



# GrayZone Digest

May 1997

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## Legal Highlights

According to a report in the May issue of ICE, U.S. Customs officials struck "a blow of unprecedented magnitude against the [bootleg] industry." The article went on to identify those arrested as principal figures involved in well known bootleg labels, including Midnight Beat, Oxygen, Flashback and Blue Moon.

The high profile bootleg company, Kiss the Stone, reacted by declaring that they would be closing their company. A visit to their Internet Web site confirmed this fact with a message that read: "Official Notice: The End of An Era. KTS Records are sorry to announce that they will be closing down from the end of April, '97." (Ice, May, 1997 - Erik Flannigan)

The bootleg industry drains more than \$300 million from the legitimate U.S. record industry, according to Alexandra Walsh, a spokesperson for the RIAA.

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## Artists Actions

The Dave Matthews Band recently cracked down on independent record retailers in New Jersey, Connecticut, Rhode Island and Massachusetts. Matthews' representatives entered record stores in search of bootlegs and if any contraband product was stocked, a federal marshall and attorney, Jules Zalon, later returned to confiscate the items and threaten legal action. The band says it acted on complaints from fans, and is currently working on an official live album, a proactive move the band hopes will please the fans who enjoy their live performances. Zalon is well known for his work in curtailing the distribution of counterfeit T-shirts for Michael Jackson, Dennis Rodman, Hootie and the Blowfish, and other well known acts. (New York Times, April 23, 1997 - Neil Strauss; MTV News On-line, April 25, 1997 - <http://www.mtv.com/>)

## **U.S. Artists and Managers Take Note**

### **Washington, D.C.**

The RIAA is joining forces with music and copyright communities to encourage immediate U.S. ratification of two international copyright treaties adopted by the World Intellectual Property Organization (WIPO). No single group is more important to this effort in Washington, D.C. than you. No one can speak with more purpose than those of you who create the music. The RIAA welcomes those who want to get involved in the artist coalition to ratify the treaties that protect your music, both domestically and internationally.

(RIAA Fast Tracks, April 1, 1997 - contact Joel Flatow at the RIAA (201)-775-0101 for more information)

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## Worldwide Update

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### China

#### **Henggang**

Chinese law enforcement officials are finally pursuing and arresting pirates, even well-hidden ones. In what is considered a progressive move for China, copyright police are offering informants large sums of cash to reveal their sources. In December, 1996, a concerted effort began in Guangdong Province, a known copyright piracy center, to thwart illicit business. Authorities claim they have arrested more than 100 offenders and shut down 28 underground factories, where each disk-making machine could copy 10,000 disks a day. Industry experts say Beijing seems serious about the current crackdown, especially since the Chinese business community is starting to recognize the threat that piracy poses to China's own legitimate music and movie industries.

(New York Times, April 7, 1997 - Seth Faison)

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### Philippines

#### **Manilla**

An international conference on intellectual property rights opened in Manila on April 28 amid charges of gridlock in the Philippine judicial system and inadequate enforcement procedures. About 200 foreign delegates were expected to attend the meeting to study infringements and focus on new communications technologies.

(United Press International, April 25, 1997)

Stuart Ong, Vice President of the Business Software Alliance, a Washington-based anti-piracy concern, has offered rewards for those providing information leading to successful legal action against corporate software theft rampant in the Philippines. He says \$2,000 will be paid to anyone, including past and present employees, who comes forward with the name of a firm infringing on the copyright of BSA members. BSA is also offering \$100 to anyone offering a confidential statement to its attorneys about a piracy case.

(United Press International, April 22, 1997)

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