

# ENGLISH SPEECHES

## WITH BIG SUBTITLES



## MARK CUBAN

### ENTREPRENEURSHIP MINDSET

<https://youtu.be/AvUF24Z8iFA>

**John Battelle:** So I was doing really deep research on you.

**Mark Cuban:** Where? Back at the bar?

**John Battelle:** Yeah. No, I was just reading Wikipedia.

**John Battelle:** And the one thing really jumped out at me, so I wanted to start with the beginning, one of the first things you ever did. Apparently you made \$1,000 as a kid on a chain letter.

**Mark Cuban:** Yep. That was in college.

**John Battelle:** You are that guy –

**Mark Cuban:** I'm that guy.

**John Battelle:** -- who actually made money with one of those things.

**Mark Cuban:** It was my junior year in college, and I had to figure out a way to pay for school. So they had one of these chain letters going around. And so I just said, Okay. Somebody is making money. I would go around and it was a deal where you gave me \$50 and send \$50 to the person at the top of the list, took him off and then put your name at the bottom. What did was I helped everybody, all my friends, sell their version so they got all their money back. And then the power of networking, right, back then, it just took off. And I spent the next few weeks just going to my mailbox every morning and collecting 50-dollar checks and cashing them and I paid for my junior year of college.

**John Battelle:** That's quite a story. Seems like that's been happening to you ever since.

**John Battelle:** But I think there is more work involved more recently. You're well-known for having opinions.

**Mark Cuban:** Yep.

**John Battelle:** And so I'm hoping to elicit a number of them from you. As a matter of fact, you have so many hot-button issues I wasn't really sure which one to start with. But we may as well start with given, I think, it has been in the air the past two days, which is the economy. You've written on your site -- you have posted a number of opinions about the economy, about bankers in particular and about modest proposals for how to fix it. So what do you think is wrong? And how do we correct it?

**Mark Cuban:** Just a simple question like that, right?

**John Battelle:** Solve it for us, Mark.

**Mark Cuban:** Solve it for us. I think the primary problem that we are facing, I think -- and everybody is recognizing this is bipartisanship. Everybody is so partisan in their feelings, right? Everybody is so philosophically driven that no one is addressing issues. And so I think we have to get out of politics and actually have action items. You know, we fail to recognize that at some point things change and you have to let go of old dogmas and old philosophies and just deal what's in front of you like in business. It is just little simple things that we all know is obvious. We get a budget from our government leaders. That's a ten-year budget. Who does ten-year budgets? You know, how are you going to fix something in ten years? Even the communist countries have five-year budgets and five-year plans. And then there's action items. One of the things I wrote was we have to fix the housing situation. We had a bubble. It burst. We have significant problems. The values have gone down. And to me the action item is all these homes that have been foreclosed on that Fannie Mae, et cetera, own, you bulldoze them. You tear them down. You reduce the supply. That increases the value of what's there. You create work for people who are most difficult to employ. All they got to do is knock things down. That's an action item. There is just so many things that you can come up and do. But we have to recognize that someone has got to come in and propose actions. And then I think there's -- I've talked -- People have asked me about taxes. And, you know, the headline going out was "Cuban's willing to pay as much as he needs to in taxes," et cetera. I hate taxes. I hate taxes as much as the next guy.

**John Battelle:** You said paying taxes is the most patriotic thing you can do.

**Mark Cuban:** But when you look at the economy the way it is, right, you can't just, again, go back to philosophies or dogma. You have to recognize the circumstances and contribute. And I've earned quite a bit from not just Yahoo! but, you know, the fact that you can be entrepreneurial in this country. There is infrastructure. There is people who have given their lives to create that opportunity for me. And for me, in the current state of things, you have to be able to give back. And for any entrepreneur in here, going out there, busting your butt, being rewarded economically, the most patriotic thing you can do is pay taxes because, you know, ask not what your country can do for you but what you can do for your country. I think you can just go down a long list of action items. But until we start taking action instead of talking about things in general broad brushes, we are going to have problems

**John Battelle:** Would you say you are in the Buffet camp, so to speak, in terms of you're not paying enough taxes?

**Mark Cuban:** Yes. Now, do I -- would I like writing a bigger check? No. I think a big percentage is going to go to waste. I think there is a big difference between investing and spending. Right now we don't have somebody who is a chief investment officer. Look at Google. Google invests in things left and right, but it is an investment. Not all of them are going to work, but they create opportunity. And that's -- we don't

have anybody in government who is looking at that. We can borrow money at essentially negative interest rates. We should be spending them in investments as opposed to spending them on expenses. There is a big difference. I don't think anybody in our government structure right now understands the difference.

**John Battelle:** You have said, to sort of switch to another part of one of your rants, has to do with the way that our current regulations are set up for patent law –

**Mark Cuban:** Right.

**John Battelle:** -- for example. Your approach to patent law is similar to your approach –

**Mark Cuban:** Get rid of them.

**John Battelle:** -- to houses on the market, which is to bulldoze it. Can you elaborate a bit?

**Mark Cuban:** Look, it's crazy. I will give you an example, one of my companies. You talk about things that inhibit job growth, inhibit corporate growth, inhibit entrepreneurship. I have a company Magnolia Home Video. We distribute DVDs. We got sued because someone has a patent for detecting scene changes in video that they were awarded in mid 2000s, 2004 or -5, right? We were doing scene detection of video back in the late 1990s. But back then, we just didn't create patents for everything. And you've got all these patents that are being awarded that are just out there just to try to siphon money from people. To me, that's killing commerce, that's hurting. I read something from the former CTO of Apple who said that when he left in 1989, Apple owned the grand sum of one patent. Boy, they've changed their ways now, haven't they? So, to me, I recognize that people say, you know what? Small guy has a great idea or small woman has a great idea and wants to protect their idea, they need a patent. But for that one anecdotal scenario where you protect that one person, there are 99% other scenarios where you're holding back to the economy, you are holding back big companies. So Google has to go out and buy Motorola for a patent trove. And it becomes a game of, you know, thermonuclear war. Who can create the greatest deterrent to keep someone from dropping the bomb? And that is not good for the economy. That is not good for entrepreneurship. That's not good for the United States.

**John Battelle:** You brought up Google, so I want to ask you a question because you have written about the company quite a bit.

**Mark Cuban:** Not that much.

**John Battelle:** So I get to ask a question that our host has agreed I'm allowed to ask, or at least they said "Okay, John, you can."

**John Battelle:** What's your view of YouTube?

**Mark Cuban:** What a horrible acquisition.

**John Battelle:** Care to unpack that?

**Mark Cuban:** Yeah. Everybody get it out. You talk about horrible acquisitions. Okay, yeah. Okay, that's out of the way.

**Mark Cuban:** But in reality what has YouTube evolved to? It is a utility that, in essence, subsidized the bandwidth for video of the world.

**John Battelle:** How can that can be a bad thing?

**Mark Cuban:** It is not bad for us, right? But in reality from a business perspective, what have they -- you can do that any time. They didn't have to go out and buy YouTube. They had Google Video. All they had to do is say, Whatever video you have, you just post it and we will pay for all the upload, the bandwidth, everything, the servers, the storage. They didn't need to buy a company to do that. So they took all their baggage. They are still fighting legally all their baggage. I think if you said right now are they in the best possible position they could be in the video world relative to everybody else? Well, they've had a great social impact. Their content ID system is phenomenal. We wouldn't have that if they didn't have all the lawyers to fight. So they have had a lot of great developments. But they could have started back then and going out and doing the things they are doing today and be ten times further ahead. I don't think they accomplished anything by buying YouTube at all.

**John Battelle:** Well, thank you for that opinion.

**John Battelle:** You mentioned earlier that one of your pictures got you in trouble. You get in trouble a lot. How come?

**Mark Cuban:** Because I just don't give a shit, right?

**Mark Cuban:** Look, somebody had to be the luckiest guy in the world. Like Mr. Chopra was saying, all the endorphins and everything, mine are flashing all the time, boy. I don't have to be looking at someone to be in love. I'm having fun. And so I have gotten to a position now I think where I don't need anything from y'all, right? So let's just say what's on my mind, as long as I do the work. You can disagree with me, and I like when people disagree with me. I like when it gets public and it becomes a public argument because people have to bring their A game to disagree. And to me that's fun, right? I like challenging things. I like being able to look at -- my strength is not being -- out-teching somebody else. I'm not going to understand all the personalized medicine elements even though I think personalized medicine is the future. I am not going to be able to write code even though I used to. That's not me. I am able to look at a business, drill down to it very, very quickly, and understand what's going on and challenge it. I like to challenge it. It is like day-and-date movies. The head of the MPA said I was the devil because we wanted to release movies day and date with DVD and theatrical. So when he said it was horrible to do it the same day, I said, I will kick your ass even better. So we are going to release our movies on to transactional VOD, on cable and satellite, et cetera, systems a month before they are in theaters. Now, our business -- our Magnolia Home Distribution makes money on every movie. That's unheard of in the movie industry. Where you can look at things and say "this is the way they have always been done," I like to look at it and say, "If everybody is doing it this way, that's not where the future is. You have to look somewhere else." If that pisses people off, that's their problem.

**John Battelle:** All right. Let's pull back to the theme of this session which is innovations and the impact particularly of technology on our future. What do you think the most important technologies and/or trends are right now that are going to affect the near term, one to three years, of our...

**Mark Cuban:** I mean, look. You can go in a million different areas there. I don't think there is any one. I mean, long-term, big picture, personalized medicine is it. I mean, think about it. The fact that you walk into a drugstore, you buy a bottle of aspirin and you don't really read the fine print but it says, "You just may be the unlucky MF that dies from this aspirin." It is crazy, right? That's going to change everything.

There is no question about that. Shorter term, you know, I think, again, if everybody is looking in the one place, then to me it is the wrong place. And we've been doing -- since we started with YouTube, we've been doing video online. We started doing broadcast.com in 1996. 15 years now, right? It hasn't changed all that much. And, you know, you go to YouTube to pick on them some more. And, believe it or not, 15 years into it, you watch YouTube and there is a little overlay with a X to click it off and there is a preroll. That's what we've come to? That's advancements? And I think part of the reason is the Internet isn't designed to be the future of reruns of Gilligan's Island, right? There are networks that are already designed to provide video. And I think that's what a lot of Internet video bigots are missing, right? The future of television is television. And I think what's really changing going forward, particularly in communication, is that we are evolving to realtime communications. People want things live. They want things realtime. And when something big happens, you may get it from Twitter. You may get it from a Google+ stream. You may get it from a Facebook status update. But then when you want more, it is hard to get a lot of people to go to one spot except on television. I think what a lot of people misunderstand is that television is digital. This isn't 1985 anymore. So 300 channels and nothing on. But, for the most part, those 300 channels are digital. But they run on a network designed to 69 video distribution, so it's not going to buffer it. You know it's always going to work. They have access to the same VOD hard drives that YouTube uses to serve up, you know, on-demand stuff. It's just a better designed network. But now we're starting to get the opportunities to leverage that network. Like at HDNet, it's all about interactivity, the high def and the net. You're going to see more things develop on the television side of things than on the Internet video side. I just think Internet video, even though it's scaling, it's growing, is broken.

**John Battelle:** We're running over. And it's been an entertaining half an hour. Thank you very much.

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