid the dropping T's, L's, squares and other geometric shapes that comprise that marvel of a video game. Next I knew, it was 3 a.m.

"Tetris" and a wide range of other games, including the immensely popular "Super Mario Brothers" series, have made video games a staple of global entertainment. The flagship of this invasion — not just into our living rooms but into the very concept of entertainment — is Nintendo, which has achieved commercial success beyond most people's wildest imagination.

"Game Over: How Nintendo Zapped an American Industry, Captured Your Dollars, and Enslaved Your Children" (Random House, 445 pages, \$25), by David Sheff, is ultimately less absorbing than "Tetris," but not by much. The opening chapter alone stuns us with a series of statistics astonishing even to those who know their "Game Genies" from their "Power Gloves."

In 1991, Mr. Sheff writes, Nintendo earned about \$1.5 million per employee, of which it had 5,000. Sony Corp., with 10 times as many employees, earned \$400 million less than Nintendo. "In the early 1990s," he continues, "[Nintendo] netted as much as *all the American movie studios* combined and profited more than any of them, and more than the three television networks combined." And, perhaps a little galling, "in 1990 the Nintendo mascot, Super Mario, was more recognized by American children than Mickey Mouse."

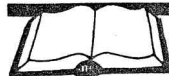
How did Nintendo do it? It certainly wasn't because of any Japanese industrial policy. The words "industrial policy," "Ministry of International Trade and Industry" and "government subsidy" are nowhere to be found in Mr. Sheff's book. We see instead what President Bush used to call The Vision Thing. Hiroshi Yamauchi, Nintendo's stern and hard-driving patriarch, set out to reinvent an industry, to redefine the very concept of home entertainment. "Throw away all your old ideas in order to come up with something new," he exhorted his engineers.

In the early '80s, when the home video game business was undergoing a spasmodic death, Nintendo pressed full speed ahead in developing its own system, based on two rather simple principles. First, the company flouted received wisdom and focused on software, rather than hardware. It shrewdly foresaw that exciting games would create demand for hardware, which in turn would create demand for more quality games. Second, Nintendo

maintained tight control over the software, keeping the quality high and extracting royalties for every cartridge played on its platform.

Most of the book describes how Nintendo pursued these two strategies with pit-bull determination, first in Japan, then in the U.S., then elsewhere in the world, to the great delight of its shareholders and to the frequent fury of would-be competitors, intransigent licensees, magazine editors and a variety of other people connected to the video-game enterprise. Mr. Sheff himself got squeezed by Nintendo's iron grip when the company reportedly reneged on a promise to let him use Mario's face for the book cover, after finding an advance copy of the manuscript insufficiently flattering. (The jacket now features a possessed-looking child.)

Even so, the author often displays admiration for Mr. Yamauchi and his



Bookshelf

"Game Over"
by David Sheff

various lieutenants. Obviously an addicted game player, he speaks almost with reverence of games ensconced in the Nintendo pantheon—"Super Mario Brothers," "The Legend of Zelda," "Tetris," "Metroid"—and dispenses amusing lore. He recounts, for example, that Super Mario was named after Nintendo's Seattle landlord, Mario Segali.

Mr. Sheff explains the underlying technology in terms easily understood by someone not conversant with computer parlance. The access granted to him by Nintendo brass—to the company's credit—gives the reader a fascinating insider's look into the Nintendo juggernaut. Now and again he throws some darts at the management, but by and large treats Nintendo's extended family with respect, admiration, even affection. Actually, it seems to me that Nintendo's business tactics are unnecessarily harsh at times, its dedication to its customers less than overwhelming. Some of Nintendo's massive litigation might have been avoided by a less combative attitude. Its cavalier repudiation of a deal with Sony in order to extract more favorable terms is positively shameful, yet Mr. Sheff treats it as further proof of Nintendo's business acumen. And he overlooks that some of Nintendo's success may well have been the result of luck.

But ultimately you can't blame Mr. Sheff for being taken with his subject; it's hard to argue with success, particularly success on such a grand scale. When all is said, the Nintendo story is about the power of will and the importance of vision. It is a story worth taking seriously.

Mr. Kozinski is a judge on the U.S. Court of Appeals for the Ninth Circuit.