

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 834
Judiciary I Committee Substitute Adopted 5/3/89
House Committee Substitute Favorable 6/22/89

Short Title: Counterfeit Recordings Amendments.

(Public)

Sponsors:

Referred to:

April 10, 1989

A BILL TO BE ENTITLED

AN ACT TO AMEND CHAPTER 14, ARTICLE 58 REGARDING COUNTERFEIT RECORDS, TAPES AND OTHER RECORDED DEVICES.

The General Assembly of North Carolina enacts:

Section 1. Article 58 of Chapter 14 of the General Statutes reads as rewritten:

"§ 14-432. ~~'Owner' defined.~~ Definitions.

As used in this Article, 'owner' means the person who owns the sounds fixed in any master phonograph record, master disc, master tape, master film or other device used for reproducing recorded sounds on phonograph records, discs, tapes, films or other articles on which sound is or can be recorded and from which the transferred sounds are directly or indirectly ~~derived.~~ derived, or the person who owns the rights to record or authorize the recording of a live performance; 'article' means the tangible medium upon which sounds or images are recorded or any original phonograph record, disc, tape, audio or video cassette, wire, film or other medium now known or later developed on which sounds or images are or can be recorded or otherwise stored, or any copy or reproduction which duplicates, in whole or in part, the original.

"§ 14-433. Recording of live concerts or recorded sounds and distribution, etc., of such recordings unlawful in certain circumstances.

(a) It shall be unlawful for any person to:

- (1) Knowingly transfer or cause to be transferred, directly or indirectly by any means, any sounds ~~at a live concert or any sounds~~ recorded on a phonograph record, disc, wire, tape, film or other article on which

1 sounds are recorded, with the intent to sell or cause to be sold, or to
 2 use or cause to be used for profit through public performance, such
 3 article on which sounds are so transferred, without consent of the
 4 owner, or

5 (2) Manufacture, ~~distribute or~~ distribute, wholesale or transport any article
 6 for profit, or possess for such purposes with the knowledge that the
 7 sounds are so transferred, without consent of the ~~owner.~~ owner, or

8 (3) Subdivisions (1) and (2) above shall apply only to sound recordings
 9 that were initially fixed prior to February 15, 1972. Federal copyright
 10 law, 17 U.S.C. § 101 et seq., preempts State protection for the acts
 11 described in subdivisions (1) and (2) with respect to sound recordings
 12 initially fixed on or after February 15, 1972.

13 (b) (1) Knowingly transfer or cause to be transferred, directly or
 14 indirectly by any means, any sounds at a live concert, with the intent
 15 to sell or cause to be sold, or to use or cause to be used for profit
 16 through public performance, such article on which sounds are so
 17 transferred, without consent of the owner, or

18 (2) Manufacture, distribute, transport or wholesale any such article for
 19 profit, or possess for such purposes with the knowledge that the sounds
 20 are so transferred, without consent of the owner.

21 (c) This section shall not apply to any person engaged in radio or television
 22 broadcasting who transfers, or causes to be transferred, any such sounds other than from
 23 the sound track of a motion picture intended for, or in connection with broadcast or
 24 telecast transmission or related uses, or for archival purposes.

25 **"§ 14-434. Retailing, etc., of certain recorded devices unlawful.**

26 It shall be unlawful for any person to knowingly ~~retail~~ retail, advertise or offer for
 27 sale or resale, sell or resell or cause the sale or resale, rent or cause to rent, or possess
 28 for any of these purposes for the purpose of retailing—any article recorded device that has
 29 been produced, manufactured, distributed, or acquired at wholesale in violation of any
 30 provision of this Chapter.

31 **"§ 14-435. Recorded devices to show true name and address of manufacturer.**

32 Ninety days after January 1, 1975, every ~~recorded device~~ article knowingly sold or
 33 transferred or possessed for the purpose of sale—sale, advertising or offering for sale or
 34 resale, renting or transporting or causing to be rented or transported by any
 35 manufacturer, distributor, or wholesale or retail merchant shall contain on its packaging
 36 the true name and address of the manufacturer. The term 'manufacturer' shall not
 37 include the manufacturer of the cartridge or casing itself.

38 **"§ 14-436. Recorded devices; civil action for damages.**

39 Any owner of a ~~recorded device~~ an article as defined in this Chapter whose work is
 40 allegedly the subject of a violation of G.S. 14-433 or 14-434, shall have a cause of
 41 action in the courts of this State for all damages resulting therefrom, including actual,
 42 compensatory and incidental damages.

43 **"§ 14-437. Violation of ~~Article a misdemeanor~~ Article; penalties.**

1 (a) Every individual act manufacturer, distribution, sale or transfer of such
2 recorded devices—in contravention of the provisions of this Article shall ~~constitute a~~
3 ~~misdemeanor punishable by six months in jail, a fine of up to five hundred dollars~~
4 ~~(\$500.00), or both. constitute:~~

5 (1) A Class I felony, punishable by imprisonment for not more than five
6 years, a fine of not more than one hundred fifty thousand dollars
7 (\$150,000), or both, if the offense involves at least 1,000 unauthorized
8 sound recordings or at least 100 unauthorized audio visual recordings
9 during any 180-day period or is a second or subsequent conviction
10 under either subdivision (1) or (2) of this section;

11 (2) A misdemeanor, punishable by imprisonment of not more than two
12 years, a fine of not more than twenty-five thousand dollars (\$25,000),
13 or both, if the offense involves more than 100 but less than 1,000
14 unauthorized sound recordings or more than 10 but less than 100
15 unauthorized audio visual recordings during any 180-day period; or

16 (3) A misdemeanor, punishable by not more than six months in jail, a fine
17 of not more than one thousand dollars (\$1,000), or both, for any other
18 violation of these sections.

19 (b) If a person is convicted of any violation under this Article, the court, in its
20 judgment of conviction, shall order the forfeiture and destruction or other disposition of:

21 (1) All infringing articles; and

22 (2) All implements, devices and equipment used or intended to be used in
23 the manufacture of the infringing articles."

24 Sec. 2. This act shall become effective November 1, 1989. This act does not
25 affect litigation pending on the effective date of this act.