



GrayZone Digest

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Legal Highlights

Busts and Raids

Approximately 12,000 alleged mixed tapes were seized in a raid conducted by South River, New Jersey local law enforcement officials with assistance from the Recording Industry Association of America (RIAA). Five pirates were arrested on October 31 for reportedly manufacturing and distributing unauthorized mixed compilation dance tapes. The individuals, doing business as Beat Productions and Hip Hop International, distributed tapes to kiosk vendors in malls throughout the east coast. If convicted, they could face five years in prison and \$250,000 in fines. (RIAA, Fast Tracks, November 12, 1996)

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Artists Actions

The three surviving former Beatles, along with Yoko Ono, have filed a lawsuit demanding that stamps depicting the band issued last December be withdrawn from sale in the United States. Their attorney, Paul Licalsi, indicated that the Republic of Chad stamps, issued in late 1995, are nothing more than "bootleg merchandise which is hiding behind the fact that small third world countries put a seal of approval on them."

The nine stamps depicting the Beatles were produced for the Republic of Chad by the International Collectors Society (ICS) of Owings Mills, Maryland, which bills itself as "the largest and most respected stamp collector society in the world." "Shock and disappointment" was the reaction from ICS co-owner Scott Tilson. "It's really incredible, because most people and most personalities consider it a once-in-a-lifetime achievement to be pictured on a postage stamp," said Tilson. The lawsuit charges the International Collectors Society with copyright infringement and violating licensing laws, specifying that only a minimal number of the stamps are actually sold in the country allegedly issuing the stamps. Tilson said that ICS has no plans to withdraw the stamps from sale in the U.S., as demanded by the lawsuit. (Goldmine, Lloyd A. de Vries, November 22, 1996 Vol.22, Issue 426)

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Worldwide Update

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Belgium

Brussels

To prevent digital piracy of books, compact discs and videos in the world of computer networks, the European Commission promised Wednesday only limited harmonization of EU states' copyright law. Its long-awaited policy paper sidestepped demands by the entertainment industry for authors to be given rights to protect the identity and spirit of their work and for additional payments in what is expected to be increased use of the works by broadcasters.

The EU executive, limiting itself to measures which would have a bearing on the 15-nation EU's border-free market, said it would propose early next year harmonizing rights on the digital copying, communication and distribution of works. It said it would also propose measures at the EU level to prevent individuals from thwarting anti-copying systems being developed by the industry. In view of the development of new forms of reproduction, there is a need for a clear definition of exactly what is protected as well as an equivalent level of protection across the EU, the commission said in a statement. The commission stressed that it had limited powers to regulate copyright laws.

(Reuters/Variety, Janet McEvoy, November 20, 1996)

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United Kingdom

More than 1,200 counterfeit audio cassettes were seized by trading standards officers and police in a raid November 13 on a market stall and shop in Whitecross Market, North London. The raid was attended by investigators from the British Phonographic Industry's Anti-Piracy unit, who assisted in identifying the illegal product.

(dotmusic.com, November 18, 1996)

Island Records is investigating how unfinished extracts of two unreleased U2 tracks found their way to the Internet and have gone on sale as CD bootlegs. Thirty seconds of the songs "Discotheque" and "Wake Up Dead Man," both recorded for the band's latest album, turned up on a Hungarian website, were downloaded by fans and also broadcast by a U.S. radio station. Island had the web page access blocked - although mirror sites have since appeared - and a bootleg CD was discovered for sale in both London and Edinburgh.

Marc Marot, managing director of Island, says the company is investigating how the extracts appeared on the Internet. According to Marot, "No one should spend money on 30 seconds of unfinished material. They are a complete rip-off."

(dotmusic.com, November 18, 1996)

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United States

United States trade officials expressed continued concern about pirated videos,

sound recordings and patents in Italy and Thailand, according to a statement by Acting U.S. Trade Representative Charlene Barshefsky. Barshefsky said counterfeiting of videos and sound recordings continues to be a significant problem in Italy, and the government's proposed anti-piracy legislation fails to adequately toughen criminal penalties against copyright theft. "Italy appears to have some of the lowest criminal penalties in Europe and one of the highest rates of piracy," Barshefsky said. She said it was a "long-festering" problem that needed to be brought under control before the USTR issues a report next April that is expected to announce whether it will take action against countries failing to protect U.S. copyrights.

Barshefsky noted that Thailand enacted legislation that established new intellectual property courts and characterized it as a positive development. She said she hoped to see the courts go into operation "as a vehicle for obtaining swift, effective justice" against piracy and counterfeiting. But Thailand remained on the so-called "watch list" for future possible trade enforcement action. Barshefsky urged the Thai government to enact legislation to protect patents.

(Reuters/Variety, November 12, 1996)

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Internet

The Software Publishers Association (SPA) and two Internet hosting services have settled a lawsuit by agreeing that the services will remove pirated software or content that enables pirating but will not monitor customers' sites for such content. Two months ago, the association launched a well-publicized Internet anti-piracy campaign to prevent unauthorized on-line distribution of software. The campaign immediately came under attack because it seemed to hold hosting services liable for their customers' piratical activities. In early October, the association, a Washington, DC-based trade group, sued three popular hosting services, accusing them of contributing to copyright infringement.

In separate settlements, two hosting services have agreed to describe in greater detail to customers that they will not tolerate piratical activities. The two hosting services that have settled are GeoCities of Santa Monica, California and Tripod, Inc. of Williamstown, Massachusetts. Both are popular services that allow users to design and post home pages on the World Wide Web. The lawsuit against the third service, Community ConneXion of Oakland, California., has been dropped. The SPA filed the suit on behalf of Adobe Systems, Inc. and other software publishers, charging that sites hosted by the services' computers contained material and links to data that could lead to the unauthorized use of such popular copyright-protected software as Adobe's Photoshop. None of the hosting services were accused of actively abetting software piracy. Rather, the dispute centered on what role, if any, an Internet service provider or related enterprise should play in addressing the problem.

In addition to suing the three services, the SPA also sued two individual Internet users. One of those suits was settled amicably, said a lawyer involved in the case. The second is nearing settlement, according to those involved. "We had to do what

we needed to do to represent our members' copyright interests," said Peter J. Beruk, director of SPA's anti-piracy campaign, "and by default let people know that intellectual property is going to be protected across the Internet."

(New York Times / CyberTimes, Pamela Mendels, November 16, 1996)

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