

# INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE

## 2007 SPECIAL 301 REPORT

### GREECE

**Special 301 Recommendation:** IIPA recommends that Greece be placed on the Watch List in 2007.

## **EXECUTIVE SUMMARY**

During 2006, the level of copyright piracy in Greece remained among the worst of western European countries. Nevertheless, certain industries report very good cooperation with the police, and have obtained numerous seizures. These industries also note excellent cooperation from the Hellenic Copyright Office (OPI) and the Ministry of Foreign Affairs (MFA). Other industries have had much more difficulty. The lack of deterrent sentences continues to frustrate rightsholders and ineffective operation of the Greek judiciary frustrates both criminal and civil efforts to enforce the law in any meaningful manner.

## **PRIORITY ACTIONS IN 2007**

### **Enforcement**

- Announce a national anti-piracy campaign, aimed at creating specific and measurable results (including more raids, more prosecutions, more criminal (and non-suspended) sentencing and at deterrent levels, more public awareness).
- Direct prosecutors to bring cases more swiftly and argue for deterrent, non-suspended penalties.
- Instruct all courts (including appeals courts) to issue deterrent sentences, including imprisonment and fine as provided by the law, and not suspend sentences or fines in practice (suspensions of fines are not permitted under the law).
- Continue good cooperation with the police on inspections, raids and other anti-piracy activities; encourage greater cooperation from the Immigration and Municipal police.
- Initiate greater involvement by the tax police (YPEE) in anti-piracy actions affecting all copyright sectors, expanding on the good work they are doing in the software sector. (1) It is important that YPEE continues the software sector project that has begun by sending direct mails (letters) to all Greek companies with more than 50 employees. (2) YPEE should impose administrative fines for both sellers and buyers of pirate music and other pirated copyright products. (3) YPEE should continue its software audits when it does tax inspections and publicize any enforcement actions that result from such audits. In addition, YPEE should make music and sound recordings audits when inspecting commercial enterprises such as bars and restaurants.
- Give law enforcement authorities the mandate and full competence to pursue investigations on university campuses where Internet and hard goods piracy is rampant. (Police do not have jurisdiction to pursue IPR cases on university campuses based on the outdated academic asylum rule.)
- Take action against copyshops making illegal photocopies of books around university campuses, especially at the University of Pireas and Deree College, and coordinate campus policies to prohibit use of illegal materials on campus.
- Encourage Government ministries and agencies to proceed to legalize business software usage in public agencies.

- Institutionalize a new Special Operational Department for IPR issues within YPEE.
- Judges serving on the new special IP (civil) courts in Athens and Piraeus should be directed to work only on IPR cases and be relieved of their duties dealing with other non-IPR civil and commercial cases. In addition, such IP courts should be established in Thessaloniki and Patras. Also, the scope of these courts' work should be expanded to deal with criminal copyright cases.
- Improve IPR training and education for police, prosecutors, judges, and customs officials.
- Fill the vacant position of Director for the Hellenic Copyright Office without delay.

### **Legislation**

- Adopt legislation to amend the copyright law to implement the EU Directives, which includes administrative fines.
- Develop legislation to provide Municipal Police throughout the country with the authority to arrest and prosecute street vendors for intellectual property infringements.
- Adopt amendments allowing YPEE to impose administrative sanctions.
- Support development of amending legislation to permit ISPs to reveal identities of users suspected of copyright infringement.
- Revise the 1988 law which places an administrative tax on theatrical box office revenues.
- Support legislation which might be supported by the Ministry of Foreign Affairs whereby immigrant street vendors engaged in any copyright violation will be deported.

<b>GREECE</b>				
<b>Estimated Trade Losses Due to Copyright Piracy</b>				
<b>(in millions of U.S. dollars)</b>				
<b>and Levels of Piracy: 2005-2006 <sup>1</sup></b>				
INDUSTRY	2006		2005	
	Loss	Level	Loss	Level
Sound Recordings & Musical Compositions	30.0	60%	26.0	60%
Business Software <sup>2</sup>	106.0	65%	88.0	64%
Motion Pictures <sup>3</sup>	NA	NA	72.0	NA
Entertainment Software <sup>4</sup>	30.2	68%	NA	NA
Books	NA	NA	NA	NA
<b>TOTALS</b>	<b>166.2</b>		<b>186.0</b>	

<sup>1</sup> The methodology used by IIPA member associations to calculate these estimated piracy levels and losses is described in IIPA's 2007 Special 301 submission at [www.iipa.com/pdf/2007spec301methodology.pdf](http://www.iipa.com/pdf/2007spec301methodology.pdf). For information on the history of Greece under Special 301, see Appendix D at (<http://www.iipa.com/pdf/2007SPEC301USTRHISTORY.pdf>) and Appendix E at (<http://www.iipa.com/pdf/2007SPEC301HISTORICALSUMMARY.pdf>) of this submission.

<sup>2</sup> BSA's 2006 statistics are preliminary. They represent the U.S. publishers' share of software piracy losses in Greece, and follow the methodology compiled in the Third Annual BSA/IDC Global Software Piracy Study (May 2006), available at <http://www.bsa.org/globalstudy/>. These figures cover, in addition to business applications software, computer applications such as operating systems, consumer applications such as PC gaming, personal finance, and reference software. BSA's 2005 piracy statistics were preliminary at the time of IIPA's February 13, 2006 Special 301 filing; the 2005 data was revised and posted on the IIPA website in September 2006 (see <http://www.iipa.com/statistics.html>), and the 2005 revisions (if any) are reflected above.

<sup>3</sup> MPAA's trade loss estimates and piracy levels for 2006 are not yet available. However, such numbers will become available later in the year and, as for 2005, will be based on a methodology that analyzes physical or "hard" goods and Internet piracy. For a description of the new methodology, please see Appendix B of this report. As the 2006 loss numbers and piracy levels become available, they will be posted on the IIPA website, <http://www.iipa.com>.

<sup>4</sup> ESA's reported dollar figures reflect the value of pirate product present in the marketplace as distinguished from definitive industry "losses." The methodology used by the ESA is further described in Appendix B of this report.

## **COPYRIGHT PIRACY IN GREECE**

The piracy situation in Greece remained grim in 2006 despite excellent cooperation from the police. Hard goods piracy remains engrained in cities throughout the country, and appears to present the biggest enforcement challenge. Internet piracy is still in its early stages; the only legislative deficiency involving Internet piracy cases pertains to Internet Service Providers (ISPs) requiring a Court or Prosecutor's order to disclose the names of infringing subscribers. So far, rightsholders have asked the Cybercrime Division of the Greek Police to obtain such orders. The software industry recently has asked the Hellenic Copyright Office (OPI) to take the initiative to support an amendment to the law on this point. For year-end 2006, copyright industry sources indicated there are 11 operating optical disc plants in Greece, with 31 production lines, with a capacity of 108.5 million units/year.

**Music and record piracy:** The recording industry reports that physical piracy in Greece grown tremendously and the music industry is suffering from the continuous drop of sales, and that situation did not improve in 2006. Physical piracy rates have increased during the last five years: over 98% of total pirated music discs are burned CD-Rs. Instances of industrial pressed pirate CDs are rare, and those usually contain international repertoire. Meanwhile, Internet piracy has worsened considerably. Piracy of sound recordings and music in Greece represents well over 50% for both international and local repertoire. The piracy rate for U.S. repertoire is estimated to be close to 60% of the market. It appears that the majority of people involved in most of the infringing actions are African immigrants, and especially Nigerians. The Nigerians have gradually taken control of the whole piracy chain, starting with duplication and wholesale distribution and ending retail sale (this is similar to the situation in Spain). These criminal networks continue to flourish because the Greek Government does not strongly apply its immigration laws and the judicial system does not effectively deal with copyright offenses.

**Audiovisual piracy:** The Motion Picture Association (MPA) and its local anti-piracy organization, EPOE, report that the main piracy problem for the film industry in Greece concerns DVD-Rs, mainly by street vendors and mini home labs, along with retail shops. Internet piracy is still relatively insignificant as broadband penetration is still very low. After a period of relatively "stable" piracy levels, audiovisual piracy has again been exacerbated likely due to the importation of pre-release titles into Greece – one or two factory pressed copies – which are then copied into hundreds with Greek subtitles added. There are "organized" communities (such as gypsy families and families of immigrants) involved in piracy, but this cannot be considered "organized crime" in the usual sense of the term. MPA suspects that there are some imported DVDs from Russia, with either Russian subtitles or just in the Russian language. This may be connected with off-shoots in Greece of Russian organized crime elements, but it has been impossible to collect credible information. A number of nationalities, such as Greek-Russians, Bulgarians and Poles, are involved in importing and subtitling DVDs, but they cater solely to their own compatriots, and the outlets are few and isolated to those areas where there is the heaviest concentration of those nationalities. In sum, Greece is a very fragmented market for the duplication, distribution and sale of pirate DVD-Rs, usually by foreigners seeking political asylum.

**Entertainment software piracy:** Piracy levels for entertainment software products (including video games on optical disc and cartridge-based video games) remain at high levels. Pirated cartridge-based games continue to be imported into the country from Asia, while CD-R burning continues to be prevalent (for optical disc based video games, market is reportedly now 100% burn-to-order, with retail shops dedicated to serving this activity. While the level of cooperation from the Greek customs authorities has generally been good, it is essential that border authorities be adequately trained and enforcement capabilities be further strengthened to adequately address continued importation of pirated cartridge-based entertainment software.

Piracy on university campuses is prevalent, for both Internet and hard goods piracy, as the police apparently do not have jurisdiction to pursue cases on university campuses. This situation needs to be remedied so as to facilitate enforcement actions against those engaged in copyright infringements at universities. Furthermore, obtaining an expeditious resolution to a criminal case has long been a frustrating problem for the industry. For the entertainment software industry, where video game titles have a very short shelf life, a criminal case that takes over five years to be resolved is of little value in providing any relief or remedy to a publisher damaged by the prevalence of pirated products in the market. Similar to the experience of the movie industry, Internet piracy is not yet a major concern for entertainment software publishers as, unlike much of Europe, Internet and P2P piracy in Greece is not yet prevalent.

**Book piracy:** Illegal commercial-scale photocopying of academic textbooks continues in Greece, causing damage to higher education textbook publishers. Photocopy shops near university and college campuses regularly process orders for entire classes of students. Photocopy shops are making cover to cover, bound copies for distribution to students, with little or no deterrent. In fact, bulk discounts for students are common. The authorities should take notice of this issue, tackling the copyshops through effective enforcement and encouraging universities to implement policies that encourage use of legitimate materials on campus.<sup>5</sup>

**Business software piracy:** End-user piracy in Greece remains the biggest piracy threat to the business software industry. In addition, the widespread use of unlicensed software and distribution of low quality pirated CDs across the country indicate that much more work is needed to protect copyright under Greek law. The Business Software Alliance (BSA) reports that its preliminary estimates that the 2006 business software piracy rate in Greece was 65%, well above the EU average of 34% and the highest of all countries in the enlarged EU region, including the countries in Eastern Europe. BSA's preliminary estimated 2006 losses due to piracy rose to \$108 million in 2006. Due to a lack of consistent enforcement activities, the level of piracy experienced by the business software industry remains at an unacceptably high level in both the private and public sectors, and even within the Public Administration. Meaningful progress can be expected only if the National Police and the Tax Police (YPEE, formerly SDOE) energize their enforcement activity. Such activity on the part of YPEE began in earnest in 2006. YPEE sent direct mail to all enterprises in Greece that employ more than 50 employees advising them that they are subject to audits of the software in use in their businesses. YPEE issued a circular, requiring that auditors must include in their regular audits special audits for unlicensed software. Furthermore, YPEE auditors were trained by BSA, in a step-by-step seminar, on how to execute these audits. BSA also activated a hotline telephone number, with a technical expert standing by to answer questions posed by tax policemen performing software audits; it appears, however, that this hotline was not used by YPEE.

## **COPYRIGHT ENFORCEMENT IN GREECE**

There have been several positive notes regarding enforcement in Greece over the past year. Due to continuing cooperation between industry sources and police officials, numerous raids have been conducted resulting in significant seizures. Special IP courts have been established in Athens and Piraeus (to hear only civil IP cases); industry will continue efforts to expand such courts to Thessaloniki and Patras, and to incorporate special IP sections that will deal with the criminal aspect of IP violations in three or four major cities rather than all over Greece. Intellectual property courses have become part of the required curriculum in schools for judges. An unofficial

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<sup>5</sup> The publishing industry has also recently received a rather disturbing report of possible unauthorized use of material by the Ministry of Education itself. Certainly, the Greek Government should take all steps to ensure that its ministries use only content for which the copyright holders have granted permission.

task force was formed in Northern Greece which was organized by the U.S. Consul General to Thessaloniki, and includes representatives from the police, customs, and Coast Guard; its work has resulted in significant increase in *ex officio* actions. Agencies that attended the last OPI-led organized meeting of the yet-official task force included: Public Order, Finance, Foreign Affairs, Education, Economic Crimes, Internet Crimes, Municipal Police, Immigration, Trade, Copyright Office, and White Collar Crime and Justice. They were joined by industry representatives from EPOE/MPA, BSA, TMEye Hellas and IFPI.

**Good cooperation with police and numerous raids:** MPA reports that the relationship between the local anti-piracy organization for films (EPOE) and local law enforcement authorities has been excellent and is constantly improving. In 2006, *ex officio* actions in audiovisual cases increased by 168 percent. In 2006, EPOE conducted 662 investigations, 164 raids, and initiated 83 criminal actions. The Economic Crimes Divisions of the Greek Police and YPEE (the Tax Fraud Units) have increased their *ex officio* actions substantially. In cases of *ex officio* actions, EPOE is usually called upon to identify the confiscated DVDs or DVD-Rs. Because the arrested person has to be taken to a prosecutor's office for arraignment within 24 hours of the alleged offense, significant travel throughout Greece is required.

The recording industry reports only half-year statistics for 2006, which show 985 raids and 892 offenders caught in the first six months of 2006. There has been good cooperation with the police. The main problem is the lack of prosecutors – only four on duty for the greater Athens area at any point in time, so it is very difficult to mobilize them for a series of raids as they are stretched very thin. The other problem is with Greek courts, especially their wholly inadequate sentencing practices. In 2005, the Greek Police arrested 2,045 suspects of copyright infringement in a total of 1,953 raids. IFPI's Greek anti-piracy team participated (either during the raid or called upon afterwards for identification of confiscated pirate music products) in 1,418 raids that took place mainly in the center and surrounding areas of Athens. In other cities and towns outside Athens, raids were carried out *ex officio* by the police. In all the cases where IFPI's Greek team participated, law suits were filed and the majority of the cases, which had to do with street vendors, were heard at the "All-Day Court" the following day. The cases regarding duplication and wholesale distribution of pirate music products were dealt with by prosecutors and will now appear in a felony court in about two to three years.

On the criminal front, in 2006 BSA executed five criminal raids, sent 57 warning letters and 38 follow up letters. BSA also filed three civil actions filed, obtained three court decisions, and agreed to three settlements.

**Few prosecutions:** Although this is slowly changing in major Greek cities (such as Athens, Thessaloniki and Patras), Greek prosecutors, especially at the local level, are often reluctant to pursue intellectual property cases and have largely ignored Supreme Court circulars directing them to give intellectual property cases a high priority. These deficiencies in copyright enforcement have led the film industry organization (EPOE) to take advantage of the criminal "flagrant crimes procedure" which helps to reduce the court load when a case is postponed indefinitely. Unfortunately, this system can be invoked only where the defendant is taken into custody within 24 hours of the issuance of the complaint; otherwise the case is assigned to await its typical criminal court hearing, usually more than a year later.

The serious bottlenecks in criminal prosecutions and logjams in the Greek courts hinder effective deterrence. The situation appears to be improving for certain industries but not others. In some instances, misdemeanor sentences have increased over the past year because the Courts have begun to apply minimum sentences (no less than one year). In certain other instances, sentencing in felony cases has also increased with sentences up to six and seven years and fines ranging from 7,000-15,000 Euros (US\$9,675-\$19,350). Additionally, some Courts, especially in

Athens and Piraeus, are no longer suspending fines – even when they find mitigating circumstances. This is a significant departure from 2005. The situation could be further improved if the Immigration Service and the Municipal Police, which appear either to be busy with other cases or to lack the legislative mandate to act, could be directed to assist in anti-piracy actions.

EPOE believes that the Greek police are working hard and making arrests. Unfortunately, the vendors, typically immigrants, usually walk free the very same day with a meager three month jail sentence that is suspended pending appeal (usually filed immediately). In Greece, there is no record of prior convictions as prior records listings are updated only after a criminal Court sentence has become irrevocable. Consequently, street vendors often times have many unlisted previous convictions and are let go with light, suspended sentences. They never pay a fine, nor spend a day in custody or jail. Reports suggest that the Greek police are similarly frustrated with this result. EPOE also suggested that if the street vendors – who never show up for their appeals – were required to pay bail pending the hearing before the appellate Court, we might see some significant results. The industries understand that the Ministry of Foreign Affairs intends to introduce legislation whereby immigrant street vendors engaged in any copyright violation will be deported and that Greek Embassies worldwide will be notified so that new visa requests by copyright violators will be denied.

The recording industry believes that the judicial system is broken. Despite close to 12,000 raids and the confiscation of millions of pirated discs since the beginning of 2000, African infringers are still dealt with as poor immigrants fighting their way to survival by “merely selling some CDs and not committing serious crimes.” As a result, the one-year imprisonment sentence provided by law usually becomes three to four months imprisonment, but suspended for three years, and the €3000 fine is simply stricken entirely. In the rare occasions of more severe penalties, the defendants make an appeal, managing to put their sentence on hold. Also, the defendants often do not appear in court on the day of their scheduled hearing. The industry is seeing similar tactics in the felony courts which deal with major cases (duplication and distribution). The hearings are set two to three years after the arrest, and in the meantime, the defendants are not kept in prison awaiting their trial. This manipulation of the judicial system is in practice translated to lack of punishment and the only problem for the infringers is the loss of their confiscated discs and the time they spend in the court.

BSA reports that, for the first time, severe penalties were imposed on two pirates. One case resulted in five years imprisonment and the other in seven years imprisonment, and neither case was suspended.

**The lack of prosecutions and deterrent penalties:** The most pressing problems are not with raids and police; rather, the key criminal enforcement problem in Greece rests primarily with the Greek courts:

- At the Misdemeanour (All-Day) Courts for low-scale offenders, judges hand out very light sentences, which are often suspended. This is particularly the case for the courts outside Athens. Sentences given by the courts of Athens and Piraeus are somewhat more severe, due to the presence of IFPI representatives as complainants and witnesses. However, when appeals are filed, no bail is set to guarantee the appearance of the defendant in the higher court and the sentences handed out in first instance are suspended. In most cases the infringers do not appear at the hearing organized by the higher courts, especially as 90% of the music pirates are immigrants. In addition, the appeal courts do not impose any fines.
- At Felony Courts for large-scale offenders, the infringers are released until trial by the prosecutors without any bail and in many cases without any limitative clauses. As a result,

when the case appears in front of the Felony Court after two to three years time, the defendant usually does not turn up. Since no measures are being taken to assure the offender's presence at the trial and remand is out of the question, it is not rare to have the same person arrested and charged with felonies more than once and then released. Especially in cases where the felon is an immigrant and cannot be easily located and arrested, this tactic is equivalent to acquittal. As a result of this court policy, the recording industry reports that several offenders have been arrested and charged two to three or even five to ten times, and have returned to their music piracy business.

Penalties continue to be too low to seriously deter piracy, and the time span between offense and punishment remains entirely too long, occasionally threatening to activate the statute of limitations. On occasion, judges and prosecutors have erroneously adhered to the provisions of the Criminal Code on sentencing rather than the provisions of the 1993 Copyright Law (but less of that is reported now), a practice which regularly resulted in the imposition of non-deterrent sentences and a general feeling in the minds of pirates that they could get away with minimal sanctions. MPA reports that there are more convictions and fewer acquittals.

**Circulars from the Supreme Court:** The recording industry worked with the Supreme Court to issue a judicial circular to assist in disseminating the Court's view on the importance of IPR protection. Below are excerpts from circulars issued by the Greek Supreme Court which were addressed to all the judges nationwide, calling them to apply properly the copyright law:

"...although it is a right (intellectual property) deserving judicial protection, more than the material property, we still observe a tolerance of people who are by the way not deserving our sympathy at all. These people are shamelessly breaking the law (civil and penal), to their own benefit and by profession and they offend the international treaties that provide civil damages and punishments for the crack on every kind of piracy and for the effective protection of the rights of the rightsholders. In this way not only the protection of the rightsholders but also creativity itself is harmed, meaning the very source of culture and our country which has taken the responsibility to apply international treaties is laid to censure and is treated like a field of unhindered criminal activities of those preying the intellectual property rights..."

"...We remind you the... ... circular of the Chairman of the Supreme Court, referring to the demanding need of more effective protection of intellectual property, with more reliable and severe application of the provisions of the law 2121/1993 (copyright law) and we call you to comply, given that the piracy phenomenon has taken tremendous dimensions, for which a share of responsibility belongs to the observed lenient penal treatment from the side of the Courts addressed to people participating in the pirate network and especially the street vendors..."

**Good cooperation with the Copyright Office and MFA in 2006:** Additionally, MPA reports that both the Hellenic Copyright Organization (OPI) and the Ministry of Foreign Affairs (MFA) have been very responsive to the audiovisual industry's (EPOE) requests and have also taken initiatives on their own which tend to strengthen the ability to combat piracy. OPI is relatively cooperative, but its operations have not been working as smoothly as they might since it has been without a director since July 2006. The MFA, even though well intentioned, has not been very effective.

For example, the Hellenic Copyright Office (OPI) supported EPOE's public outreach initiatives and the pre-holiday anti-piracy "Blitz" in short notice. OPI has also worked with EPOE to successfully introduce intellectual property subjects into the Judges' Academy curriculum as a mandatory subject. Upon EPOE's request, the Office has already taken steps to meet with other Greek Government officials on intelligence sharing and succeeded in getting an institutionalized Task Force off the ground. OPI has begun to coordinate with EPOE, BSA and IFPI on the strategy and plans for 2007's Intellectual Property Day in Greece. OPI has also taken steps to address the

piracy problem on university campuses by preparing anti-piracy posters to be displayed at university campuses and requesting that the Deans assume responsibility. And finally, OPI is planning seminars for judges and prosecutors with the first in a series to be held in Thessaloniki, at the Judges' Academy, in April 2007.

The Ministry of Foreign Affairs (MFA) has also been fairly supportive of efforts of rightsholders groups. For example, it has been collaborating on the establishment of a permanent anti-piracy Task Force (in parallel with another Task Force to be established at the Hellenic Copyright Office). MFA has expressed its intention to introduce legislation whereby street vendors engaged in any copyright violation will be deported and Greek Embassies will be notified of such actions so that new visa requests by copyright violators will be denied. MFA has begun consulting with rightsholders groups on anti-piracy issues and has expressed its willingness to liaise with the Parliament and the Cabinet to advance their shared anti-piracy objectives. The MFA is also initiating a Press Outreach Program to sensitize reporters to intellectual property issues and is working with rightsholders to introduce intellectual property issues and training into the Police Academies. Finally, MFA has indicated its support for increased funding exclusively for anti-piracy matters.

**Civil copyright infringement actions:** BSA notes that YPEE (Tax Police) is not conducting many raids currently, but their attitude to copyright protection is gradually improving. Once the administrative penalty law is enforced (see legal reform, below), YPEE is likely to do many more raids. YPEE has now made it compulsory for tax police officers to audit software licenses when conducting tax audits.

**Tax police and software actions:** BSA reports continued good cooperation with YPEE during 2006. YPEE launched a project by which audit letters regarding illegal software use will be sent to all Greek companies and this action will be followed by audits. To start, only companies that employ more than 50 employees received this letter. First, in October 2005, YPEE issued a Circular requiring tax inspectors to conduct software audits while doing tax inspections. BSA has been pressing for this reform for years, and believes that this should help provide a significant deterrent to companies thinking of using unlicensed software. BSA assisted with publicity to inform the local market about this tax circular. Second, the Standing Committee of Parliament has approved a bill that will enable YPEE inspectors to impose administrative and financial penalties on companies found to be using unlicensed software; the full Parliament still has to vote on this amendment.

It is important that YPEE continues the project that it has begun, by sending letters regarding software legalization to all Greek companies. The project has several steps, all of which need to be done on time, in order to make the whole project effective. So far, letters have been sent to companies with more than 50 employees, and follow-up letters also have been mailed to those companies which did not reply to the first letter. Next, raids should be taken against those targets identified as high risk. The next round of letters were to have been sent to those companies with less than 50 employees in the January 2007 timeframe.

**Tax police and music actions:** In contrast, however, the recording industry reports that in 2006, it has not experienced the high level of anti-piracy engagement by the tax police. The recording industry requests that the tax police be directed to get more involved in music anti-piracy actions. (At the present time, the YPEE cannot deal with music pirates, since pirates are mainly immigrants who do not have VAT or Social Security numbers, so YPEE does not have sufficient tax data on the person(s) to whom they are supposed to apply the fines.)

**Border Enforcement:** An ESA member company reports that the Greek market continues to be flooded with imports of counterfeit cartridge-based games. In the past year, no seizures appear to have been made by the customs authorities. Border enforcement authorities should receive additional training so that the problem of counterfeit imports is adequately addressed in practice.

## **COPYRIGHT LAW REFORM AND RELATED ISSUES**

The copyright industries are pleased with Greece's implementation of the Copyright Directive in Greece. Greece was the first of the EC member states to complete implementation of this Directive in its Copyright Law of 1993 (Law No. 2121/93, as amended). Several copyright- and enforcement-related legislative proposals are under consideration in Greece.

**Implementation of the EU Enforcement Directive:** During 2005, the Hellenic Intellectual Property Organization prepared the draft legislation to implement the EU Enforcement Directive. This amendment, aimed at harmonizing the Greek legislation with EU Directives 2001/84 and 2004/48, was filed in the Parliament during November 2006. On December 12, 2006, this bill was discussed by the competent Commission of Educational Affairs of the Parliament. It needs to be voted by the Parliament in order to be enacted.

One of the proposals in this legislative package will give copyright infringers the option of paying an administrative fine in lieu of criminal prosecution. This amendment, if ratified, will operate as follows: street vendors caught in possession of up to 500 music CDs and up to 50 DVD-Rs will be given the opportunity to pay an administrative fine of 20 euros for each music CD and 50 euros for each DVD-R, but the total administrative fine will be not less than € 1,000. Considering the local film industry's concerns that an administrative fine system would in fact exacerbate the level of piracy in Greece (as this system could not be restricted to first-time offenders and as the availability of the accused's antecedents (including any administrative fines) to a later court were complicated by general administrative and legal difficulties relating to the availability in Greece of offender information).

MPA lobbied for the complete removal of audiovisual products from the proposed law, and MPA's amendments to that effect were approved by the Parliament's Culture Committee on 12 December 2006. The bill continues to apply to other copyrighted materials, with the support of those industries. For example, BSA believes that the new Article 65A in this bill is particularly important. It contains an administrative penalty provision (new article 65A). BSA believes that the administrative penalty provision will make the whole procedure faster and above all, it will motivate the authorities, especially YPEE, to execute raids, because they will create direct income for the government by imposing the administrative penalty. If this can be combined with a new Department within YPEE which would be competent for, and specialized in, IPR cases and thus illegal software audits would be included in YPEE's daily plan, then software piracy rates may be notably reduced. The music and recording industry also supports this administrative fine proposal. However, it should be noted that this is now a somewhat strange hybrid piece of legislation. At the end of the day, it might turn out to be too complicated and bureaucratic to work in any efficient manner; it is premature to say. It may turn out that a ban on street sales might be a better solution.

**Administrative remedies regarding YPEE:** The Standing Committee of Parliament has approved the law amendment that will enable YPEE inspectors to impose administrative financial penalties on companies found to be using unlicensed software. This amendment has the strong

support of the BSA. Parliament now needs to vote on the amendment in order for it to go into force; it is hoped that this will happen in early 2006 without much delay.

**Enforcement authority against street vendors:** The recording industry favors a general ban on street sales of audio, audiovisual and software products. (For example, Romania introduced a general ban that had a very positive result, where pirate street sales almost completely disappeared. Such legislation should be developed to provide Municipal Police throughout the country with the authority to arrest and prosecute street vendors for selling without a license. Others feel that seeking a new ban on selling infringing products will yield little as it is already illegal to sell infringing material—there is no need for another law or regulation prohibiting what is already prohibited.

**Government software legalization:** BSA reports no progress on government legalization efforts in 2006. The Greek Government should lead by example, stressing the importance of protecting intellectual property rights and legal software use within the Public Administration. By taking these positive steps and implementing policies that support legal software use, the government could raise significant awareness of the problem and help bring down the unacceptably high business software piracy rate.

**Obtaining personal identities from ISPs:** Current law prohibits ISPs to provide personal data of suspects who commit intellectual property offences via the internet. The business software community has sent a letter to OPI asking the agency to take the initiative to amend Article 4 of Law 2225/1994. Several discussions have taken place with OPI, yet no action has been realized for the moment.

**Box Office Administrative Tax:** MPA urges the revision of Law No. 1597 (implemented in February 1988) which includes a box office admission tax ranging from 4%-12% of net ticket prices, with the actual percentage determined by the size of the city in which the cinema is located. (Cinemas benefit from certain tax rebates when screening Greek films.) The tax revenues are the source of government subsidies offered to produce and promote Greek films. According to local MPA member company representatives, this tax has continued to seriously affect box office admissions due to the resulting increase in ticket prices.

## **IPR TRAINING AND PUBLIC AWARENESS**

The copyright industries continue to offer numerous IPR-related training sessions to Greek enforcement officials. BSA has provided training and technical assistance to YPEE. Some entertainment software publishers are in the process of scheduling training for the Customs authorities in 2007. MPAA reports that EPOE in 2006 has conducted a series of Seminars for police, customs and White Collar Crime agents at the U.S. Consulate General in Thessaloniki in conjunction with the IFPI, and it is currently planning a seminar at the Ministry of Culture with the assistance of the Hellenic Copyright Office. EPOE's training efforts have resulted in increased *ex officio* raids although the side effect is that the requirement for court appearances was increased substantially as EPOE is called upon to identify the items seized in *ex officio* raids and sign all identification reports and seizure documents, a fact which places a requirement upon the investigators to appear in court as witnesses.