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GrayZone Digest

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Longest Prison Term Ever Imposed For Music Piracy

Three individuals received the longest prison term ever handed down for music piracy in the history of the Recording Industry Association of America (RIAA) on May 21 in the United States District Court of Pennsylvania. Yaser Allan of Philadelphia and his brothers Basem and Osama of Cedar Grove, New Jersey, faced charges of conspiracy, trafficking in counterfeit labels, copyright infringement, conspiracy to launder money and money laundering. Osama received 4 years federal prison, Yaser, 11 years federal prison and Basem, over 12 years federal prison and \$1.6 million forfeiture. The counterfeit cassettes, intended for east coast street vendors and flea markets, would have cost the legitimate recording industry up to \$96 million in displaced sales.

(RIAA Fast Tracks, May 27, 1997)

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Oasis Targets Internet Piracy

The British pop group Oasis is threatening to sue fans running unofficial Oasis web sites on the Internet, the first time a music act has entered the Internet intellectual copyright fray. The group's management, Ignition, has e-mailed a statement to the hundreds of sites warning that they have 30 days to remove copyrighted photos, video clips, lyrics and sound samples from the net. Furious fans are said to have countered by forming an action group, Oasis Webmasters for Internet Freedom at: <http://falcon.cc.ukans.edu/~jackm/OWIF.htm>

(MTV Online News <http://www.mtv.com/>, May 12, 1997; Financial Times, May 15, 1997; The Reuters/Variety Cyber Summary, May 15, 1997 - Steve Gorman; Inside Daily Variety, May 19, 1997)

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Belgium

Brussels

Thousands of counterfeit plastic Snow White figures and a large number of knockoffs of her seven dwarves are to be destroyed after Belgium customs seized 13 container-loads full of them at the port of Antwerp, according to the Belga news agency. The pirated Walt Disney characters were en route from China to France. Similar to hundreds of fake Smurf figures recently seized on their way through Belgium, the counterfeit Disney characters face the chopping block. (Reuters/Variety, May 20, 1997)

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Persian Gulf Arab States

Dubai, United Arab Emirates

Piracy rates for computer software in Gulf Arab states are among the highest in the world, costing legitimate firms approximately \$68 million in lost revenues in 1996, according to a trade body, The Business Software Alliance (BSA). In a recent report, BSA indicated that Oman had a piracy rate of 95 percent, which is the highest of the Middle East and Africa. Bahrain had 90 percent, Kuwait and Qatar 89 percent, and Saudi Arabia 79 percent. "Levels of software piracy in the Middle East and Africa remain among the highest in the world with revenue losses estimates at \$511 million in 1996," according to the BSA report. (The Reuters/Variety Cyber Summary, May 15, 1997 - Steve Gorman; Reuters Limited, May 16, 1997)

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Italy

Naples Music Bootleg Ring Arrested

Milan

After a five-month inquiry, investigating Judge Isabella Iaselli has broken up a Naples-based music bootleg organization in the largest operation of its kind carried out in Italy, according to the Federation against Musical Piracy (FTM). Known as an "anti-Mafia magistrate," Judge Iaselli ordered 14 Naples residents detained on preliminary charges ranging from criminal association to receiving stolen goods and counterfeiting. A statement issued by the Naples public prosecutor's office said the investigation uncovered a major organization involved in the forgery and fencing, or illegal "sell-off," of music cassettes and compact discs. Run by one Naples-based family, the group "operated with ever increasing means and professionally so as to make it the fiercest and most important of organizations involved in musical piracy in Naples," the prosecutor's statement read. (ClariNews/Reuters, May 20, 1997)

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Latin America

Software Piracy Costing Jobs

Bogata, Columbia

At least 68 percent of the personal computers in Latin America and the Caribbean run on pirated software, reports a recent study released by Price Waterhouse. The study also indicated that nearly seven out of every 10 computer software programs sold in Latin America is an illegal copy of the original one. By comparison, 28 percent of computer software programs sold in North America are pirated, 43 percent in West Europe and 74 percent in the Middle East, according to the report. Software piracy cost Latin American government treasuries about \$5 billion in lost tax receipts and nearly 115,000 jobs, said Price Waterhouse researcher Guillermo Beuchat. The report cited a study conducted by the trade group, Business Software Alliance (BSA), that sales of illegally copied software totaled about \$911 million in Latin America last year.

(The Reuters/Variety Cyber Summary, May 16, 1997 - Steve Gorman; Reuters New Media, May 23, 1997)

Russia

Plans in Motion to Sign Anti-Piracy Decree at Film Festival

Moscow

During the 20th Moscow International Film Festival (MIFF), set for July 19-29, the Prime Minister of Russia and Chairman of the Festival's Organizing Committee, Victor I. Chernomyrdin, plans to officially sign an Anti-Piracy decree on behalf of the Government of the Russian Federation. "This is an historic occasion," according to Sergei Soloviev, president of MIFF and also chairman of Russia's Film Maker's Union. "I am very pleased that this decree will be signed and that some of the most prominent members of the motion picture community will be on hand to witness, support and be a part of this significant event in the history of intellectual property rights."

(Moscow International Film Festival Company Press Release, May 21, 1997)

IFPI Analysis: "Market Report On The Russian Record Industry"

In a detailed and highly authoritative analysis, IFPI reports that Russia, though protected by copyright laws consistent with international standards, still has to cope with piracy rates estimated at approximately 70%. The IFPI report states that the value of the Russian market at retail prices in 1996 is estimated at \$230 million, which was produced by sales of 88 million cassettes, 7 million CDs, and 300,000 vinyl albums. The pirate market last year was worth \$300 million, and was comprised of 190 million cassettes and 8 million CDs.

("Market Report On The Russian Record Industry, IFPI, 1997 report. [Contact IFPI Communications, IFPI Secretariat, 54 Regent Street, London W1R 5PJ, for additional information])

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United States

U.S. Government Cracks Down on Domestic Pirates

Washington, D.C.

The Justice Department and the Federal Bureau of Investigation announced the first results of a nationwide crackdown, dubbed 'Operation Counter Copy' against trademark and copyright fraud involving counterfeit products. The operation, which began in October, 1996, has resulted in 35 indictments in various cities for copyright and trademark infringement. According to Attorney General Janet Reno, "'Operation Counter Copy' sends a strong message to major counterfeiters and copyright pirates all across the U.S. You will be investigated, prosecuted and, if convicted, sent to jail." The cases included counterfeit products appearing to be made by such companies as NIKE, Calvin Klein and Guess. Copyright cases involved pirated video and audio cassettes, and computer software. According to Department sources, various domestic industries sustain about \$2.8 billion in estimated losses a year as a result of copyright infringement and counterfeit products in the United States. Industry groups have estimated that piracy outside the United States totaled approximately \$20 billion in 1996.

(Reuters/Variety/Yahoo, May 8, 1997)

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Internet

Music piracy on the Internet, advances in new compression technology for transferring digitized songs, and efforts to police it are discussed in detail in a recent issue of Rolling Stone magazine. GrayZone's president, RIAA vice president of anti-piracy operations, Frank Creighton and the head of their technology division, physicist, David Stebbings share their insights with writer, Rogier Van Bakel.

(Rolling Stone, June 12, 1997)

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