# Establishment & Effective Utilization of Cross Border Cooperation: IFPI experience

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### IFPI, International Federation of the Phonographic Industry

- Non profit organisation representing the producers and distributors of sound recordings & music videos worldwide
- over 1400 members in about 66 countries
- registered in Zurich Switzerland, in 1934
- IFPI's headquarters located in London
- Regional offices in Miami (Latin America) Brussels (EU and Eastern Europe Affairs) Moscow (CIS) and Hong Kong (Asia and the Pacific)
- Affiliated with RIAA (USA)
- Consultative status with UNESCO, ILO, WIPO, WTO, Council of Europe, WCO, Interpol

















































































#### Role of IFPI

- Promote the value of recorded music develop rights of members
- Safeguard the rights of members enforcement of members' rights
  - Anti-Piracy enforcement actions, both physical and digital environment
  - Collective Licensing of members' communication, broadcasting & public performance rights
- Public Awareness, Education, Training
- Development, assessment and management of industry standards for different technologies – ISRC, SID Codes

#### IFPI Affiliated Local Groups in Asia Pacific

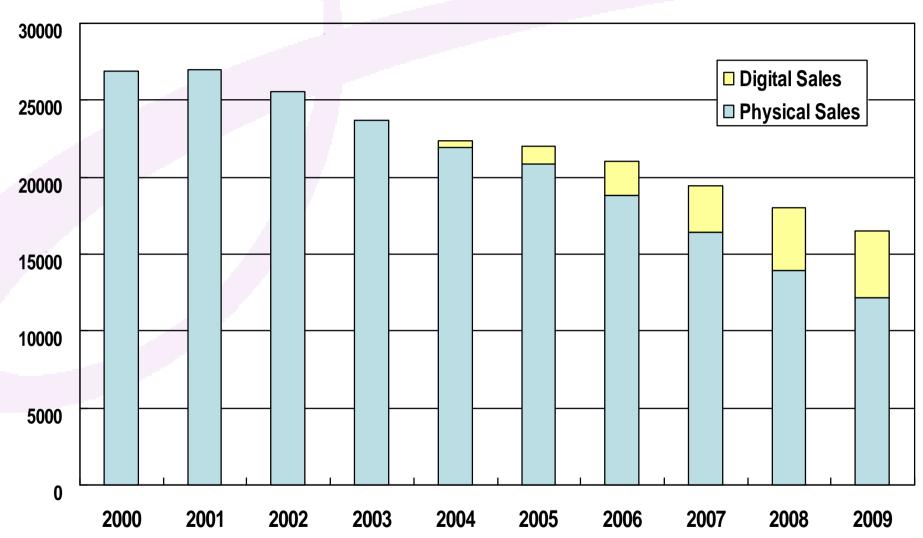
- Australia Recording Industry Association (ARIA)
- Recording Industry Assc of Japan (RIAJ)
- Indian Music Industry (I M I )
- IFPI Hong Kong Group
- Hong Kong Recording Industry Alliance (HKRIA)
- Recording Industry Assc of Malaysia (RIM)
- Recording Industry Assc of New Zealand (RIANZ)
- Philippine Association of the Recording Industry (PARI)
- Recording Industry Assc of Singapore (RIAS)
- Recording Industry Foundation in Taiwan (RIT)
- Thai Entertainment Content Association (TECA)

## IFPI Affiliated Collective Management Organizations (CMOs) in Asia Pacific

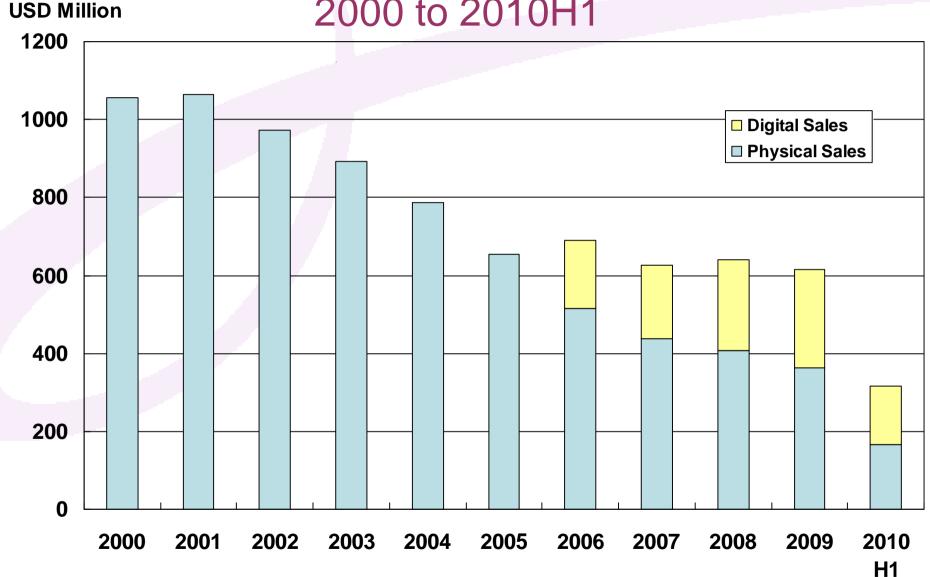
- Australia Phonographic Performance Company of Australia (PPCA) 1969
- People's Republic of China China Audio Video Copyright Association (CAVCA) established in 2005 but commenced licensing in 2008
- Hong Kong 2 CMOs
  - 1. Hong Kong Recording Industry Alliance (HKRIA) 2008
  - 2. Phonographic Performance (SEA) Ltd (PP(SEA)L) 1984
- India Phonographic Performance Ltd (PPL) 1941
- Japan Recording Industry Association of Japan (RIAJ) established in 1942 but designated as collective administration body in 1971
- Malaysia Public Performance (M'sia) Sdn Bhd (PPM) 1988
- New Zealand Phonographic Performance New Zealand (PPNZ) 1957
- Philippines Philippine Music Public Performance Society, Inc. (PMPPSI) 2007
- Singapore Recording Industry Performance S'pore (RIPS) 1998
- Chinese Taipei Association of Recording Copyright Owners (ARCO) 1993
- Thailand Phonorights (Thailand) Ltd (PTL) 1997
- Indonesia ASIRINDO 2010

#### Global Music Sales 2000 to 2009

#### **USD Million**

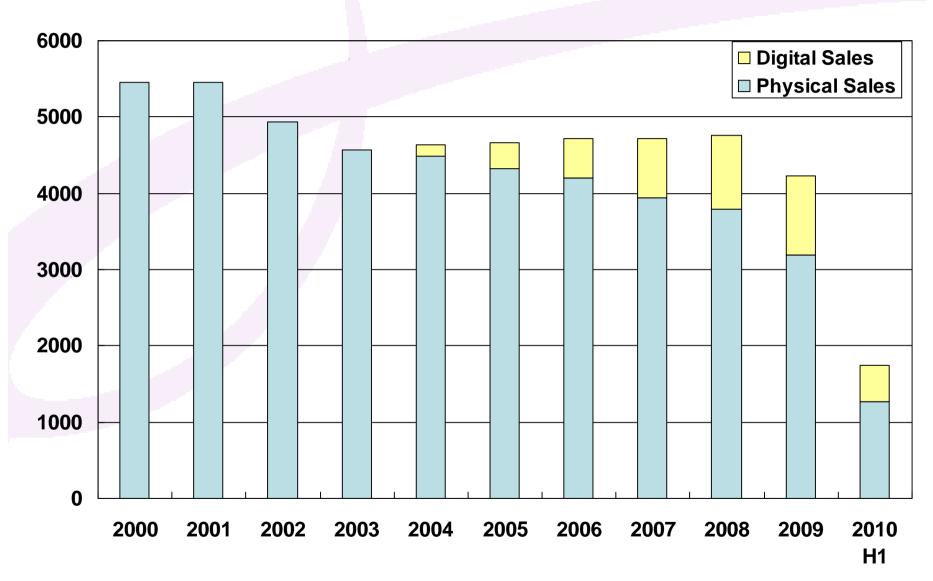


### Asia Music Sales (excluding Japan) 2000 to 2010H1



#### Japan - Music Sales 2000 to 2010 H1

**USD Million** 

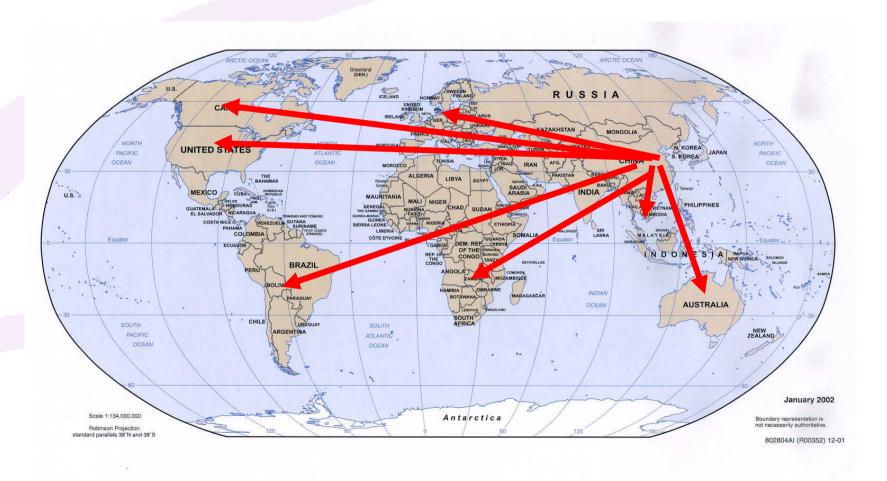


### Challenges to the Record Industry - Music Piracy

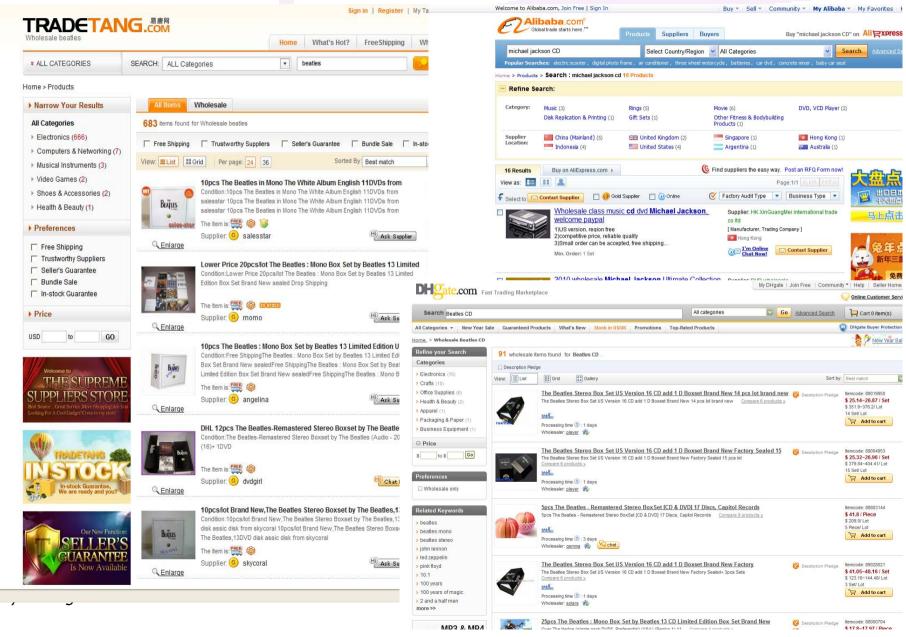
- Physical Piracy
  - CD Piracy
  - CD-Recordable (CD-R) Piracy
- Internet Piracy
- Mobile Devices Piracy
- > All of which are cross border in nature

#### Cross border nature of current music CD piracy

Chinese made high quality CD box sets exported worldwide



#### **B2B Distribution Channels from China**

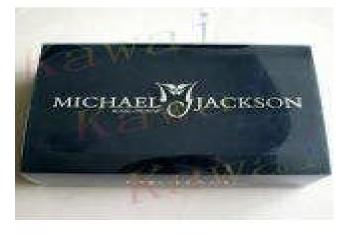


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### High quality Box-sets of famous artistes sold on Chinese B2B sites

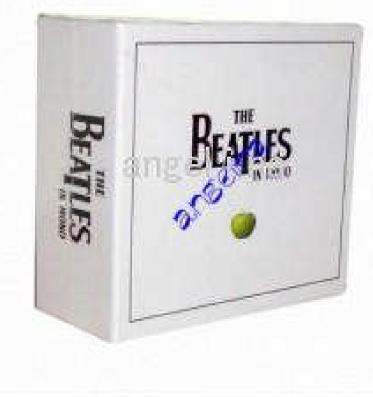






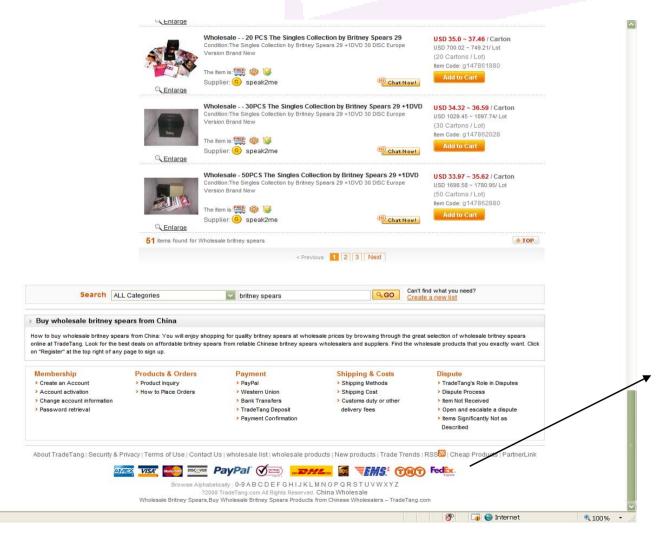
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### High quality Box-sets of famous artistes sold on Chinese B2B sites





#### **B2B Distribution Channels from China**



Modes of Delivery and Payment

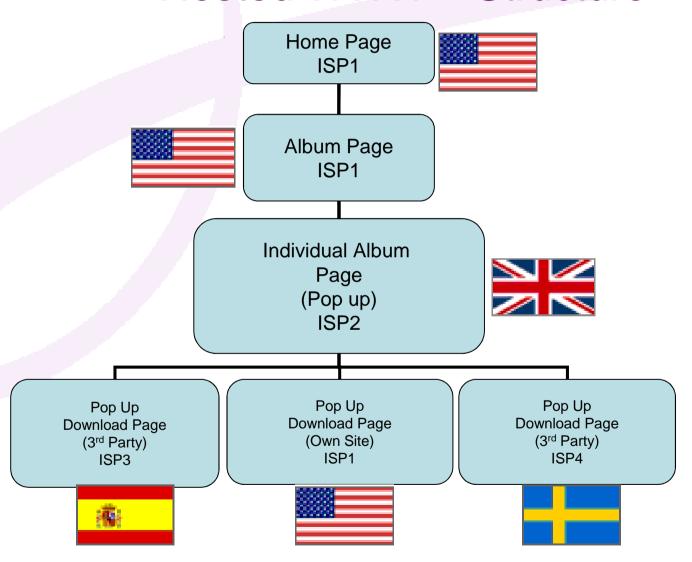
#### Online Music Piracy Levels

- Estimated over 40 billion illegal song files downloaded over P2P services per year
- Over 90% piracy level

### Digital Music Piracy Sources of Infringing Music

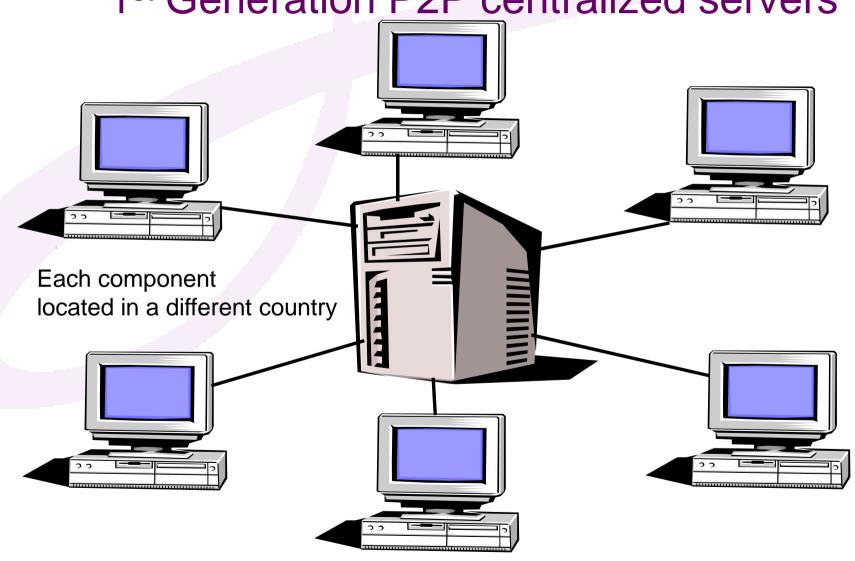
- Topsites
- Music Download / Streaming Sites
- Forum/Blogs Sites offering vast amount of infringing files/links
- Cyberlockers /Webhards
- Music Deeplinking Sites
- Peer to Peer (P2P) filesharing sites / Bit Torrent sites
- Video sharing sites
- WAP sites for mobile download
- Apple and Andriod Apps for downloading of unauthorized

#### Cross border nature of digital piracy Nested WWW – Structure

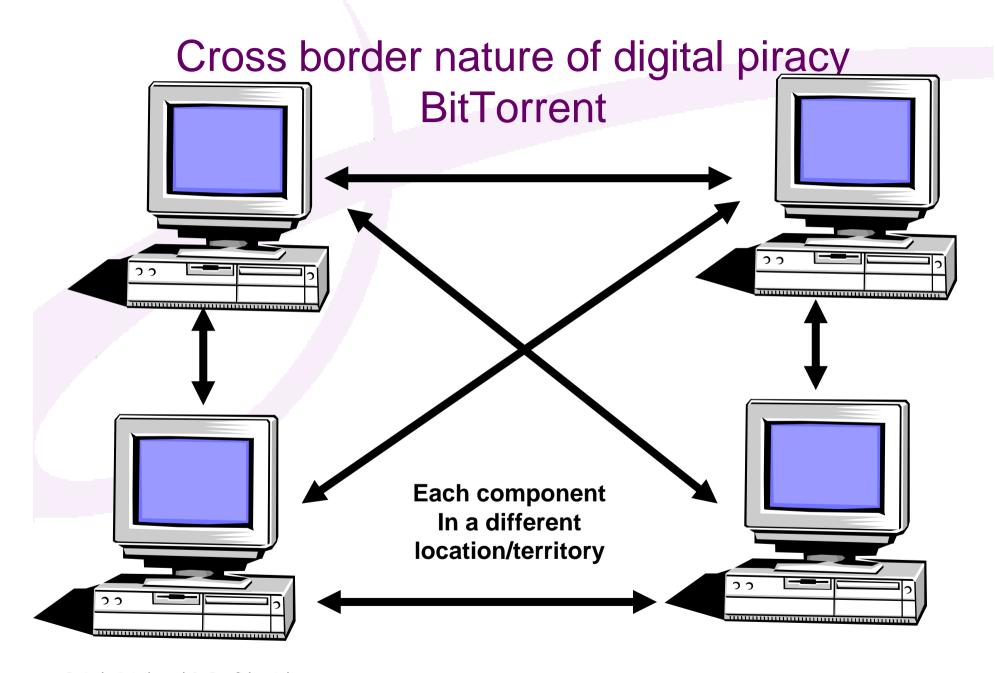


Homepage/Sites based in Servers with thousands of illegal Europe /USA music files situated in China - shut down in July/Aug 2004 www.mp3xplosion.com wma.hardfan.com www.easymp3s.com download.hardfan.com www.supermusic.nu www.crazymp3s.org just.hardfan.com 21.hardfan.com www.21century-mp3.com 22.hardfan.com fine.hardfan.com www.finestmp3s.com wma.showgift.com www.supermusic.nu bt.showgift.com realalbums.spydar.com zip.playtunes.net www.crazymp3s.org Strictly Privileged & Confidential

### Cross border nature of digital piracy 1<sup>st</sup> Generation P2P centralized servers



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### Cross border nature of music CD piracy Co-operation with various parties

- Co-operation with rights holders sharing of intelligence, forensic capabilities, assistance in identification
- Co-operation with local enforcement agencies police, customs for local investigations
- Co-operation with international enforcement agencies WCO
   & Interpol
- Co-operation with website operator to remove postings
- Co-operation with courier companies & shipping agents Fedex, DHL, TNT, EMS
- Co-operation with payment gateways eg Paypal, Visa, Mastercard
- Co-operation with ISPs
- Co-operation with governments for public awareness, education campaigns

#### Co-operation with ISPs

- For hosted content immediate take down, filtering of copyright material
- For non- hosted content eg P2P
  - Graduated response against repeat infringers leading deterrent penalties including suspension or termination of internet accounts
    - Countries with GR legislation France, S. Korea, Chinese Taipei, United Kingdom, Chile, New Zealand
    - Countries considering GR legislation Malaysia, India
  - Blocking of access to infringing platforms

### Examples of cross border co-operation MASTERBOX pirate CD supply chain

- In October 2010, more than 100 police officers in Belgium, Bulgaria, the Netherlands and Spain, assisted by investigators from IFPI, took coordinated action against those involved in the manufacture, supply and sale of an unlicensed CD and DVD box sets that generated millions of euro in illegal revenues for its criminal backers.
- The Masterbox series contained unlicensed music, films, games and television programmes. Each box set included an MP3 disc featuring around up to 60 albums, some of them pre-release leaks. Music from artists such as Black Eyed Peas, Michael Jackson, Green Day and Robbie Williams was found in the Masterbox series, which ran to more than 50 editions.
- Manufacturing facilities had moved from Poland to Italy to Czech Republic to Bulgaria and raids had been conducted in factories in these countries

### Examples of cross border co-operation Seizures in Uruguay ODs made in Taiwan

- In Dec 2009 Uruguayan Customs officials seized over a million blank DVD-Rs and CD-Rs destined for pirate syndicates including:
  - a shipment of 500,000 blank DVDrs at Montevideo
  - a truck with 600,000 Blank CDRs on route to Santana do Livramento, Brazil.
- Documents seized along with the cargo indicate that these optical units originated from Taiwan

### Examples of cross border co-operation Actions against uploaders by HK customs

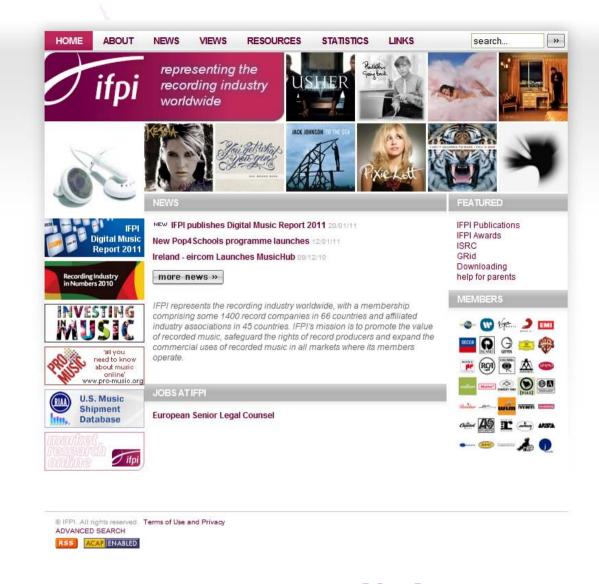
- In Nov/Dec 2010 HK Customs arrested 3 individuals who uploaded pre released and new albums of popular Chinese artists including AlanTam, Cherry Boom, Endy Chow, Kay Tse and Phil Lam to cyberlockers. Links to the cyberlockers were posted on forum sites including discuss.com.hk, catcatforum.com, 8Cyber.com, HK-Pub.com and Uwants.com, all of which were popular among Chinese communities around the world.
- In March 2010 HK Customs took action against 2 men who uploaded popular HK artiste Eason Chan's latest album *Time Flies* to cyberlocker sites overseas:
  - The 1<sup>st</sup> man had uploaded some pre-release songs to a cyberlocker in the United States. The man also posted links to the files containing the tracks on the popular Hong Kong-based forum Discuss.com.hk.
  - The 2<sup>nd</sup> man had uploaded the entire album to 4 cyberlocker sites in the Netherlands and the United States and also posted links to the files containing the tracks on Uwants.com, a forum site.

#### Examples of cross border co-operation Topsite in S Korea

- In late 2009, IFPI investigations revealed a Topsite based in S Korea supplying Korean and International pirate channels of pre and newly released songs, of Korean and International repertoire
- IFPI ARO filed a complaint with the cyber police in S Korea in Nov 2009
- Raids were conducted in Feb 2010; several servers were seized and 4 operators of the Topsite arrested and charged for copyright infringement
- The website operators paid compensation to IFPI and published an apology in the Korean newspaper

### Examples of co-operation with ISP Eircom in Ireland

- In Jan 2009, Agreement was reached between record companies and major Irish ISP, Eircom
- Graduated response process for P2P infringement culminating in account disconnection if subscriber does not comply with warnings
- Eircom launched a licensed music service for subscribers



#### www.ifpi.org

### Thank you