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# GrayZone

## Quarterly Digest

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### Who is Smart!

The Who is presently selling live discs of shows from its current tour, just days after each concert occurs. Available at [www.TheMusic.com](http://www.TheMusic.com), profits from the two-CD sets goes to children's charities that the band regularly supports. Exclusive to the Internet, there will be no distribution to traditional retail outlets and costs about \$25 per two-disc set.

Ice Magazine, October 2002 (Ric Dube)

### Artists Sue MP3.com

Bob Dylan, James Taylor and Billy Joel filed suit against website [www.mp3.com](http://www.mp3.com) in a New York City court on October 8, 2002, claiming their songs were distributed by the site without authorization.

Rollingstone.com, October 10, 2002

### Bob Dylan Beats the Boots Once Again

Bob Dylan will release "The Bootleg Series Vol. 5, Live 1975: The Rolling Thunder Revue," this November. The two-CD live set will include performances from the legendary tour, which also featured Joni Mitchell, Roger McGuinn, Arlo Guthrie and Joan Baez. In addition to the CD release, a limited-edition package will also be available, featuring a bonus DVD with two songs from Dylan's feature film, "Renaldo and Clara." Read more about the upcoming release at Dylan's official website: <http://bobdylan.com/updates/>

Rollingstone.com, September 30, 2002

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### U.S. Busts

Be sure to peruse the Recording Industry Association of America's (RIAA) monthly newsletter "RIAA Anti-Piracy Seizure Information," which covers numerous bootleg, piracy and counterfeit raids across the United States. Read about the recent busts at our website: <http://www.grayzone.com/usabusts.htm>

## Movie Discs Seized In China

Calling it the biggest confiscation ever, Chinese authorities seized 5.2 million pirated movie discs from two boats in late June. A police boat was dispatched after a tip that two vessels loaded with pirated pornographic discs were unloading at a port in the city of Huizhou, Guangdong Province, according to an unnamed customs official. Although the smugglers fled, according to the official Xinhua News Agency, police seized 2.2 million pornographic discs in 2,200 boxes. The other vessel was carrying over 3 million porn discs. China has recently been admitted to the World Trade Organization and is in the midst of what it calls a battle against counterfeit and pirated products.

Yahoo, June 28, 2002 (Associated Press)

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## Worldwide Update

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### Kuwait

Despite a regional crackdown on piracy in Gulf Arab markets, unlicensed goods are abundant. In Kuwait, potential buyers can pick and choose from pirated titles in air-conditioned comfort at numerous upscale shops. Although pirated product is not as easily available in the Gulf as in Singapore or Malaysia, it remains very popular with many in this oil-rich region, who would not even consider purchasing the more expensive original goods.

Associated Press, August 1, 2002 (Inal Ersan)

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### Malaysia

## Malaysia Struggling with Movie Piracy Policy

Forged video compact discs (VCDs) and DVDs of U.S., Indian and Hong Kong films are hot property in Kuala Lumpur despite routine police raids. VCDs of films such as "Spider-Man" and the latest "Star Wars" offering were on sale on Kuala Lumpur's streets this year well ahead of their official release. Pirates now face a fine of up to \$2,632 or a five year prison sentence for every illegal copy they possess. The International Intellectual Property Alliance (IIPA), a U.S. pressure group, estimates trade losses due to piracy in Malaysia cost American firms \$316.5 million last year versus \$140 million in 2000.

Yahoo, September 3, 2002 (Reuters); <http://in.tech.yahoo.com/020903/137/1uqny.html>

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## Russia

**Russian Music Pirates Sail On Government Land**

In an industrial corner of Moscow, an old printing plant, owned by Oleg V. Gordiyiko, stamps out thousands of compact discs around the clock. The plant recently appeared in a list of Russian factories in connection with a sharply worded letter on piracy sent by the American ambassador, Alexander R. Vershbow, to the Russian government. In the correspondence, Vershbow indicated that a number of the suspect plants were operating on government property, some at secret military sites that are owned by none other than the Kremlin. For pirates, government facilities and military factories offer a wall of secrecy that conveniently protects them against police inspections. Russia's vast pirate music market is second only to China's. According to the International Federation of the Phonographic Industry (IFPI), two out of every three music CDs in Russia are counterfeit. While Russians buy 11.5 million legitimate music CDs every year, they buy four times that amount in pirated CDs, some of which are imported from China, according to IFPI. Pirated CDs sell for about \$2.50. In recent months, The Russian government has moved against piracy. A new rule requiring factories to obtain licenses is intended to help bring the industry, unregulated since the Soviet Union's collapse, under control.

New York Times, August 28, 2002 (Sabrina Tavernise);  
<http://www.nytimes.com/2002/08/20/international/europe/20MOSC.html?tnemail1>; (requires free registration)

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Legal  
Beagle**Going After Individuals For Copyright Violations: The New Bill That would Grant Copyright Owners A "License To Hack" Peer-To-Peer Networks**

Peer-to-peer file trading networks continue to flourish despite Napster's demise, though they don't enjoy as much publicity as Napster did in its heyday. Similar to Napster, these networks allow users to download copies of other users' MP3 files without charge. However, unlike Napster, the networks don't use centralized servers that they own. In a constant state of flux, there are a series of decentralized servers that peer-to-peer users access. This makes it difficult for copyright owners to target the new networks via lawsuits (such as with Napster). But now a new strategy has been devised: if lawsuits won't work, what about hacking directly into the networks? California Representative Howard Berman has proposed a bill that might change all that. If enacted, Berman's bill would allow copyright owners to hack peer-to-peer file sharing networks, giving them a "license to hack," similar to James Bond's "license to kill": the hacking could potentially occur, yet go entirely unpunished.

To read the proposed bill: <http://www.house.gov/berman/p2p.pdf>; (Requires Adobe Acrobat Reader: <http://www.adobe.com/support/downloads/main.html>)

FindLaw, August 20, 2002 (Julie Hilden/julhil@aol.com); <http://writ.news.findlaw.com/hilden/20020820.html>

**Quick Bits and Bytes****Piracy Hurts: Protect Your Assets**

The International Recording Media Association has established the world's first Anti-Piracy Certification/Compliance Program for the manufacture of CDs, DVDs and CD-ROMs. This initiative is designed to help manufacturing plants establish procedures to reduce the risk of publishing pirated material through internal audits and regularly scheduled surveillance audits. To view the list of certified manufacturing plants, visit this website:

<http://www.recordingmedia.org/antipiracy.html>

## **DVD-Rs: The New Bootlegs You Can Watch**

The era of bootleg DVDs has officially commenced in the United States, according to the watchdogs at Ice, a music industry magazine. A "wave of titles" have hit domestic retail stores, according to anonymous sources at Ice. Bootleg DVDs have been a staple of the Japanese underground market for well over a year. However, in September, new bootleg record companies have delivered the easily produced DVD-R (the write-once video equivalent to CD-R) to numerous boot stores across the U.S. Some have even manufactured professionally pressed "silver" DVDs. Artists targeted for unauthorized DVD releases include Bruce Springsteen, Bob Dylan, Led Zeppelin, The Who, Rolling Stones, Elvis Costello and The Doors.

"Going Underground", Ice Magazine, October 2002

## **Intuit Uses Anti-Piracy Measures**

Intuit, Inc. has introduced new anti-piracy measures that will force buyers of its popular TurboTax software to register their computers with the company before the program will file tax returns. The measure is part of Intuit's crackdown on TurboTax buyers who pass around copies of the tax preparation software to their friends, family and neighbors.

Read Intuit's press release: [http://www.intuit.com/company/press\\_releases/2002/09-05.html](http://www.intuit.com/company/press_releases/2002/09-05.html); Findlaw.com, September 6, 2002 (Michael Ledtke, AP Business Writer)

## **European Commission Shows 349% Rise in Pirate Disc Seizures: Links With Serious Crime & Terrorism**

New European Commission figures illustrate that seizures of pirate discs at the European Union's external borders soared by 349% to more than 40 million units in 2001. Pirate CDs, a huge illicit business linked with serious international organized crime, account for nearly half the EU's estimated 2 billion European pirate and counterfeiting business. The report mentions that a number of customs investigations show links between piracy and certain terrorist networks.

IFPI Press Release, July 26, 2002; Read the press release: <http://www.grayzone.com/ifpi72602.htm>

## **Couple Ordered To Turn Over \$261,000**

A federal judge has ordered a couple accused of software piracy to turn over \$261,000 believed to be held in a Pakistani bank account to the U.S. District Court. Mirza Ali, 54, and Sameena Ali, 48, a married couple who own a Fremont, California company called Samtech Research Inc. are accused of buying up companies licensed to resell Microsoft products at discounts to schools and selling the products instead to dealers who were also arrested for software piracy.

Seacoastonline.com, July 5, 2002 (Associated Press); [http://www.seacoastonline.com/news/07052002/biz\\_nati/12697.htm](http://www.seacoastonline.com/news/07052002/biz_nati/12697.htm)

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