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A Boxed Set in One File: Zip It!!

A visit to the website, Audiogalaxy (<http://www.audiogalaxy.com/>) indicates that a growing number of people are downloading not just individual songs but entire albums, cover artwork and liner notes included. The rub is that it takes less time and hassle than it would take to download the songs individually. Ironically, fans are not relying on new technology, but instead on one that existed before the advent of MP3's, the format that allows music to be compressed into smaller files. They are using zip files, which compress one or more files into a single, easier-to-manage one. Therefore, 15 songs and the images of a CD cover and booklet can be saved as one file that can be easily downloaded. Users are uploading these zip files on regular music-swapping services but disguising them as ordinary MP3 audio files.

Audiogalaxy, a free music-sharing software and Internet site has become the virtual epicenter of zip file trading. There are not just single albums by acts like Staind, Celine Dion and Nine Inch Nails, but entire boxed sets, such as a three-CD collection of Stevie Ray Vaughan's music.

The practice of sharing zip files appears to be growing quickly. Searches recently on the Audiogalaxy site turned up over 2,000 zip files. These numbers, however, are microscopic compared with the hundreds of thousands of MP3 song files on Audiogalaxy. (The RIAA has already threatened legal action against Audiogalaxy for allowing the transfer of standard MP3 files of copyrighted music.)

Users find complete albums on Audiogalaxy by typing the word "zip" in the search window. Audiogalaxy then retrieves song titles with zip in the title (like "Zip-a-Dee-Doo-Dah"), followed by hundreds of zip files of complete albums, from the obscure to the popular, from Nina Hagen to Metallica. (Every one of Metallica's albums is there.)

A fan then runs a program like WinZip, which most computers use to unpackage downloaded programs, and, voila, there's the full CD. Music aficionados feeling particularly motivated can even burn the songs onto a CD, print out the artwork and slip the finished product into a jewel case.

New York Times, February 25, 2002 (Neil Strauss); <http://www.nytimes.com/2002/02/25/arts/25POPL.html?todaysh headlines>

Bye Bye Napster, Hello Morpheus (And AudioGalaxy and Grokster, ad nauseum...)

On March 25, 2002, a federal appeals court upheld a federal judge's July ruling keeping song-swap service Napster shut down until it can fully comply with an injunction to remove all

copyrighted music.

The appeals court in July blocked U.S. District Judge Marilyn Patel's ruling to keep Napster offline from being enforced pending its ruling on the matter, although Napster never resumed operations.

The online music swapping service went idle in July due to technical glitches in complying with the preliminary injunction issued by Patel in March of 2001, barring the trade of any copyrighted material on its site.

The injunction came at the urging of major record labels, which sued the company in 1999 accusing it of facilitating copyright infringement by allowing digital versions of their artists' songs to be shared for free, in many cases thousands of times each.

As of press time, Napster had no comment on the recent legal developments.

However, more than a dozen imitators are now vying for Napster's vacated position. And they're not swapping just music, but movies, photos and software, also. One of the most notorious upstarts is Morpheus, a peer-to-peer file-sharing software distributed free by StreamCast Networks of Franklin, Tennessee. Approximately 70 million people downloaded Napster's file-sharing software, but in less than a year, 60 million have already downloaded Morpheus, available at www.musiccity.com

This past October several movie and music companies -- including Disney, MGM, Sony Music and Warner Bros. Records -- filed a copyright infringement lawsuit against StreamCast and two other peer-to-peer services, Grokster and Kazaa.

Unlike Napster, which maintained a central directory to connect file swappers, StreamCast maintains no such central control point. The Morpheus software lets computers talk directly to one another. Therefore, Morpheus claims to have no control over users.

Appeals Court Upholds Ruling Keeping Napster Silent; Reuters/Variety, March 25, 2002; http://story.news.yahoo.com/news?tmpl=story&u=/nm/20020326/music_nm/napster_5

Goodbye Napster, Hello Morpheus (And AudioGalaxy and Kazaa and Grokster...); Business 2.0, March 15, 2002 (Erick Schonfeld); <http://www.business2.com/articles/web/0,1653,38874,00.html>

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Artist's
Corner

Jay-Z Beats the Bootleggers...Yet Again

Bootleg bandits struck Jay-Z again. His team effort with R. Kelly, *The Best of Both Worlds*, was released on March 26, but by late February of this year a version of the LP had leaked. Undeterred, the infamous rapper was still able to beat the bootleggers at their own game.

In the past, Jay-Z and Roc-A-Fella Records have gone to great lengths to counteract pirating, adding and subtracting songs and even pushing up other album releases by weeks when the albums found their way onto the black market. Although it was released on the scheduled date, Jay-Z did edit the tracklisting on the new album, creating a more radical version of the bootleg.

MTV.com, February 22, 2002 (Shaheem Reed); http://www.mtv.com/news/articles/1452547/20020221/jay_z.jhtml

Joe Jackson Exclusive Website Bootleg Release

Joe Jackson has released a new live album, *Two Rainy Nights Live in the Northwest: The Official Bootleg*, exclusively through www.joejackson.com. The 65-minute CD was recorded in April 2001 in Seattle and Portland, and mixed by Jackson and Sheldon Steiger. The entire album is available at the website as an MP3 and includes the cover art.

Rolling Stone.com, February 5, 2002

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2Q Busts

Pirated DVDs Seized in Melbourne, Australia

A 36-year old Malaysian woman was arrested and charged with importing infringed copies of DVDs. An estimated 35,000 pirated DVDs and computer equipment used to burn video CDs were seized. A package, which supposedly originated from Malaysia, contained 650 blank recordable compact discs (CD-Rs). It is alleged that the DVDs were destined for sale and distribution in Australia.

The joint operation involving the Australian Federal Police (AFP) and Australian Customs Service was initiated after the AFP received a referral from the Australasian Film and Video Security Office.

Findlaw, March 15, 2002

Movie Studios Tout First DVD Bust in U.S.

An unlicensed DVD-copying operation in the Bronx was shut down by law enforcement in New York on March 22. These types of raids and closures have become increasingly common in the past several years when it comes to videocassettes and illegally distributed CDs. But this was the first such raid on a DVD-production operation in the United States, according to the Motion Picture Association of America (MPAA). Police confiscated two computer towers, 15 DVD burners, 1,208 copies of pirate DVDs and \$5,200 in cash. Only one person was arrested.

The MPAA estimates that the industry loses about \$3 billion to non-Internet piracy per year. Much of that has come in the form of illegally copied videos, DVDs and video discs in Asia.

CNET News.com, March 22, 2002 (John Borland); <http://news.com.com/2100-1023-867314.html>

Teen Charged As DVD Film Hacker

Criminal charges were filed against Jon Lech Johansen, a Norwegian teenager who wrote a program that allowed users to unlock copy-protected DVDs. Johansen, who was only 15 when he created the software, said he did so because he wanted to be able to play video games on his computer. Now 18 and a household name, known as DVD-Jon in Norway, he has become a celebrity among computer hackers worldwide.

Johansen has not been charged with breaking Norway's copyright laws. Instead, he faces charges relating to data break-ins. If convicted he could face up to two years in prison and compensation claims.

TotalDVD.com, January 10, 2002 (Doug Mellgren/Associated Press); <http://www.totaldvd.com.au/Story/BuildStory.asp?StoryID=187>

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Cambodia

CD Pirates Soon To Face The Music As Cambodia Drafts First Copyright Law

Cambodia's government is preparing legislation aimed at stopping the piracy of music, movies and computer software. Once the law goes into effect, the government will start closing down stores selling bootleg materials. Most pirated CDs come from Malaysia and China, since Cambodia has practically no production of its own. Hurt the most are Cambodian artists such as Sous Somaly, a leading flutist who was recently diagnosed with a serious lung ailment. "It hurts me to see them make a profit over my blood and sweat," she told Associated Press writer Vijay Joshi.

FindLaw, December 6, 2001 (Reuters); Detroit News, February 4, 2002 (Vijay Joshi/Associated Press)
<http://detnews.com/2002/technews/0202/04/technology-406965.htm>

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Ukraine

U.S. Imposes Sanctions on Ukraine

In an effort to pressure the Ukraine to crack down on piracy, the United States has imposed trade sanctions against the country's steel and other metal exports. The illegal production of CDs in the Ukraine costs the record industry \$200 million each year. The sanctions will cost the Ukraine about \$470 million annually and the loss of thousands of jobs. The issue emerged three years ago when U.S. authorities charged that the Ukraine was the main producer of pirated CDs in Europe, estimated at flooding the market with about 70 million discs a year.

EuropeMedia.net, January 25, 2002 (Tamsin McMahon, Editor); <http://www.europemedia.net/shownews.asp?ArticleID=7959>

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Legal Beagle

California Video Bootlegger Pleads Guilty

A California video bootlegger has pleaded guilty to charges of violating the U.S. Digital Millennium Copyright Act (DMCA). Prosecutors said it was the second known criminal conviction in the country under the relatively new law.

Mohsin Mynaf, 36, of Vacaville, California, was accused of running a videocassette reproduction lab in his home to pirate movies that he rented or sold at video stores.

Mynaf's guilty plea marks a rare conviction under the DMCA, the 1998 U.S. law which sparked world headlines last year after U.S. prosecutors arrested a Russian software programmer on charges of distributing technology to circumvent copyright protections. (See GrayZone digest [1st Quarter 2002](#)).

Mynaf, who pleaded guilty to counts of criminal copyright infringement, trafficking in counterfeit labels, and circumventing a technological measure designed to protect a copyrighted work, faces up to 65 years in jail and a fine of up to \$3.5 million, according to Assistant U.S. Attorney Mark Krotoski.

The Mynaf case is believed to be the first addressing the circumvention of security measures on analog videocassettes, the U.S. Attorney's office said.

Reuters/Variety, March 29, 2002 (Elinor Abreu); http://story.news.yahoo.com/news?tmpl=story&u=/nm/20020329/film_nm/bootleg_1

DirecTV Sues Imus Contributor for Alleged Piracy

On March 25 DirecTV filed suit in U.S. District Court in New York accusing the host of a New York sports radio program of using a modified access card that allows him to receive DirecTV service without paying for it.

On the nationally syndicated comic radio talk show "Imus In The Morning," Sid Rosenberg, a regular contributor to the show and host of his own sports radio show on WFAN in New York, allegedly said on March 11, "You don't have to pay DirecTV if you get the card zapped."

"Well, that's dishonest," host Don Imus responded.

Each DirecTV system comes with an access card that needs to be activated through the company in order to receive programming. But some hackers have been able to modify the card to gain access to the service without paying DirecTV.

Executives at DirecTV were not amused. They're suing Rosenberg for violations of the Digital Millennium Copyright Act and the Federal Communications Act. The service, which is owned by General Motors Corp.'s Hughes Electronics Corp, has been plagued by piracy issues for some time.

Anyone who buys, owns or uses signal theft equipment to gain unauthorized access to DirecTV programming is subject to damages of up to \$10,000 per violation, plus possible punitive damages, the company said.

The company is currently developing a new access card that will make it more difficult to steal programming, a DirecTV spokesman said.

Reuters/Variety Industry, March 21, 2002 (Derek Caney); http://story.news.yahoo.com/news?tmpl=story&u=/nm/20020321/media_nm/media_directv_suit_dc_2

Internet Piracy Leader Pleads Guilty

United States Attorney Paul J. McNulty and Michael Chertoff, Assistant Attorney General for the Criminal Division, announced on February 27, 2002 the first guilty plea in the Eastern District of Virginia in the largest international online copyright piracy investigation conducted by federal law enforcement. John Sankus, Jr., age 28, of Philadelphia, Pennsylvania, co-leader of one of the oldest organized software piracy groups on the Internet, pled guilty to one felony count of conspiracy to commit criminal copyright infringement before U.S. District Court Judge Leonie M. Brinkema. Sankus, who will be sentenced on May 17, 2002 could receive a maximum sentence of five years in federal prison and a \$250,000 fine.

Sankus was the co-leader of an international Internet software piracy group known as DrinkOrDie. DrinkOrDie engaged in the illegal distribution of copyrighted software, games and movies over the Internet, specializing in being the first to release high-end software applications and utilities. DrinkOrDie is one of many highly structured, security conscious organizations that illegally reproduce and distribute hundreds of thousands of copies of copyrighted works around the world worth billions of dollars in losses each year.

DrinkOrDie was the primary group targeted by "Operation Buccaneer," a 15-month undercover investigation by the United States Customs Service with assistance from the

Department of Justice's Computer Crime and Intellectual Property Section (CCIPS) and the United States Attorney's Office for the Eastern District of Virginia.

U.S. Department of Justice Press Release, February 27, 2002; Contact: Paul J. McNulty, Esq. for additional information. <http://www.cybercrime.gov/sankusPlea.htm>

Record Industry Hails Breakthrough For WIPO Phonograms Treaty

In February, the international recording industry confirmed that the World Intellectual Property Organization (WIPO) World Phonograms and Performances Treaty (WPPT), which creates the first global system of copyright protection for record companies in the digital era, will come into force on May 20, 2002.

The WPPT and its sister Treaty the WIPO Copyright Treaty are the most important update of international copyright rules in more than 30 years. They give record companies tools to fight piracy on the Internet, and they provide the first ever global system of exclusive rights that are a prerequisite for producers to distribute music online.

IFPI Press Release, February 21, 2002; <http://www.grayzone.com/ifpi22102.htm>

Domain Police Finger NY Rescue-Worker Collectible Sellers

Speaking of WIPO, New York City police and firefighters have used its international dispute resolution system to shut down a website that was selling trinkets commemorating rescue workers killed in the September 11 World Trade Center disaster.

Two community outreach organizations affiliated with the police and firefighters, the New York City Police Foundation and the FDNY Fire Safety Education Fund, turned to the United Nations-backed WIPO after they found an outfit calling itself Great Lakes Coins & Collectibles, was selling items bearing the NYPD and FDNY logos at the Internet address FDNYandNYPD.com

Full text of the WIPO decision can be found here: <http://arbitrator.wipo.int/domains/decisions/html/2001/d2001-1445.html>; Newsbytes, February 19, 2002 (Steven Bonisteel); <http://www.newsbytes.com/news/02/174588.html>

Quick Bits and Bytes

Pirated Oscar Favorites Go Up for Bid on eBay

A few eBay sellers were caught in the act of auctioning off pirated versions of top films from the Academy Awards, some selling for less than the price for a movie ticket and buttered popcorn.

Investigators found pirated copies of Monsters, Inc., Lord of the Rings and Harry Potter, which are not even bound for the video store for weeks. The auctions were immediately suspended after news agency Reuters contacted eBay.

In recent months, top media officials have sought help from U.S. lawmakers and pleaded with consumers at public forums, including the recent Grammy Awards, to refrain from swapping music and movie files over high-speed Internet connections.

Bruce Ward, technical director of NetPD, said the most popular movie downloads are The Lord of the Rings, Harry Potter and American Pie 2.

Yahoo.com, March 15, 2002 (Reuters); http://story.news.yahoo.com/news?tmpl=story&cid=582&u=nm/20020315/wr_nm/media_internet_movie_piracy_dc_1

Microsoft Official Links Software Piracy To Terrorist Funding

A Microsoft official warned Congress this past February that some of the billions in profits

from software piracy are helping terrorists such as Osama bin Laden.

Eight of the 10 countries with the highest rates of business software piracy have connections with bin Laden's al-Qaeda organization, Jeff Raikes, Microsoft vice president for productivity and business services, told the U.S. Senate Foreign Relations Committee.

Raikes urged Congress to attack intellectual property theft, saying that such activity costs U.S. businesses billions while helping fund the terrorist groups that seek to harm Americans.

Software piracy costs the U.S. \$12 billion a year in company revenue, \$1.6 billion in taxes and tens of thousands of jobs, according to Raikes.

Countries with the highest software piracy rates include Russia, China, Vietnam, Indonesia, Lebanon, Oman, Bahrain, Bolivia, El Salvador and Paraguay, according to a study by the Software and Information Industry Association and the Business Software Alliance.

Raikes and other software industry representatives at the Senate hearing said that rapidly evolving communications technology is leaving both U.S. companies and policy makers with few good options for stemming the losses.

Detroit News, February 13, 2002 (Paul Basken/Bloomberg News); <http://detnews.com/2002/technews/0202/13/technology-414596.htm>

Sci-Fi Writer Authors A New Victory Against Net's Pirates

Harlan Ellison (<http://www.harlanellison.com>) claimed yet another victory in his ongoing battle against Internet pirates. Ellison, 67, filed suit in April 2000 in a Los Angeles federal court against individuals and companies, including America Online, that he claims either distributed or provided the medium to distribute pirated copies of his work online. In June, Ellison settled with a Red Bluff, California resident who acknowledged he scanned in six stories and put them on the Net.

Ellison recently announced a settlement with Critical Path, a company that hosted the newsgroup where stories were posted. It did not acknowledge liability but will develop software that allows Ellison to delete unauthorized postings of his works. Monetary damages were not announced.

Ellison calls it a victory for all writers who want to protect their works online. And he vows to put everything he has into beating AOL. But it may be tough.

He says AOL should not have allowed its users to access the newsgroup, a known pirating spot. But AOL calls the suit "baseless." Under copyright law, Internet providers are not liable for illegal material posted on their services, although they must remove it when informed it's there, said cyberlaw expert Mark Lemley. AOL cut off access after the suit was filed.

Ellison said he has spent \$250,000 on anti-piracy efforts.

Detroit News, Janet Kornblum / USA Today; <http://detnews.com/2002/technews/0202/07/etech07-405682.htm>

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