



GrayZone Digest February 1997

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Worldwide Update

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China

Beijing

As part of its battle against copyright piracy, China has opened its first wholesale market for computer software and electronic publications. The Beijing market, which sells authorized electronic publications and software and is supervised by various Chinese departments, is the first of its kind in China, according to the Xinhua news agency. "The market should help to regulate the sector, fight against piracy, and protect intellectual property rights," the agency said. Chinese authorities say they confiscated more than 10 million illegal laser discs, compact discs, and other electronic publications in 1996 as part of the crackdown on piracy.

(CNET, Reuters Limited, January 2, 1997)

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Japan

The United States and Japan have resolved a dispute over American sound recordings produced between 1946 and 1971, the U.S. Trade Representative's Office said. Japan recently adopted amendments to its copyright law to protect recordings of the era, which will go into effect before the end of March. Previously, only foreign recordings produced after 1971 were protected under Japanese law. The agreement was reached under the World Trade Organization's dispute settlement procedures.

(Reuters/Variety, January 24, 1997)

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Malaysia

Kuala Lumpur

The value of pirated software is on the rise in Malaysia, according to senior Microsoft Sdn Bhd (Malaysia) officials, even though the use and resale of illegally copied computer software is decreasing. "The percentage of illegally used software in Malaysia has decreased from 82% in 1994 to 77% in the calendar year of 1995," reported Benedict Lee, general manager of Microsoft's operations in Malaysia. The Malaysian software industry lost a total of 201.25 million ringgit (\$80.5 million) in 1995,

Singapore

according to business development manager Andreas Lim. The figures were derived from a report published earlier this month by the U.S.-based Business Software Alliance (BSA), which monitors software piracy globally. "The value of piracy has increased because the amount of software usage has increased, but the overall incidence of piracy has decreased," Lim said. Lim attributed the overall decrease to government initiatives to legalize the software used in most of its departments.

(Reuters, January 21, 1997)

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In an effort to deter software pirates and to help police fight fake software sales, Microsoft has staked out a new computer shop in a Singapore shopping center. The computer giant hopes its presence in Sim Lim Square will assist in uncovering underground sales of copied software and will discourage culprits. "We conduct our own raids and have increased the number of raids in the coming months against shops selling illegal CD-ROMs," said Christopher Austin, Microsoft's corporate attorney for Southeast Asia. Austin's new position with Microsoft, in addition to its use of a full-time investigator and more paralegal resources, reflects the company's intention to wage combat with software thieves. Working with Singapore police this year, Microsoft's efforts helped to lead to the seizure of 5,800 CD-ROMs from two vans distributing to re-sellers within the shopping center, Austin said. The Singapore government views software theft as a serious offense. So far, retailers convicted of piracy have been fined as much as \$45,000 and jailed for up to 30 months.

(CNET, Reuters Limited, January 3, 1997)

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South Africa

The Motion Picture Association of America (MPAA) has lodged an official complaint with the trade office in South Africa, accusing Pretoria of not doing enough to apprehend video pirates. While laws in South Africa provided "reasonable copyright protection," the MPAA says, "the government is not devoting enough resources to enforcement. The organized importation, duplication and distribution of pirate pre-release material from Malaysia and back-to-back copying in outlets continue to be significant concerns." Recently, Israeli immigrants have set up a network to import pre-release pirate masters from Israel, it added.

(Reuters Limited, Bryan Pearson, January 17, 1997)

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Internet

Nicholas Ryan, a 20-year-old Yale University student pleaded guilty to illegally creating a program that allowed him to access America Online for free. Known on-line as Happy Hardcore, Ryan used his illegal software, dubbed "AOL4Free" and made it available to others. The investigation was carried out by the Secret Service and the

Justice Department's computer crime section. AOL called the case a "legal milestone," representing the first successful computer fraud prosecution involving an on-line network.

(CNET, Jeff Peline, January 8, 1997)

The Internet's rapid growth has created a new battlefield for trademark owners, and Hallmark is the latest company accused of a violation. Greet Street, a San Francisco company that sells hard copy and digital greeting cards, says despite its frequent warnings, Hallmark Connections repeatedly has used Greet Street's trademark e-greetings. The complaint follows a slew of lawsuits filed last year targeting web sites that allegedly breached trademarks, including ones named after Marilyn Monroe, a New York jazz club, Esquire and the New Yorker magazines, and most recently Harrods, the London department store. The real battle looming for Greet Street may be Hallmark's counterattack. Hallmark says it will ask the Patent and Trademark Office to throw the trademark out. On top of that, it will ask that "e" be declared a generic term for electronic, so it can't be trademarked. Greet Street has no objection to Hallmark seeking the trademark review and was confident it would win.

(CNET, Courtney Macavinta, January 7, 1997)

A dispute in Scotland has raised the controversial issue of copyright liability for hypertext linking. The case involves two competing on-line newspapers, the Shetland Times and the Shetland News. The Times filed a summons in the Scottish Court of Session to prevent the News from linking to pages presented by the Times. In particular, the Times claims that the News posted copyrighted headlines from the Times on the News' homepage without authorization or reference as to the source of the materials. The headlines linked directly to the articles on the Times site, bypassing the front page which contains paid advertising.

(Multimedia & Web Strategist, December, 1996)

The Recording Industry Association of America (RIAA) demonstrated its new copyright protection system to prevent CD copying through computers at a January 13 meeting of the multi-industry DVD Copyright Protection Technical Working Group. The RIAA's prototype software module is designed to work with a CD-ROM recorder and implementing software to read the copyright flags generally present in pre-recorded CDs. This can prevent unauthorized copying of those CDs, and it can be easily adapted to work with other types of devices such as a DVD recorder coupled to a computer.

(RIAA FAST Tracks, January 21, 1997)

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