

STOLEN BEATLES TREASURES RECOVERED IN POLICE ANTI-PIRACY SWOOP

Unique tapes of historic Beatles recording sessions have been recovered in an anti-piracy crackdown by UK and Dutch police, working with investigators from the international recording industry.

The tapes, known as the "Get Back Sessions" were recorded in 1969 during the making of the album "Let it Be". They disappeared shortly after the sessions, and since then have only been heard via pirate copies that were made widely available across Europe and the USA.

Investigations by IFPI and BPI culminated in a series of raids in Holland and the South East of England by City of London Police and their Dutch counterparts FIOD-

ECD. The investigations had started after BPI found pirate copies of the rare recordings in previous anti-piracy operations in the UK.



Pirate CDs produced from the stolen Beatles tapes seized in earlier raids in Luxembourg

Five hundred original reel-to-reel tapes belonging to the Beatles were seized, and six suspects have been arrested for theft and handling stolen goods.

"Music piracy is a serious crime. EMI will support all efforts to defend the intellectual property of our artists and of producers." *David Munns, Vice-Chairman of EMI Recorded Music*

"This is a good example of how an international multi-agency approach by both the private sector and police agencies can combat offences of this nature. Enquiries are continuing." *Detective Inspector Paul Johnston of the Central Detective Unit, City of London Police*

SPANISH POLICE ARREST 40 IN MAJOR PIRACY RAIDS

Spanish police have carried out one of the country's largest ever anti-piracy actions, dismantling a large piracy ring operating in the country. The police action, on 18th January, was assisted by investigators from the Spanish recording industry organisation, AFYVE.

AFYVE handed the results of their initial investigations to the Spanish police in September 2002. The police investigations began the same month.

During 13 raids in the Madrid area the following material was seized:

- 346 CD-R burners
- 168,400 blank CD-Rs
- 24,450 recorded CDs
- 39,000 DVDs
- 10,500 VCDs (films)
- 515,000 jewel cases / 10,000 inserts
- 48,000 Euros in cash

Forty people were arrested in the operation, including all the heads of the organisation, which was Chinese-run. The gang used a number of computer shops and restaurants to launder the money generated by the pirate product.

"This is excellent work by the Spanish police, which has resulted in the dismantling of this major network. The dramatic rise in piracy over the last two years has made Spain one of the recording industry's top priorities. This action shows the government and authorities are now taking very positive steps to tackle the problem. The case also underlines the involvement of international, organised crime in the piracy of recorded music." *Iain Grant, IFPI Head of Enforcement*

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► MAURITIUS

Two Mauritian nationals were arrested at Kuala Lumpur International Airport in Malaysia in December 2002 following investigations by IFPI. Based on information that the two suspects were involved in an international ring importing pirated music and film products into Mauritius, they were arrested by police as they attempted to board flights leaving Kuala Lumpur. Each was found to be in possession of several thousand copyright infringing discs, including newly released albums by a variety of international artists such as Celine Dion, Eminem and U2.

The seizures, brought about through close co-operation between Law Enforcement Agencies and IFPI Regional Investigators in Asia and Africa, had a significant impact on the availability of pirated products in Mauritius during the crucial Christmas period.

The two defendants spent several weeks in police detention before pleading guilty to copyright offences at the Sessions Court of Shah Alam, Malaysia. Fines of MYR 16,000 (US\$ 4,000) and 12,000 (US\$ 3,000), respectively, were handed down, and all intercepted products were confiscated.

Meetings in Mauritius between IFPI and various stakeholders, and with the Minister of Culture, Mr. M Ramdass, indicate that the Ministry wants to step up its anti-piracy activities.



► MOZAMBIQUE

Thousands of music CDs were destroyed at a ceremony organised by the Alfandegas de Mozambique (Customs) and the office of the Instituto Nacional do Livro e do Disco (Ministry of Culture) at the Mozambique International Airport in Maputo.

The mass destruction, which took place on 19th December 2002, was the first of its kind in Mozambique. Most of the destroyed goods, which originated in Pakistan and transited South Africa, were seized by Mozambique Customs.

Discussions with Dr B. Alfonso (Mozambique Copyright Office) and Mr. E. Camacho (Inspector General, Ministry of Culture) and IFPI Regional Coordinator indicate that the authorities are taking an increasingly serious view of copyright infringement and trade in counterfeit goods.

To reinforce this aggressive approach, Mozambique will shortly be introducing a hologram programme to aid the fight against piracy. The hologram sticker, to be attached to all authentic product, will be rolled out over a six-month period.

The success of the programme will be closely monitored by the industry.

*Africa reports by Richard Rademan
IFPI Enforcement, Africa*



Mozambique: Destruction of pirate product organised by the authorities



Kenya: The Customs warehouse - Moi International Airport, Mombassa

► KENYA

A successful detention was made of suspected counterfeit CDs and VCDs entering Mombassa from Pakistan following information given to the offices of Mr I.M. Ngatia of the Department of Weights & Measures in October 2002.

The importer and his company were fined US\$2,500 after he admitted two counts of possessing 15,135 counterfeit VCDs/DVDs. The seized discs, which consisted of music and motion pictures, also contained pornographic material. The suspect was given a week to pay the fine, failing which he would face a one-year jail sentence.

► SOUTH AFRICA

The South African Revenue Authorities carried out a number of raids in Durban and Johannesburg, against traders dealing in counterfeit music and video. The main objective of the raids, which took place in December 2002, was a revenue audit and collection.

As a by-product of the action many thousands of rands worth of music CDs and DVDs were seized, along with duplication equipment and an inventory. Prosecutions were initiated.



S. Africa: Raids resulted in seizure of illegal music CDs and DVDs



► HUNGARY

A joint action between the 'Special Operations Against Organized Crime' and MAHASZ resulted in the arrest of a man and wife who were suspected of being involved in illegal CD copying. The interception, which took place in December last year in Budapest, was the outcome of a three-month investigation and surveillance operation.

Since May 2000, it is understood that the couple sold over 20,000 illegal copies (music, software, movies) via mail order. The inventory found at the time of arrest (some 6,000 CDs) was confiscated, along with four decks, one of which was specifically used for CD burning and included one DVD and four CD burners. The call list of the phone number used to handle orders was also made available to the Police along with details on their bank account transactions. Preliminary estimates of the losses caused by this illegal operation amount to approximately HUF 100 million.

The two culprits are currently in custody and, based on their confessions, additional illegal CD copying operations have been identified. Further criminal cases arising from this action are expected.

MAHASZ (IFPI Hungary)

► CZECH REPUBLIC

Czech authorities continue to tackle pirate markets in the border towns with Germany and Austria.

In November, raids took place at the market place of Svata Katerina in Tachov district, Western Bohemia, a spot frequently visited by both German tourists and Czech citizens. These raids, organized by regional Czech Trade Inspection officers, Regional

Foreign Police Dept. and IFPI Czech Republic, netted some 18000 CDs from 12 selling points. The discs were all burned CD-Rs and were of international repertoire.

In December, two raids on market towns had similar success:

- After six months of investigation, Police officers from the Foreign Citizens Dept. in Primda town raided a building housing Vietnamese citizens on a routine visa and residence permit control. Discs totalling 16,556, mainly burned CD-Rs containing international repertoire, were seized.
- After four months of investigation, Customs and Police officers from Cheb raided a suspected warehouse, where illegal CDs, DVDs and VHS were stored and prepared for sale at the nearby market place. Discs

totalling 13,000, mainly burned CD-Rs with international repertoire, were seized.

► POLAND

During December 2002, two significant actions by Customs officers and other elements of Polish Law Enforcement agencies netted close to 70,000 CDs which were destined for the infamous Warsaw stadium market. The first action in Warsaw was multi-agency, and seized 56,800 CDs, over 700 DVDs and more than 700 CD-Rs. The second, again in Warsaw, was conducted by Polish Customs, and seized 12,600 pirate CDs.

In January alone, a small number of actions by Customs officers in the Warsaw stadium have seized some 14,000 pirate CDs/CD-Rs.

Gerry Corbett
IFPI Anti-Piracy Enforcement

► ROMANIA

Simultaneous raids on pirate distribution operation

A significant raid on a pirate distribution operation in Romania took place in July 2002. The Romanian Police Force - the Economic Police Department - raided 3 locations simultaneously, uncovering a warehouse containing some 11,650 discs on spindles as well as 11,650 inlay cards. The products seized contained both Romanian and international repertoire.

About 5,000 seized pieces were CDRs; the others were pressed discs bearing well known logos such as Hallahup, Umbrella, Tornado, Barracuda etc. The products were being distributed all over Romania.

Two persons were charged in connection with this seizure. Subsequent investigations revealed connections to Ukraine, Moldova, Russia, and Belarus.

Source: UPFR Romania



Romania: More than 11,000 discs seized



► UNITED KINGDOM

Record industry wins EasyInternet case

The recording industry has won its High Court summary judgement ruling against EasyInternet Café Ltd. The well-known chain of Internet cafés is part of the Easy Group, founded by Stelios Haji-Ioannou.

The British Phonographic Industry (BPI) took action against EasyInternet Café on behalf of UK record companies, because the cafés were offering a commercial service burning illegally downloaded music onto recordable CDs for customers.

From the outset the BPI has maintained that EasyInternet Café was infringing copyright by offering this unlicensed service, a charge that the company has consistently denied.

The judge Mr Justice Smith has ruled that EasyInternet Café is liable, dismissing its defences - which he described as "speculations" and "fallacies" - while also rejecting EasyInternet Café's attempts to shift the blame onto its customers. The next stage will determine how much EasyInternet Café will have to pay.

The BPI is delighted with the court's decision, handed down on 28th January 2003. It confirms the fact that it is illegal to copy and sell other people's music without their permission.

One of the illegally copied tracks used as evidence in the case was a song by Blue. The members of Blue - who recently released One Love, the follow-up to their debut album All Rise - speaking after the case, supported the outcome:

"We really appreciate the fans who buy our music. We're passionate about our music but it's also the way we make our living. Everyone who works with us, from the writers, engineers, producers and crew really appreciates it when you buy our music rather than just taking it off the internet, because that shows you respect the time and work they've put into getting it out there in the first place."

BLUE

As Blue point out, copyright allows everyone involved in making music to earn a living from their creative input. Copyright infringement is theft and getting this message across has never been more important at a time when a massive amount of music is being stolen online.

"Illegal copying jeopardises the livelihoods of artists and songwriters as well as putting at risk the thousands of jobs directly and indirectly created by the recording and publishing of music. We are delighted that we have won this ruling which sets an important precedent in support of authorised licensing services." *Peter Jamieson, BPI Chairman*

Source: BPI

► ITALY

Italian pirates jailed

A court in Naples has handed down jail sentences to an Italian family involved in music piracy. The sentences send an uncompromising message to any pirates thinking of taking advantage of the increase in CD sales at Christmas.

Four Frattasio brothers were each sentenced to four and a half years in jail, for copyright law infringement and being involved in a criminal enterprise, on 6th December last year. The father received three years. A total of 17 people were sentenced over what was one of the biggest anti-piracy investigations in Italy during the late 1990s. The sentences ranged from two months to four and a half years - and totalled 39 years.

The Frattasio brothers ran a major pirate network supplying the whole of Southern Italy with pirated music cassettes and CDs. The cassettes were recorded in a sophisticated laboratory located in Naples. The CDs were imported from Eastern Europe and from South East Asia.

The network used a number of companies to front the illegal activity. These companies were used to buy all the materials needed for the production of the pirate product - blank cassettes and jewel boxes for example. It was big business for the family - their revenue exceeded Euros 45,000 (US\$ 50,000) a week.

The Frattasio brothers were arrested in 1997 after a long investigation co-ordinated by Luciano D'Angelo, the Anti-Mafia Public Prosecutor, and managed by the Naples police. FPM, the Italian anti-piracy group, in cooperation with IFPI, assisted the police during the investigation and the raids.

"We applaud the Italian justice system for finally bringing these pirates to book. This kind of tough sentencing is just the message we want to send to the pirates: music piracy is a highly organised criminal activity and it needs to be dealt with as such. This is a good example." *Jay Berman, IFPI Chairman and CEO*



▶ GREECE

Review 2002

Last year was the most productive year of the fight against music piracy in Greece. A total of 775,088 infringing music carriers were confiscated in joint actions conducted by the police and IFPI Greece investigators (up 62.8% over the previous year). In addition, a further 391,685 illicit sound carriers were confiscated by ex-officio actions of the Greek Police, bringing the total of seized infringing product for the year to 1,166,773. CDR was again by far the dominant format, although CDs still have a strong presence in Northern Greece, where pirate music DVDs were also seized for the first time last December. Good co-operation with the police and the use of informants resulted in 38 raids on duplication plants and large distribution centres, which accounted for almost 329,000 of the units seized (28% of the total) as well as 67 burners. Charges were brought against 1,528 individuals for copyright infringement and involvement in music piracy.

IFPI Greece continued its drive to raise awareness regarding music piracy. Under the ongoing "Police Education and Awareness" programme, seminars were held in Athens, Patra and Iraklion with the participation of hundreds of police officers and representatives from the Ministry of Public Order. In addition, an international press conference was organised by IFPI at the Ministry of Culture in August 2002.

Finally, 2002 also marked the start of a new IFPI-driven campaign dubbed "Piracy Kills Music", aimed to raise awareness among consumers. This initiative was launched officially during the 1st annual "Arion" IFPI Music Awards, and the logo designed for the campaign now appears on legitimate releases in Greece, at the start of music videos, in magazine and newspaper ads. The slogan is heard regularly on radio spots on major radio stations.

Source: IFPI Greece

▶ LATIN AMERICA

Recent anti-piracy efforts

Music piracy in Latin America is being driven by the ready availability of blank CD-Rs and the handful of local 'businessmen' who import them into the region from overseas, particularly from Taiwan.

The crux of the problem faced by IFPI Latin America's investigators is how to stop or modify an intrinsically lawful process - namely the importing of blank CD-Rs.

In Mexico the problem, at least on the face of it, is relatively simple. In May 1999, a law was passed that has great potential in the fight against music piracy:

Articulo 424-bis I of the Codigo Penal Federal Code, which, in summary states:

A penalty of three to ten years imprisonment or a fine equivalent to 1,000 to 20,000 days minimum wage will be imposed on any person who knowingly assists or supplies any form of raw material or component used in the production of works, phonograms, videograms or books referred to in the previous paragraph. (This includes pirate music CD-Rs).

APDIF Mexico is involved in one major case under this law, against the largest importer of blank CD-Rs which is accused of directly supplying the pirates of Mexico City. That case, previously reported in the EB, is currently awaiting trial and will be the first case brought under this law relating to music piracy.

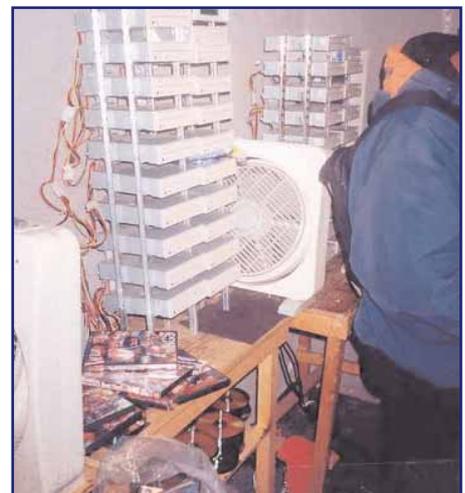
In an interesting development, the accused company has continued to import CD-Rs. A raid on its premises on 31st January 2003 led to the seizure of a further 5 tons of jewel boxes and 4.8 million more blank CD-Rs.

In the other Latin countries, preventing the importation of blank CD-Rs that are intended solely for piracy is a thornier problem. Excellent relations between industry anti-piracy teams and the Customs Service in each of the countries, and an intimate understanding of the customs laws, have brought IFPI Latin America much success - even in the countries without a law similar to that in Mexico. In 2002, more than 84 million blank CD-Rs were seized in the region, before they got to the pirates.

In addition to those efforts, constant pressure is kept on the vendors and the laboratories producing the pirate product. In 2002, IFPI Latin America seized more than 4,100 burners - all of which were being used to produce pirate CD-Rs. Unchecked, this number of burners would have been capable of producing a staggering 177 million pirate CD-Rs in a year.

Regionally an average of 11 raids were mounted everyday of the year in 2002 against street vendors. They resulted in a total in excess of 14 million recorded pirate CD-Rs being taken off the street.

Source: IFPI Latin America



Mexico: Here is an example of a lab recently raided in Mexico City with 134 burners (potential annual capacity 8 million pirate CD-Rs); the raid also netted 4.9 million inlays



► U.S.A.

RIAA raids flea market for second time in five months

The Recording Industry Association of America (RIAA) and the City of Atlanta Police Department raided the Bankhead Flea Market in Atlanta, Georgia, for the second time in five months. The Bankhead Flea Market is virtually a supermarket for purchasing unauthorised sound recordings. The market is divided into retail and wholesale sections for the purchasing of unauthorised sound recordings.

Wholesale purchases made by the hundreds reduce the price to a US\$1.50 per disc. During this raid some of the people arrested were carrying out full 200 count boxes when there were apprehended. Five people were arrested during this operation, and a total of 48,699 unauthorised sound recordings were seized.

One of the largest violators was found to be in possession of a handgun when detained. This individual was also arrested in September 2002, when the City of Atlanta Police Department raided the Bankhead Flea Market the first time. During that raid a little more than 98,000 unauthorised sound recordings were seized.

*Mike George
RIAA*



USA: Retail section at the Bankhead Flea Market

► RUSSIA

Raids on replication & warehouse facilities

Law enforcement authorities, accompanied by IFPI Moscow investigators, carried out the largest simultaneous operation against 2 replication facilities (Moscow Region) and 1 wholesale warehouse (Moscow) at the end of 2002. The raids netted a total of 600,000 inlays, 47 stampers and 820,000 infringing optical discs containing software, games, movies and many infringing sound recordings of popular local and international artists. The products, seized from the warehouse, are almost all pirate music CDs.

At one of the biggest Russian plants (7 lines), investigators found 234,000 optical discs, wrapped in plastic bags in the workshop with replication lines, the warehouse and ventilation compartments. The origin of the seized CDs has yet to be confirmed.

The second raid was conducted at a newly established clandestine CD plant (1 line) in the Moscow region. It took some time for investigators to locate the replication line inside the building, where numerous other enterprises were operating. The pirates tried to conceal the plant entrance by camouflaging the door as a wall. During the raid the replication equipment was not in operation and all the plant's employees were absent.

Preliminary intelligence has established that the CDs, with obvious counterfeit features, originated from the second plant and were then transported to the identified warehouse. The discs were then put together with associated artwork and jewel cases and sold on to wholesale customers in different Russian

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► INDIA

Four people held in Delhi CD plant raid

In an exemplary anti-piracy action, the premises of an optical disc facility in Mayapuri, Delhi, was raided late last year. The operation followed four months of protracted investigation by the Crime Branch Police of the Delhi Police. More than 11,000 MP3 CDs and VCDs were seized. In addition to music, the pirated product also included pornographic films. The police sealed the CD replicating line and CD printing unit and confiscated 22 illegal stampers and other equipment. The capacity of the equipment seized is estimated at 50,000 CDs per day. Four people were arrested and remanded in police custody, including the plant and marketing directors. This is one of the largest seizures of 2002, and the first case of its kind in the country. Close liaison is being maintained with Delhi police to ascertain the source of the stampers and links to plants in Delhi.

*Nina Engineer
IMI India*



The large quantities of illegal discs uncovered during the raids carried out by Delhi police



The equipment seized had an estimated capacity of 50,000 CDs per day



► MALAYSIA



Russia: Inside the warehouse, large quantities of inlay cards and discs were seized

regions. Some of the CDs found at the replication plant were the same as those seized at the wholesale warehouse. These were identified through the visual defects and matrix numbers.

This well-planned action has resulted in three separate criminal cases initiated by the Prosecutor's Office. The investigation is ongoing, and investigators are trying to identify the people responsible, as well as establishing the link between the two replication facilities and the warehouse. This illegal activity caused huge losses to the industry and IFPI member companies.

IFPI investigators continue to assist the police authorities, and have carried out a preliminary examination to confirm that some of the seized products are pirate discs. Initial results from the IFPI Forensic Unit have revealed that pirate discs manufactured at both plants have surfaced in different Russian and European cities.

This successful joint operation by LEAs and industry investigators is an excellent example of what an effective partnership may achieve.

IFPI Regional Office Russia/CIS



Russia: Equipment seized at the newly established clandestine plant

Police officer's car destroyed by fire

Malaysian police investigating a night market saw their vehicle destroyed by fire by local youths. In January, Ministry of Domestic Trade (MDTCA) investigators were conducting enquiries into the sale of pirated CDs at a night market situated in Ipoh Jaya, Malaysia, and parked their vehicle some distance from the target location. However, as is customary in Malaysia, the night traders had employed local youths to keep observation around the area for government agencies conducting such investigations. On their return, the MDTCA officers found their vehicle engulfed in flames and totally destroyed.

The officers admitted that this kind of reaction from pirate CD retailers is not uncommon in Malaysia. IFPI operatives can confirm that violence and intimidation by the CD pirates is an escalating and worrisome trend.

"We are experiencing heightened levels of violence and intimidation by those involved with the pirate trade, not only in Malaysia but in a number of other countries around the region. Such a trend is a very worrying development and we hope that where such incidents occur the culprits will be pursued with vigor and dealt with to the full extent of the law." *Bob Youill, RAPEC SEA*



Malaysia: Inside the apartment raided by authorities on New Year's day; more than 500,000 CDs were seized

New Year's day raid on crime syndicate

IFPI SEA Enforcement team has, since early 2002, been actively investigating what is assessed to be the largest pirate music syndicate currently operating in Asia. Early breakthroughs in this case led investigators to focus on Malaysia as the operating and manufacturing base for this highly lucrative syndicate, who have dominated the pirate market in Asia for music repertoire by both international and Chinese artists.

Successful raids against the distribution centres in 2002 led to the recovery of more than 600,000 infringing music products, as well as the closure of two licensed replication factories who were manufacturing this company's products.

On 1st January, officers from MDTCA and IFPI SEA personnel conducted a raid on an apartment in the outskirts of Kuala Lumpur, suspected of being used to store this company's recently - manufactured products.

A total of 536,000 infringing audio products were recovered, featuring many newly released albums by artists such as Westlife, U2, Destiny's Child and Eminem. Documentary evidence was also recovered providing further details of the people responsible for the operation of the syndicate.

The impact of this action was immediate: market surveys indicated that none of this syndicate's products were available in retail markets throughout Malaysia for several weeks after the raid.



► PHILIPPINES

CD-R piracy ring smashed

Authorities in the Philippines, acting on information from IFPI operatives, have dismantled a major CD-R piracy ring believed to be responsible for providing at least half of the pirate music and film products available in the Quiapo area of Metro Manila, one of the country's most notorious strongholds of criminal and pirate activity.

Following a two-month intelligence gathering operation by IFPI SE Asia anti-piracy personnel, VRB (Video Regulatory Board) officers, assisted by IFPI SE Asia representatives, took part in a series of raids starting at 5am on 15th January. They were supported by over 500 heavily armed police and military personnel.

Nine separate locations in Maharlika Village, Taguig, Metro Manila - a volatile location with a history of violent opposition to law enforcement operations - were targeted in the raids. Raiding teams searched the targeted addresses, recovering over 190 CD burners and several hundred thousand finished music and film products. Hundreds of thousands of jewel cases inlay cards and other associated products and printing equipment were also seized. The suspected ringleader



Philippines: Chairman Revilla and the Mayor of Taguig talking to the press after the raids

of the syndicate, was apprehended at a targeted address. Senior government officials in the country later praised the operation, which saw the largest deployment of armed military and police personnel seen within the urban area of the capital for many years.

The operation, headed by VRB Chairman, Ramon Revilla Jr, was pronounced a resounding success.

“This is an infamously difficult and sensitive area to carry out enforcement action in. The professionalism and commitment of all those involved has sent a clear message to the pirates that there are no more 'No-Go' areas for them.”
Chairman Revilla

“Piracy in the SE Asia region is extensive, damaging and largely backed by organised criminal groups. We applaud the willingness to take tough action shown by the Philippines authorities against pirates in this notorious part of the capital.” *Iain Grant, IFPI Head of Enforcement*

VRB disc crushing ceremony held at Police Training School

The Video Regulatory Board (VRB) personnel, senior officers of the Philippines National Police (PNP) and representatives from the entertainment and software industries gathered at the parade ground of the Police Headquarters Training School to witness the largest crushing of optical disc product ever to take place in the Philippines.

The ceremony, on 3rd February 2003, marked the culmination of six months of intensive



Philippines: During the ceremony 12 million discs were laid out in the shape of a '0'.

enforcement action by VRB and the police, carried out under the instruction of VRB's newly appointed Chairman, Ramon Revilla Jr.

The parade ground, covering roughly 200 sq metres, was almost entirely covered in approximately 12 million pirate CDs, VCDs and DVDs with an estimated street value of 1 billion pesos. The discs had been laid out to form a huge zero, as viewed from the air, to symbolize VRB's 'Zero Tolerance Policy' towards piracy.

After an opening address by the PNP Chief, Director General Hermogenes Ebdane, in which he congratulated VRB on their aggressive and dedicated enforcement action, the Interior and Local Government Secretary, Jose Lina Jr, offered his support in the fight against optical piracy. He proposed publicly that all provincial mayors be deputised to carry out enforcement action against the manufacturers, distributors and retailers of pirate discs that were slowly but surely strangling the life out of the Philippines music, film and software industries.

Mr Revilla then drove a steamroller and, whilst doing a lap of the parade ground, mangling discs as he went. He also thanked his team and expressed his appreciation for the support of local and international industry bodies, in



particular IFPI, for their assistance in the ongoing piracy fight. Mr Revilla conceded that the war was far from won and that enforcers faced an uphill struggle. He stated: **"VRB cannot do this alone"**. He subsequently called upon the support of the Philippines people, asking them to refrain from buying pirate products.

Since assuming the role of VRB Chairman in June 2002, Revilla has worked closely with IFPI SEA enforcement team on several replication plant and large-scale CD-R operations. Chairman Revilla recently acknowledged the support provided by IFPI at an entertainment industry awards ceremony.

► THAILAND

Anti-piracy raid violence

A police sergeant was shot in the arm while in a vehicle containing seized product. The officer had been assisting the local music industry on an anti-piracy action at a retail market in Central Bangkok on 19th January. Two suspects on motorcycles approached the vehicle and fired one shot, hitting the officer in the arm. The assailants escaped, but, after an intensive manhunt, a suspect was arrested the same day.

The individual concerned has a lengthy criminal record including copyright infringement related offences. Fortunately the officer concerned is now recovering from his injuries.

This incident again illustrates the increasing level of violence that is now becoming a feature of music piracy in the S.E. Asia Region.

► TAIWAN

Violence accelerates as clampdown continues

With tightened enforcement actions against optical disc pirates in Taiwan, suspects at all levels of the illegal industry have begun resorting to violence to protect their activities. On 9th December 2002, four police officers of the Naihu Station tried to conduct raids on a night market situated in the Taoyuan area. A stand off developed between the police and the pirates, who later called for support via mobile phone. Shortly after a large number of local youths appeared, surrounded the police officers and began attacking them. The officers received head and body injuries and could only be extracted from the mêlée by reinforcements.

In a separate action the following day, IFPI anti-piracy personnel were assisting the IPR Taskforce in a raid on the Jui Kuang Road Night Market in Pintung County, Kaohsiung. The raiding team took action against a notorious pirate music retailer. However, when the pirates found that IFPI team members had blocked off their escape route, they began attacking the team. This resulted in injuries to one team member and to a police officer who came to their assistance.

Such is the level of disdain for the authorities. For example, one recent raid operation recovered pirate music products with the phrase "Catch Me If You Can" inscribed on the inlay card. Despite the often violent reaction of the pirates, the Taiwan authorities and IFPI investigators continue to confront the piracy problem head on.

This was demonstrated in a further action against an underground replication facility in Taichung on 13th January, involving members for the Ministry of Justice Investigation Bureau assisted by IFPI investigators. The raiding team uncovered two replication machines in full operation in the process of producing pornographic material. In addition, some 583 infringing stampers were recovered, the vast majority containing pirate international and local music products.

Interestingly the two replicating machines were found to have been previously owned by a Taiwan plant raided some time ago by IFPI.

Several people were arrested, including an individual previously investigated by IFPI for illegal manufacturing activities. IFPI is assisting the authorities to prepare a criminal prosecution against the people involved. Information gathered during this raid led to a second operation the same day at a premises believed to be a storage facility. The raiding team discovered 298 master recordings, which on examination were found to contain pirate versions of local and international artists.

Also during the same month, the IFPI anti-piracy team assisted the police in raiding several pirate CD distribution centres in Taichung and Changhua, resulting in the recovery of 120,000 illegal optical discs and the arrest of four operators.

*Reports by Bob Youill
IFPI Enforcement, S.E. Asia/Pacific*



► **LITIGATION**

IFPI and BSA see results after anti-piracy cooperation on plants

IFPI and the Business Software Alliance (BSA) have recently signed a number of joint settlement and co-operation agreements with optical disc plants in Europe. The agreements reflect the success of two and a half years of collaboration between the two associations to combat piracy at optical disc plants.

The latest agreement was with the Optical Disc Service (ODS) plant in Dassow, Germany after ODS unintentionally produced 5,000 sets of Blade 2 discs which contained unauthorised copies of business software and computer games, as well as MP3 sound recordings. ODS, which cooperated fully in the investigations, has agreed to implement stricter checking routines. In future, ODS will apply SID codes to all stampers and discs it produces and provide samples to IFPI, as well as support the BSA and IFPI in any future investigations that may be necessary.

In the past few months, agreements have also been finalised with the GZ Digital Media plant in the Czech Republic and Euro Digital Disc Manufacturing (EDD) in Gorlitz, Germany.

The agreement with GZ follows an IFPI and BSA initiative looking at the manufacture and distribution of unauthorised copies of music and business software from Eastern to Western Europe.

GZ has signed this agreement to strengthen its cooperation with IFPI and BSA, and to put in place new measures to avoid the production of unauthorised copies of music and business software. GZ has cooperated fully with all aspects of

IFPI and BSA's enquiries in the past. The new agreement updates a 1996 agreement between GZ and IFPI. In addition, GZ has separately agreed to make a contribution to IFPI and BSA's anti-piracy activities.

The Euro Digital settlement agreement follows the discovery that between 2000 and 2001 EDD produced several thousand copies of eight different sets of optical discs (in CD-ROM format) for Data Media Aps in Denmark. These discs were later sold under the name Syndicate, Volumes 1 to 8. Under the agreement Euro Digital has agreed to pay a significant sum as damages for the infringement of the rights of IFPI and BSA members.

The Syndicate discs contained unauthorised copies of business software, and unauthorised MP3 files from artists including Faithless, Janet Jackson, the Bee Gees, Madonna, Red Hot Chili Peppers, Mel C, Robbie Williams, Anastacia, Bon Jovi, REM and Britney Spears. Euro Digital has agreed to a number of measures that will limit the possibility of producing pirate software or music in the future.

Trevor Albery
IFPI Senior Legal Adviser

Chris Merchant
IFPI Enforcement

► **FORENSICS**

Music & film industries work together to fight optical disc piracy

IFPI and the Motion Picture Association (MPA) have since the start of 2003 been working actively together in the area of forensic examination of pirate and counterfeit optical discs. This technique, which IFPI has pioneered over the last two years, will now be used to trace the production centres of illegal copies of MPA members' products on DVD. IFPI will carry out the work on behalf of the MPA. The forensic examination of CDs has proved to be a key weapon in the fight against pirates, making it more and more difficult for these criminals to hide their production centres of illegal copies.

This initiative, which was welcomed by Iain Grant, Head of Enforcement for IFPI and MPA's Ruben Garcia, Director of Optical Disc Anti-Piracy takes forward the already close cooperation on investigations against piracy which the two optical disc based industries have developed in recent years.

IFPI agreement with German mastering facility

IFPI has concluded a co-operation agreement with the German mastering facility Master & More. Between 1997 and 1998, Master & More manufactured 24 unauthorised stampers on behalf of DCD Manufacturing Limited in Israel.

Master & More agreed to pay compensation to IFPI members for these past infringements, and to adopt more effective control measures in the future. These include complying with the IFPI guide, Good Business Practices for Optical Disc Mastering and Manufacturing Plants.

Master & More supports IFPI's lobbying of the European Commission for the regulation of optical disc manufacturing and mastering.

Neil Boyd
IFPI Legal Adviser



► TRAINING

IFPI South East Asia hosted a training seminar for officers from the Hong Kong Customs IPR unit in Hong Kong in February. Also in attendance were members of the Department of Justice, with responsibility for prosecuting IPR offences. In total, 70 persons attended.

IFPI Head of Enforcement, Iain Grant, and Regional Co-ordinator Bob Youill opened the training seminar, which concentrated on the production process, examination and identification of optical discs and the forensic evidence available. The seminar was addressed by several members of the South East Asian office, all of whom have wide experience in the investigation of music piracy, and Mr James Wise representing IRMA for anti-piracy compliance in Asia.

Officers from the Hong Kong Customs unit have responsibility for all IPR investigations and wide powers of investigation including the inspection of all optical disc production facilities.

Hong Kong introduced powerful legislation designed to combat counterfeiting several years ago and this legislation is often cited as a model upon which other countries in the region base amendments to their own laws.

The effect of this legislation has been that many illegal replication plants in Hong Kong have closed down forcing pirates to adopt clandestine CD-R duplication facilities. The continuing support to customs investigators in Hong Kong remains an important strategy for the IFPI enforcement unit.

Graham Hagger
IFPI Training Officer

► DATABASES

Pirate Product Database (PPD): New & Forthcoming Release Schedule

A new function will shortly be available via the PPD for all users. The New and Forthcoming Release schedule currently enables users to view recent and forthcoming releases of international and regional repertoire. Its purpose is to assist investigators in identifying pirate / counterfeit versions of these products within their territories.

The schedule was established two years ago. During that time, 77 albums have been found prior to their official release dates, demonstrating how effective the schedule is. By providing our investigators with the information of these releases they were able to look out for these products months in advance.

The schedule is split into regions. Some of the regions currently contain very little repertoire as it is

difficult for the PPD Administrator to collect information on products which are released only in these territories. Language is also a barrier. In order to address these problems, users can now upload details of new releases in their regions directly via the PPD web page.

Local artists are just as important to the music industry as international. We want to ensure that the New and Forthcoming Release Schedule is not just being used to identify "International" artists.

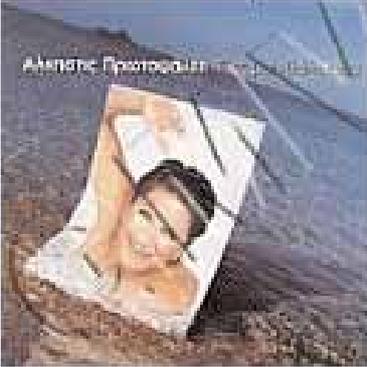
This new system is "unicode compliant" meaning any language can be entered. The artist, title and label fields will allow Unicode language. The rest of the information on the form will be in English.

This additional feature is an important development for the PPD web site. We are confident this will be as successful as the existing Schedule.

Kelly Stubbs
PPD Administrator

Date Created : 26 February 2003 12:5:14
Artist Name : Άλκηστις Πρωτοψάλτη
Title : Πες Μου Θάλασσα
Label : Mercury / Universal Music Greece
Release Date : 6 January 2003
Region : Western Europe

Image :



PPD: Example of Greek product entered on the new schedule.



Philippines

Firearm seizure on disc raid

VRB officers, accompanied by National Police Agents and IFPI personnel, raided a suspected optical disc storage facility in Metro Manila on 2nd February.

Shortly before the raid, three Philippine men reported to Caloocan Police Station that their employer had assaulted them. Further enquiries revealed that their employer's compound in Santa Domingo was used as a storage facility for a variety of counterfeit goods including optical discs. Local police referred the information to VRB who immediately applied for a search warrant.

The target premises, a large 2 storey residential house within its own walled compound, was then stormed by enforcement personnel who had to scale perimeter gates to get in. They recovered hundreds of boxes of suspected counterfeit switches and pirate optical discs, as well as a 9mm handgun and an Uzi sub-machinegun. The owner of the premises was arrested.

Follow-up investigation confirmed the premises was a pirate optical disc distribution centre and that, prior to the raid, tens of thousands of pirate discs had been distributed to retailers.

*Bob Youill
IFPI Enforcement S.E.Asia*

Taiwan

Music website neutralised

IFPI investigators started enquiries in late 2002, into a Taiwan-based website offering local members' repertoire. In January 2003, the completed investigation was passed to the authorities and a raid conducted at premises in Taoyuan County. The raiding team recovered 13 computers and 15 groups of CD-R burners as well as a total of 25,648 CD-Rs recorded with either music or pornography. Four people were arrested.

Also in January 2003, the Junghe City Police in Taipei County, assisted by IFPI personnel, raided a large-scale CD-R duplication centre resulting in the recovery of 67 CD-R burners and 20,000 pirate music products. Five people were arrested.

Netherlands

New anti-piracy structure

As of 1st January 2003 the ODBS has been transferred to the fiscal and economic crime unit (FIOD-ECD) where it operates as a separate anti-piracy team. BREIN has obtained agreement that the criminal enforcement policy executed by ODBS will be continued. BREIN also takes part in the annual enforcement arrangements on IPR between FIOD-ECD and the public prosecution service, which is creating a special unit with expertise on IPR enforcement.

Source: BREIN

Diary 2003

- Jan-Apr Training for police (Portugal)
- 20-21 Mar Western Europe Investigators Meeting (Naples)
- 1 Apr European Executive Committee Meeting (Athens)
- 2-4 Apr RAPEC Meeting
- 4 Jun IFPI Main Board (Moscow)
- Jun Enforcement Bulletin Issue 19

Last word...

General anti-piracy enquiries and requests for information relating to enforcement issues should be sent to the following email address:

enforcement@ifpi.org

The next EB issue will be **June 2003**.

Contributions / comments are welcomed and these should be forwarded to the editor no later than **22nd May 2003** (see below for details).

Mailing list enquiries should also be addressed to the editor.

People news...

Departures

Matthew Drew Regional Investigator - S.E. Asia (Mar 2003)

Appointments

Sergey Avdienko Regional Enforcement Coordinator Russia/CIS (Jan 2003)

John McGuire Regional Investigator - S.E. Asia (Jan 2003)

Stephanie Woodford Assistant Forensic Officer (Mar 2003)

Graham Hagger Promoted to Training Officer (Jan 2003)



This Bulletin is edited by Isabelle Betsy, Executive Administrator @ IFPI Secretariat.

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