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## Quarterly Digest

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## eBay Sued Over Alleged Listings of Bootleg Recordings

eBay, the largest person-to-person auction site on the Internet, has been sued for the alleged listing for sale of bootleg or pirate recordings by the auction site's users, in violation of a California statute. The suit, filed in San Francisco Superior Court by Randall Stoner on behalf of the general public, contends that listing of the recordings by eBay's users violates California's Business & Professions Code and seeks injunctive relief, restitution and legal fees. In an effort to stem the tide of bootleg auctions, eBay announced this past September that it would no longer allow the sale of CD-R music items on its auction site, citing possible copyright infringement. However, bootleg product is still available in abundance at the site, which most likely led to the recent lawsuit.

Dow Jones Newswires, November 16, 1999.

Point Your Browser Tip:

<http://dowjones.wsj.com/i/net/SB942785824135687910-net-more-news.html>

## Recording Industry Aims Global Crackdown on Internet Pirates

On October 28, IFPI announced enforcement actions in more than 20 countries, unveiling a new coordinated global strategy against Internet piracy. The campaign targets people who are uploading material on to the Internet, mainly in the MP3 format, and Internet Service Providers who may be hosting illegal Web sites. The legal initiative is to close illegal sites and delete unauthorized files in countries around the globe. Their strategy is aimed at paving the way for artists and record companies to deliver music electronically and legally worldwide.

IFPI Press Release, October 28, 1999

To read the entire press release, visit GrayZone's website: <http://www.grayzone.com/ifpi102899.htm>

Yahoo! News, October 28, 1999; Sonicnet Music News of the World, October 29, 1999 (Chris Nelson)

Point Your Browser Tip:

<http://www.sonicnet.com/news/archive/story.jhtml?id=519418>

## Feature: The Pirates of Pop Music Fill Streets With \$5 CDs

Reports of street-corner vendors selling pirated and counterfeit CDs have become all too common. In New York, peddlers appear to be legitimate because many of them have permits for sidewalk sales. Often the trade is so stable that vendors accept returns or exchanges from regulars. Those who buy them say they sound like the real thing, but the shrink wrap of authentic CDs, along with the pullout sections of art and lyrics, are missing. The disks themselves have a slight blue-green tint on the bottom side, and the pirates often misspell

the name of the artist apparently in an attempt to maneuver around copyright laws.

These products are the latest vehicle for street-level music piracy, costing the music industry millions of dollars. Profits can be quick for a growing number of low-cost, computer-based rings that can easily operate out of a living room. Data released last month shows that 155,496 pirated CDs were seized by law enforcement officials tipped off by the Recording Industry Association of America (RIAA) in the first half of 1999. The RIAA is developing encrypting technology that the agency hopes will curb the production of pirated music by preventing it from being played on the next generation of audio equipment.

New York Times, September 9, 1999 (Brian E. Zittel)

Point Your Browser Tip:

<http://archives.nytimes.com/archives/>; Extra Cyber Tip Keyword Search: September 9, 1999 and Pirates (pay to download section).

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## 4Q Busts

### Police Make Biggest Ever U.S. Bootleg Music Bust

Fifteen people in the New York metro area were arrested in raids of an alleged bootleg music operation that has cost the recording industry more than \$100 million, marking the biggest such bust to date in the United States. Police seized nearly 100,000 counterfeit CDs, and 110,000 counterfeit cassettes, as well as 100,000 blank CDs, 4 million CD and cassette labels and \$250,000 worth of recording equipment. The investigation was conducted by police agencies in conjunction with the Anti-Piracy Unit of the RIAA.

New York Times, September 4, 1999; EUR/Electronic Urban Report, September 6, 1999; Sonicnet Music News of the World, September 7, 1999; URextra, September 9, 1999 (Mark Riley); RIAA Fast Tracks, September 22, 1999

### CD Pirate Faces Minimum Four Years In Jail

Pirate, Hung Liu Wu, entered a guilty plea on August 24, which calls for a minimum of four years in prison. This follows his arrest in June of 1998 after the Glendora Police Department with assistance from the RIAA, raided Sun Disc Technologies, an illegal CD plant operated by Wu in Pomona, California. In addition to jail time, Wu was ordered to turn over replication equipment valued at more than \$4 million. At press time, Wu was scheduled to be formally sentenced on November 22, 1999.

RIAA Fast Tracks, September 7, 1999

### Nine Arrests in Illegal CD Raids

Robert Ricigliano, owner of Abbey Road Music Limited in Englishtown, New Jersey, was charged with manufacturing and selling illegal CDs after a raid at the Englishtown Auction led police to him, said Richard Abbott, Senior Regional Director of Investigations and Piracy Attorney for the RIAA. The Monmouth County prosecutor's office seized about \$100,000 in CDs, videos and equipment used to manufacture the disks at Ricigliano's store and apartment, where he apparently manufactured the counterfeit CDs. Ricigliano was identified by at least one of the eight people arrested at the auction where police confiscated about 2,600 illegally produced discs, \$3,600 in cash and three vehicles. The eight individuals arrested and charged with counterfeit trademark infringement include Yesenia Charris, Janny Velez, Olga Gonzalez, Roberto Gonzalez, Larry Clinkscales, Mohammed Salem and an unidentified 17-year-old male.

Asbury Park Press, October 1, 1999 (Sheri Tabachnik)

### 14 Arrested in NYC CD-R Bust

Acting on a tip from the estate of Notorious B.I.G., the New York City Police Department, with assistance from the RIAA, arrested 14 individuals and shut down their multi-level CD-R distribution center on West

7th Street. A total of 53,817 alleged counterfeit CD-Rs, 7,573 alleged counterfeit videos and 804 alleged counterfeit cassettes were recovered. The 14 individuals arrested were supplying street vendors throughout the city with, among other releases, CD-Rs of Notorious B.I.G.'s "RE-BORN" album.

IAA Fast Tracks, November 2, 1999

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Artist's  
Corner

## Orbison Estate Beats the Boots

"The Roy Orbison Authorized Bootleg Collection" on Orbison Records with Orbison's widow, Barbara, serving as executive producer, is the first offering in a series of authorized live recordings. "The bootleg series has been on the release schedule for a long time," Barbara Orbison says of the project. "Whenever I go to Europe, or when I'm in a record store here, I always find live recordings of Roy that are released by a bootlegger, and they charge so much for it. So I decided to take the four most bootlegged albums and to put them out into one CD set." The collection will only cost \$24.98.

For additional information, visit Roy Orbison's web site at: <http://www.orbison.com/>.

RollingStone.com, October 15, 1999 (Andrew Dansby)

Point Your Browser Tip: <http://rollingstone.tunes.com/sections/ne>  
Extra Cyber Tip Keyword Search: Artist Search / Orbison / News Articles

## David Lee Roth Sues Over Web Site

In a suit filed recently in Los Angeles, former frontman of Van Halen, David Lee Roth, is suing his former manager, Edmund Anderson over a web site which sells memorabilia. "The suit was filed as a result of Roth attempting to clean up the bootlegging and piracy of his image off the Internet," says Roth's attorney, Jeff Benice.

theEnews.com, November 1, 1999

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Asia

## Asia Swamps South America With Pirate CDs

Asia's compact disc factories are swamping Latin America with pirated CDs, resulting in huge losses for the global music industry. IFPI Chairman Jason Berman singled out Hong Kong as the key culprit although the problem is widespread throughout Asia with factories in Taiwan, Malaysia and Thailand. These factories produce 4.1 billion discs each year while the regional demand is only 0.5 billion discs annually. "We've actually seized since the spring of 1998, with our own enforcement efforts, 20 million CDs (in Latin America). I would say that probably 95 percent of those CDs were produced outside of Latin America in Asia," Berman said.

Yahoo! News, November 4, 1999 (Tan Ee Lyn)

Legal  
Highlights

Point Your Browser Tip:

[http://dailynews.yahoo.com/h/nm/19991104/tc/hongkong\\_piracy\\_2.html](http://dailynews.yahoo.com/h/nm/19991104/tc/hongkong_piracy_2.html)

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## RIAA Suing Upstart Startup

The RIAA plans to file a suit against Napster, a music software company. Napster's software allows users to share their MP3 libraries with each other. The company says that its software aims to make finding MP3 files easier on the Internet, and that no files are hosted on Napster's servers. The case raises a thorny product liability question: Is a product manufacturer liable for the ways in which certain devices are used if the product is ultimately used for illegal purposes? Stay tuned.

Wired News, November 16, 1999

Point Your Browser Tip:

<http://www.wired.com/search/>; Extra Cyber Tip Keyword Search: Napster

## Digital Pirate Gets Probation

Oregon college student Jeffrey Gerard Levy has been sentenced to two years of probation for violating the 1997 No Electronic Theft Act by illegally distributing copyrighted music, movies and software over the Internet. During that time, he has to relinquish his CD burner and home Internet account. He faced a maximum penalty of three years in prison and a \$250,000 fine.

RollingStone.com, November 29, 1999

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