

Report Piracy Get Involved - Get Involved

Piracy affects your business so get involved.

You can have a substantial and positive impact on Piracy in your area if you are determined to tackle the matter right away. There are numerous results where Rental stores have been influential in assisting with shutting down a large degree of Piracy in certain markets or suburbs in areas surrounding their businesses.

Logically it follows that if Rental stores (and there some 2000 nationally in Australia) made a sustained and concerted effort to tackle Piracy in their local area, the Rental industry could achieve widespread success and we would all benefit.

The Australian Federation Against Copyright Theft, [AFACT] is the prime body charged with combating Piracy in Australia. Neither you, nor your Group head office nor the Association has the expertise and finances to tackle all those engaging in illegal Piracy activity and follow through with the dozens of prosecutions involved in every Piracy case. AFACT is charged with that responsibility so it's best to understand that Rental stores will have a far better success if they utilize that office and its resources.

AFACT not only investigates and prosecutes offenders it also engages in public education and lobbies Government on behalf of Copyright owners. Working

hand in hand with AFACT in the areas of reporting and public education will provide the industry with the best results in fighting Piracy. The Rental industry is seen by AFACT as an ideal avenue for public education and awareness of the problems of Piracy within the industry and Rental stores should see themselves as having an obligation to carry this message to the public at store level with posters and or hand out flyers. If you are not even prepared to carry a message to your customers that Piracy is illegal and damaging your business, then its hard to justify why other bodies should be concerned and take up the fight for you.

In the past AFACT has called on Rental stores to provide information through surveys, to contact local MP's using a generic template letter downloaded from the AVRRA website or to even simply attend a DVD Destruction day to speak first hand to the media about the impact Piracy has on your businesses. The support from Rental stores in the fight may well have been described in the past as insignificant.

Reporting Piracy to AFACT is a basic starting point and AVRRA couldn't make it easier for you. AVRRA's website (www.avrra.com.au) has a direct link to AFACT's

"Report Movie Piracy Forms" Although the form provides the options that you can either remain anonymous or request you be contacted, from experience I would suggest that AFACT will not contact you, that regularly leads Rental stores to believe they are being ignored. It must be remembered though that AFACT cannot provide continually updates or give any feed back on the cases that are being investigated because such action could jeopardize their investigations. The timeframe involved in AFACT receiving a report, conducting an investigation and commencing legal proceeding against offenders all takes time and experience tells us this may take be upwards of twelve months. Having said that he is also common knowledge that many matters are dealt with successfully through negotiations and discussions AFACT has with offenders. The most effective solution to DVD Piracy in your area is to report it to AFACT. But also, get the other stores in your area involved and have them provide any information that they have to AFACT.

So Report Piracy Get Involved and together as an industry we can and will make a difference.

Illegal DVD burning operation in video store shut down

Sydney, Australia – On Wednesday 17th January, 2006 Australian Federation Against Copyright Theft (AFACT) investigators and New South Wales Police raided a video rental store in the Sydney suburb of Hurstville, surprising two women caught in the act of burning movies under the counter.

Police seized an estimated 3,500 - 4,000 optical discs containing illegal copies of movies and TV programs including 'Lost – Season 3', 'Flushed Away' and 'Happy Feet'. Also seized in the raid were

approximately 3500 blank DVD-R's, 1 computer, 2 CD-R burners and 14 DVD-R burners.

AFACT calculates that this fourteen burner operation was capable of producing 6,720 discs a week with a street value of \$67,200 – or nearly \$3.5 million a year.

The raid, carried out by Hurstville detectives and assisted by AFACT investigators followed a report of suspected illegal activity at the rental store from a member of the public.

Inquiries are continuing and charges are

expected to be laid under the Copyright Act.

"We commend Hurstville detectives for their efforts in combating this crime and in exposing this illegal operation. Today's raid closes a manufacturing operation and takes a significant number of illegal movies off the market. This is a great result for everyone working in local cinemas and video stores struggling to compete in the face of this crime." said Adrienne Pecotic, Executive Director of AFACT.

Revised APRA licence scheme

In September 2006, the Copyright Tribunal handed down its decision in relation to a new background music licence scheme that would apply to the retail and general business sectors (including video retailers). The decision marks the end of a four year process whereby the Tribunal considered the value of music in business, the rates charged by international collecting societies and the impact that the revised licence scheme would have on Australian businesses.

The outcome of the Tribunal's decision delivers a licence scheme that adequately values the use of background music and provides for an equitable distinction between the fee structures that will apply to large and small businesses. To provide for an easy transition to the new licence scheme, the Tribunal has also determined that the revised licence fees should be phased in over a three year period.

Further information on the new background music licence is available from the APRA website (www.apra.com.au/music users) or by calling 1300 852 388. APRA will commence contacting existing clients two months prior to the renewal of their annual licence, to offer them the new agreement.

Office of Film and Literature Classification for DVDs



Industrial Relations Contact Numbers

One of the most time consuming tasks of any business these days is ensuring wages and conditions for all staff are correct. For the convenience of members we have produced a list of contact details for all the Industrial Relations Departments (Australia)

New South Wales
131 628
www.dir.nsw.gov.au

Victoria
03 9651 5560 or 1800 287 287
www.ir.vic.gov.au

Western Australia
1300 655 266
www.docep.wa.gov.au

Queensland
1300 369 945 within state or
1800 177 717 elsewhere
www.dir.qld.gov.au

South Australia
08 8303 0400
www.industrialcourt.sa.gov.au

Tasmania
03 6233 7657
www.wst.tas.gov.au - general info
awards conditions
www.pat.tas.gov.au - award rates

ACT and NT
1300 363 264
www.wagenet.gov.au
note this web address also has links to each state site.

"Members Have Your Say"

The Board is encouraging members to email or write to the AVRRA office detailing, in short or at length, their thoughts on the industry and the matters that concern them most.

Email to: ross@avrra.com.au
or mail to: AVRRA Ltd,
P O Box 420
Spit Junction 2088

So get involved, let us know what's on your mind. Look forward to hearing from you.

ASSOCIATE MEMBERS

Rocket Software (Customsoft) • Imagine Entertainment (an IDT entertainment company) • Eagle Entertainment • Legal and Commercial / National Default Registry • New Zealand Video Dealers Association • APRA • Settec Australia • Summit Technology Australia Pty Ltd

OUR MISSION

To develop, promote and represent the video industry. To provide effective service, support and direction for our members.

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Your rights to buy and rent movies

by Nathan Mattock February 2007

Films are not protected under copyright laws in the same way as other "works of art".

Unlike computer programs, any person is entitled to legitimately buy a film as a retail item from any source within Australia and rent it out.

The right to restrict rental is known as a "rental right". The Copyright Act does not protect rental of films. Film makers and distributors do not have a "rental right" that attaches to their films.

It is irrelevant that a particular retailer or distributor claims to have an exclusive licence regarding a particular film. A legitimate purchase may even take place from another video retailer claiming an exclusive licence. This does not change your legal position.

As AVRRA members may recall, this very issue was determined in the landmark case taken on by AVRRA in the Federal Court in 2001.

In AVRRA v Warner the Federal Court conclusively determined that no "rental right" attaches to a film. In that case Warner attempted to argue that a film in a DVD format was a computer program and was therefore subject to the rental right provisions applicable to computer programs set



Pay It Forward - one of the titles in the AVRRA v Warner case.

out in the Copyright Act. AVRRA successfully fought Warner on this argument.

If anyone contacts you and demands the removal of a film or films from your shelves, and claims an exclusive licence, know your legal rights. If you have legitimately purchased the film or films in question you have not breached the rights of that person.

Buy away! Rent away!

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Video Ezy to acquire BLOCKBUSTER® Australian master franchise rights

Video Ezy today announced that it has entered into an agreement to acquire the masterfranchiserightstoBLOCKBUSTER® in Australia for an undisclosed amount.

Video Ezy has applied to the Australian Competition and Consumer Commission for clearance of the acquisition. A decision is expected in the near future.

Video Ezy Managing Director Paul Uniacke believes that acquisition would deliver positive results for franchisees of both organisations as well as the millions of Video Ezy and BLOCKBUSTER® members and consumers.

"There are significant synergies to be achieved, and we believe it is an exciting time for both organisations," Mr Uniacke said.

"The deal comes against the background of significant growth during 2006 for Video Ezy in both rental and retail sales, and a record fourth quarter. Video Ezy has had success in the retailing of home entertainment products this year and has grown market share," Uniacke continued. "We have partnered with some of our major distributors to enhance our product offering to consumers in 2007, and we look forward to improved sales through

these innovations.

"The commencement of the digital rental trial was recently announced, and work is underway on other digital delivery mechanisms, which will include franchisees and offer further profit avenues."

The transaction would see the BLOCKBUSTER® brand continuing in Australia, and would provide entertainment through traditional bricks and mortar shops, as well as via digital media, to their customers in the future.

Andrew Gardiner, General Manager of Video Ezy said that the economies of scale generated by the acquisition should have a positive impact on the profitability of both brands.

"It is our opinion that there is considerable opportunity to grow both rental and retail sales, as well as cost savings which can only be unlocked through this acquisition," Gardiner said.

BLOCKBUSTER® Australia Managing Director Rick Wight said, "The licensing of the master franchise rights marks the completion of a re-franchising program that commenced in early 2005. For our members in Australia, this change should

be seamless, and to all stores it should be 'business as usual.'"

BLOCKBUSTER® stores in Australia would continue to operate using the BLOCKBUSTER® name, the BLOCKBUSTER® system, and the elements that make BLOCKBUSTER® branded stores unique.

"The decision to go with Video Ezy was taken after a comprehensive tendering process. Under the agreement, the BLOCKBUSTER® branded outlets would remain part of the BLOCKBUSTER® global network of more than 8,000 stores but they would operate under a Master Franchisee agreement here in Australia. So the future of BLOCKBUSTER® in Australia looks exciting. Our members can expect the same great service and products through our stores since 1991, plus exciting new digital opportunities," said Wight.

BLOCKBUSTER® Australia is comprised of 370 outlets nationwide – 29 owned by the company and 341 owned by franchisees. The company-owned stores would be acquired as part of the deal.

Video Ezy has 518 outlets, all of them owned by franchisees.

Internet Movie Thief Jailed for 15 Months

Sydney – On Wednesday, December 6, Singleton Local Court in New South Wales sentenced Andrew Circosta, 26, from Jerry's Plains in the Hunter Valley, to a maximum of 15 months in jail for trademark and copyright offences arising from the sale of pirate movies via the Internet. Circosta pleaded guilty and admitted making \$60,000 from the sale of pirate copies of movies via the Internet.

"The sentence sends a clear message that Australia takes copyright protection very seriously and this should certainly act as a deterrent to others involved in the trade," said Adrienne Pecotic, Executive Director of the Australian Federation Against Copyright Theft (AFACT).

Circosta was arrested on June 7, 2006

following a police raid on his home during which police seized nearly 1,000 optical discs infringing movie, Xbox game and software copyrights, four DVD-R burners and two computers. Documents uncovered during the raid showed that Circosta had previously been fined \$10,000 by the Federal Court for selling Sony Playstation games.

An investigation by NSW Police and the Australian Federation Against Copyright Theft was launched after a Crimestoppers report was received by police on July 4, 2005.

This is the third jail term handed down for copyright offences in NSW this year, with a 53-year-old woman from Hinchinbrook sentenced in June by Liverpool Local Court to eleven one-year

jail terms to be served concurrently, and a video store operator from Beverly Hills jailed in November for a year.

"This conviction is a welcome result for film makers, video stores, cinemas and their employees who suffer badly from the crimes committed by copyright thieves," said Pecotic. "Coming hot on the heels of tougher laws on piracy released by the Australian Government this week, it makes clear that copyright theft is crime that has serious consequences."

"I commend Crimestoppers, NSW Police and the NSW Courts for their work in closing down this illegal operation. On behalf of the local businesses affected I also thank and encourage all members of the public who report information on copyright crimes."

DIGITAL COPY PROTECTION

Article supplied by Settec Aust. Pty. Ltd.

Copy Protection Technologies for film in the past were focused on preventing analogue copying methods.

By utilizing the differences in the playback and writing processes of media, advanced algorithms were used to alter the contents from its original state so that analogue copying methods were halted or disrupted. Protection measures such as AGC (automatic gain control) which was used to protect VHS embedded a special noise that confused the VCR to record signals incorrectly. Such methods proved useful during the VHS era but with advancements in personal computing technologies, internet infrastructure and progression to digital forms of media, Copy Protection Technologies now have a wide range of variables to contend with.

In today's 'digital age' where DVD is the current dominant media, analogue copy protection no longer has any value. The copying of digital formats by analogue techniques is often tedious and inconvenient when compared to digital piracy. On the other hand, digital piracy of DVDs has been made an easy everyday task for most due to PC technologies and the availability of the internet.

Digital piracy of DVDs takes place in two main forms: 1) Copying and 2) Ripping. Copying is the action of producing the exact replica of the original content through one to one burning. In modern PCs the process of copying DVDs is an extremely easy task even when protection like CSS is used. In fact, in a PC running Windows XP, a dialogue box with the option of 'Copy Disc' will open when an unprotected disc is inserted into a DVD write enabled PC. Ripping being the slightly more advanced form of piracy decodes DVD contents and re-encodes it to more manageable formats such as AVI or MPEG. Often freely available software for DVD ripping will remove copy protections such as CSS and Region Codes with the click of a button.

So in order for modern copy protections to be successful they now need to prevent both ripping and copying of media as well as be flexible to adapt to further advances in ripping and copying technologies. Hopefully copy protection developments for the next generation formats will have learned from the mistakes of CSS.

Settec originated out of the electronics conglomerate LG Corporation (Korea) in 1997 and is a global provider of copy protection technologies.

Established as a provider of copy protection to audio, DVD, and software titles, Settec has now grown to include digital rights management and online authentication solutions. Consistently at the technological forefront, Settec is recognized as a pioneer in development of digital content protection solutions.

In 2006, Settec established itself as the first developer of Copy Protection to setup its own operation in Australia. This move was strategically planned to facilitate the growing need for content owners in Australia to have copy protection and to provide support for clients in the Asia Pacific Region. Settec now has establishments throughout USA, Korea, Japan and Australia.

Since establishing its operation in Australia, Settec has been well received for its DVD protection solution 'Alpha-DVD'. To date, Alpha-DVD is the only commercially available DVD copy protection applicable to DVD Recordable media as well as DVD pressings. This has enabled Settec to provide Alpha-DVD to content owners for not only commercial release pressings but even on small production duplications. This has proved immensely popular to Film Distributors wishing to copy protect their small production run screener release titles.

Alpha-DVD technology reallocates and inserts Alpha-DVD blocks into original movie contents. Such Alpha-DVD blocks provide multi-level protection against ripping activities by commonly used ripping software. Alpha-DVD technology is applied to DVD so that it is completely transparent to legal users while allowing them full compatibility as normal unprotected DVDs. However, when ripping is attempted, errors will occur notifying either ripping is not possible or the ripping tools recognize no disc.



Film makers and Film lovers to Benefit from New Copyright Laws

December 6, 2006 - Sydney, Australia - The Australian Federation Against Copyright Theft (AFACT) today welcomed the passing of the Copyright Amendment Bill 2006.

AFACT Executive Director Adrienne Pecotic said "We commend the Australian Government for amending the Copyright Act. Film makers will benefit by making their films available on-line and in new digital formats with the confidence that Australia's criminal law deters circumvention of the technological protection measures that help prevent film piracy. Film lovers will benefit from legal access to film and TV shows in an increasing variety of exciting digital formats."

The new laws are particularly timely as TPMs facilitate Australian on-line business models for download to rent and to own, and new generation DVDs that will bring innovations such as high definition content and protected managed copying for home use and mobile devices.

"Strong laws are necessary to protect the technology that enables the digital transition and promotes consumer choice. The legislation will encourage and protect those who license content, by enforcing the law against those who do not. The laws will expand consumer choice by enabling new ways to deliver content legally and safely. AFACT believes the package of reforms will encourage copyright businesses to provide more, and more flexible ways, for consumers to access digital content," Adrienne Pecotic.

The new laws also introduce more serious indictable offences for copyright crimes in Australia and arms police with more effective tools including 'on the spot' fines and proceeds of crime powers to combat piracy.

"I speak on behalf of 50,000 Australians affected by film piracy when I encourage police in every town and suburb to embrace the

proceeds of crime provisions to strip commercial movie thieves of the millions of dollars they are stealing from ordinary Australians every year." said Pecotic

"I also welcome the government providing for the public a simple outline of the new laws and their effect. The film and television industry strongly supports public education and guidelines so that consumers can understand and respect our copyright laws. Every Australian needs to know what they can do to easily access and confidently use copyright material without breaking the law."

"The copyright amendments send a clear message that copyright theft has a cost and must be taken seriously by every Australian. In respecting these laws and rejecting piracy we help protect the film and TV shows we love and the people who work hard to bring them to our cinemas, video stores, TV screens and digital devices."

Piracy in Australia

A study by LEK Consulting found movie piracy cost the film industry in Australia an estimated \$233 million in 2005, with losses mainly attributed to illegal downloading and illegal copying. These losses equate to nearly half of the \$536 million contributed to the Australian industry and economy through local and off-shore film and television drama production in the same year.

The illegal distribution of unauthorised copies of movies rose from 4% in 2000 to around 11% of the legitimate market in 2005.

Police jurisdictions recognise organised crime involvement in film piracy. Organised crime links to movie piracy in Australia were first uncovered following a raid on Malaysia-linked movie pirates in 2002.

About AFACT

AFACT works closely with industry, government, police and educational institutions to address copyright theft and protect the interests of the film and television industry as well as the interests of Australian movie fans.

AFACT acts on behalf of the 50,000 Australians directly impacted by copyright theft including independent cinemas, video rental stores and film and television producers across the country. AFACT has its own anti-piracy hotline: 1800 251 996.

For more information please contact:

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