

GrayZone, Inc.

OUR SERVICES

DIGEST

ANTI-PIRACY FAQ

COPYRIGHT FAQ

BREAKING NEWS

PRESS

ARCHIVES

LINKS

SEARCH

HOME

# GrayZone

## Digest

### October 1997

[Headline News](#) [Worldwide Update](#)

---

#### Headline News

### Busts of the Month

#### Miami, Florida

An Italian bootlegger was arrested at the MIDEM Latin American Music Conference in Miami after attempting to sell alleged bootleg CDs to undercover agents. Severino Lombardoni, of Milan, Italy, was charged on September 11 with violating the Florida bootleg statute. Agents from the Recording Industry Association of America (RIAA), along with officers from the Miami Beach Police Department seized unauthorized recordings by such well-known acts as Gloria Estefan, Bob Marley, UB40 and Nirvana. Lombardoni faces possible jail time and a \$250,000 fine.\*

#### Los Angeles, California

The RIAA and the Los Angeles County Sheriff's Department seized a half million dollars worth of alleged counterfeit compact discs from OSE Optical, Inc. in Pomona, California on September 3. It is the largest ever U.S. seizure of counterfeit CDs. Artists whose works were counterfeited include U2, Enrique Iglesias, Robert Carlos and several Brazilian artists. The product was allegedly destined for exportation to Latin American countries.\*

The co-owners of Soundations record store in West Los Angeles were placed on two years probation by the Los Angeles City Attorney's office for illegal bootleg sales. The sentencing was handed down following a June seizure of approximately 400 bootleg CDs and more than 100 music videos. Defendants Pete Grasso and Lee Wilson were ordered to pay \$10,000 restitution to the RIAA and perform 100 hours of community service. \*

\*(RIAA Fast Tracks, September 23, 1997)

To learn more about the RIAA, visit their web site: <http://www.riaa.com/>

[Top](#)

### Worldwide Update

[China](#) [Singapore](#) [United Kingdom](#) [United States](#)

[Top](#)

#### China

### CD-Production Machinery Seized

#### Hong Kong

Hong Kong customs agents smashed a counterfeit compact disc production ring on September 2, seizing nearly \$2 million worth of machinery, according to customs officials. The seizure of \$1.97 million worth of CD-production machinery was the first of its kind in Hong Kong, Calvin Ho, head of customs' intellectual unit, told reporters. The raid also netted more

## Singapore

than 17,000 counterfeit CDs, Ho said, adding that two men had been arrested. Last year, Hong Kong conducted more than 1,000 raids and seized about 1 million counterfeit CDs, but this was the first time such a large amount of machinery had been found.  
(Reuters/Variety, September 2, 1997)

[Index](#)

### Raid on Compact Disc Maker Disputed

A lawyer for a top Singapore compact disc maker accused of software piracy claimed a police raid on the firm was unlawful. SM Summit Holdings lawyer, Davinder Singh, in closing arguments on the case, called the August 12 raid a "fishing expedition" and said search warrants were obtained based on half-truths. The Business Software Alliance (BSA), an anti-piracy group, carried out a 15-hour raid on Summit on suspicion of illegal CD-ROM manufacture and distribution. The three search warrants were obtained on behalf of Microsoft Corporation, Adobe Systems, Inc. and Autodesk, Inc. The BSA lawyers said there was substantial evidence of software infringement, such as a log book revealing orders for compilation of CD-ROMs seized during the raid.  
(Reuters/Wired, September 19, 1997)

(See [GrayZone September 1997 Digest "Special Focus: Singapore"](#))

[Index](#)

## United Kingdom

IFPI recently announced a "zero tolerance" crackdown on pirates. Organized crime groups in China, Russia, Bulgaria and Italy have become major players. IFPI plans to dispatch several investigators worldwide in the upcoming months.  
(Yahoo Headlines/Reuters, September 18, 1997, Giles Elgood)

### Bootlegged Sales Continue to Rise

#### London

Sales of pirated music recordings jumped 6% last year over 1995 to an estimated \$5 billion worth of business, according to figures released September 18 by the International Federation of the Phonographic Industry (IFPI).

One in three music recordings worldwide is pirated, according to the report. The 1996 figure represents unauthorized sales of 1.5 billion cassettes and 350 million CDs. The number of illegal CDs manufactured increased by 25% in 1996 from the previous year. This is due, in large part, to a dramatic increase in the number of CD plants, particularly in Asia and Eastern Europe.

In Asia, for instance, a huge over capacity in CD manufacturing remains a problem for the entire region, with the number of CD plants increasing from 100 in early 1996 to approximately 180 now. CD production greatly exceeds legitimate demand in the region, with China, Hong Kong, Malaysia, Singapore, South Korea and Taiwan all having significant over capacity, according to IFPI's "Pirate Sales 96" report.

"In 1996, the pirate market was worth \$5 billion, far bigger even than the third largest legitimate music market in the world, [which is] Germany," said IFPI director general Nic Garnett.

(The Hollywood Reporter, September 19, 1997, Monika Maurer; "IFPI Pirate Sales, 1996, September, 1997," IFPI Publication, contact Catrin Hughes, Director of Communications, for

additional information: IFPI Secretariat, 54 Regent Street, London W1R 5PJ, England)

[Index](#)

United  
States

## Anti-Piracy Statistics Released

### Washington

Recent prosecutions of copyright pirates and the closure of their factories led to a drop in the number of unauthorized recordings seized during the first half of 1997, according to the RIAA. Seizures of pirated cassettes dropped by almost 57% compared to the first six months of 1997. Despite the drop in seizures, authorities still confiscated 194,979 cassettes.

Compact disc seizures dropped by 8.6%, to 820,000 during the first half of this year. The RIAA attributes the decline to diminished availability of bootleg CDs in a large degree to [Operation Goldmine](#), which has resulted in indictments and arrests of more than a dozen copyright pirates.

(Reuters/Variety, September 4, 1997, Christopher Stern)

[Index](#)

[Top](#)

[Services](#) [Digest](#) [Anti-Piracy FAQ](#) [Copyright FAQ](#) [Breaking News](#) [Press](#) [Archives](#)  
[Links](#) [Search](#) [Home](#) [Intro](#)