Pressure mounts for ‘iPod tax’ to pay for pirate tunes

By Iain S Bruce, Technology Editor

It has been the most successful new product of the past decade, selling millions, revolutionising the way we listen to music and becoming an icon for a generation ... but the iPod could be running into trouble.

Pressure is mounting on Britain to introduce an “iPod tax”, which would be levied on every digital music player sold throughout the country, after a similar charge has been approved in Holland.

Dutch consumers are soon to be charged a copyright levy every time they purchase an MP3 player, adding as much as €180 to the price of a top-end Apple iPod.

Senior figures in the music business are now calling for a similar system to be introduced in the UK.

“The illegal digital download market is in danger of crippling the British music industry and unless something is done to address this quickly, it will spell disaster for thousands of artists and independent record labels,” said Doug D’Arcy, former head of Chrysalis and BMG.

“We had an opportunity to introduce a levy on audio cassettes back in the 1970s and passed it up. That decision cost the business tens of millions, and to make the same mistake again could be fatal.”

Proposed by Dutch think-tank the Stichting Thuiskopie Foundation and now set to become law there within three months, the levy legislation will allow for the creation of a new national collections agency responsible for placing point-of-sale surcharges on any device that could be used to store pirated sounds.

Reports suggest that the Dutch surcharge will be as much as €3.28 per gigabyte, adding €3280 to the price of a 1000GB hard drive. Germany already has a levy on computer hard drives.

Though winning broad support from many artists and smaller record labels, the levy has thus far failed to find favour with the industry’s major players. Major labels such as Sony and EMI have refused to support the proposals and the British Phonographic Industry (BPI) has declined to make any formal policy statement. The International Federation of Phonographic Industries (IFPI) directly opposes the idea.

“This is not something we support and is in fact a strategy that has already been rejected for Britain,” said Olivia Regnier, IFPI Europe’s legal affairs spokesperson. “The levies that already exist are intended as a means to collect charges incurred by people making back-up copies of copyright material they have already bought. They are not to be taken as a justification for piracy and are not an appropriate response to the problem.”

The IFPI’s preferred strategy is to attack the downloads market at source, using new technologies to prevent people making illegal copies in the first place and track down those that slip through the net. The organisation believes that is the only way to address a problem which, it claims, cost the global music industry $2.1 billion in 2004 alone.

There have been numerous unsuccessful attempts to invent new ways of preventing music copying in recent years however, with the hacking and cracking community so far managing to stay several steps ahead of the digital police. For this reason, those backing the levy plan have little confidence that any such system can ever be truly effective.

“It’s time to get real. Digital piracy is spiralling out of control and there’s no way that we can effectively police it,” said D’Arcy. “The levy system is proven, and by charging consumers up front for something they are going to do anyway we would at least be able to recoup a portion of the revenues currently being lost to piracy.”

But critics say that, as the bulk of iPods are used to store legitimate iTunes files which are Digital Rights Management (DRM) protected, users would effectively be paying for copyright twice. Consumers are also likely to object to the assumption that they are all guilty of copyright theft.

“This really is a controversial issue with a lot of legal grey areas to contend with,” said Sam Shemtob of the Association of Independent Music. “It’s going to be a hard one to sell.”

While gathering support among many in the industry, the levy plan is considered unlikely to progress in the UK without the approval of both the RPI and IFPI.
the point: security staff need to see the faces of offenders, whatever they wear

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