

Paper title: Has copyright gone copy "wrong"? How the cruel and heartless managed the immoral and unethical....fooling the JSE, CIPC, the Reserve Bank, FIC and SARS....the legal and financial prejudice to artists, composers, producers and licensors occasioned by the deregistering Gallo Music Publishers and Gallo Record Company in 2018 and Gallo Africa in 2021....a middle finger to you all, in your faces in broad day light is the statement of the very bad clever people.

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It has oft been opined over time that there are basically two kinds of clevers....good clevers and bad clevers...meaning that there are very good clever people and there are very bad clever people. It has also been opined that the media, arts and entertainment industries are and have been plagued by very bad clever people. The presumption that follows typically is that somehow such folk must be from the creative sector whose antics play out in the tabloids and social media. Nothing could be further from the truth, for more often than not, the very bad clever people are the suits, as is the case this short paper addresses, the extent of which provides cause to pause and ask has copyright gone copy"wrong"?

On 15<sup>th</sup> August 2018, the extraordinary and the unimaginable occurred, Gallo Record Company (PTY) Ltd registered in 1950 and Gallo Music Publishers (PTY) Ltd registered in 1970 were deregistered as legal entities. Any artist, producer, composer, or licensor who had an agreement or deed with any of these deregistered entities which obligated either of Gallo Record Company and Gallo Music Publishers to pay royalties, just saw the legal royalty obligations of both Gallo Record Company and Gallo Music Publishers evaporate.....as in the end of royalties going forward.

Why deregister these entities?

There was and remains no external cause that could possibly motivated the de-registration, so one is left with the reality of financial machination.....chicanery.....sleight of hand,

something frequently noted by legal scholars and practitioners with respect to deregistration that such is purposefully done to avoid creditors and future royalty obligations, the type which survive termination and run for the life of copyright, but which have no defence in law to deal with deregistration except for a costly and likely futile exercise.

A deregistered company in South Africa is not a juristic person, is devoid of legal character, cannot be sued and cannot get sued...an agreement with a deregistered company is almost, without expense and risk, impossible to enforce. This the very bad clevers know, that no royalty rights holder has the knowledge and money to take on the heinous action that deregistration is in this instance, and in the absence of logic to the contrary, like a hare in the lights, the de-registrators are bust when it becomes known that the assets (the ownership right to collect future royalties) of the deregistered entities were transferred/sold prior to deregistration effective 15<sup>th</sup> August 2018.....but not the liabilities and royalty statement and payment obligations. The very bad clevers likely thought in their wisdom to move the assets to another entity and then summarily made use of deregistration to dispense with the obligations to ever pay royalties ever again to those going back fifty years who have royalty rights.

Of course it is very sweet for those who bought the assets of Gallo Record Company and Gallo Music Publishers at that time *prior* to 15<sup>th</sup> August 2018, their future income *post that date* was now to be 100% theirs with no obligation to pay any future royalties, and no obligation to maintain suspense accounts. This was at the time the legal truth. Those who bought or were transferred the copyright assets of Gallo Record Company and Gallo Music Publishers, were at the time not Gallo Music Investments (as had been claimed) which was only registered on 26 June 2019, some 10 months and 11 days *after* the deregistration of Gallo Record Company and Gallo Music Publishers.

So where were the now royalty free copyright assets of Gallo Record Company and Gallo Music Publishers “parked” in the interim prior to 26 June 2019?

Such were “parked” at Times Media (PTY) Ltd, a company formed as Arena Holdings (PTY) Ltd (Reg#: 2012/074397/07) on 23 April 2012 before changing its name to Main Street 1010 on 6 September 2012 and then to Times Media on 24 May 2017.

Not long after having deregistered Gallo Record Company and Gallo Music Publishers, having sold the assets to Gallo Music Investments, Times Media changed its name again.....to “Tiso Blackstar Group (PTY)Ltd” on 19 November 2019. The informed will know that at the time of this name change to Tiso Blackstar Group there already existed a Tiso Blackstar Group (PTY) Ltd (Reg#” 2011/136883/07).

In fact, under the noses of CIPC and the JSE, between 19 November 2019 and 15 November 2022, there were two companies called “Tiso Blackstar Group (PTY) Ltd” using two different registrations and banking *at the same time!*

The frequent name changes and the use the names of deregistered companies in name changes, combined with deregistering companies that still trade are *inter alia* all the hallmarks of the very bad clevers, all about avoiding and obfuscating the chain of copyright trail.

Avoiding the maxim that forewarned is forearmed, the very bad clevers made no prior announcement of the deregistrations to the generations of Gallo Record Company and Gallo Music Publishers royalty rights holders, the young and the middle aged, estates of the dead, women and men alike...shafted. Clearly as history evidences, transparency and disclosure were dispensed with.

Why?

Well the law actually did not require Gallo Record Company and Gallo Music Publishers to notify anyone and as the logic goes, why do what you do not have to do, especially when doing it would lead to howls and dissention and unwanted publicity, causing costs. More importantly the very bad clevers had no care that their actions were cruel, harmful and devastating to others – that such were unethical and immoral which is what happens when conscience is in the deep freeze.

So....no-one was informed....no-one said a word.

Gallo Record Company and Gallo Music Publishers, knowing the legal truth and purposely omitting same, carried on as if the only thing that had occurred was the banner under the signature now said, “Divisions of Arena Holdings” but otherwise same offices and the continued use respectively of their existing deregistered company bank accounts.

It emerges that Times Media (PTY) Ltd (at the time) relied on the (foolish) logic that somehow all they needed to do was to own the trademarks of Gallo Record Company and Gallo Music Publishers, which they do – that such ownership was sufficient. How a trademark can be understood to be a juristic party, to able in itself to hold and enter into

contracts, to sue or be sued, to have royalty obligations is not known – it is an impossible and insurmountable stretch in law. But to the toolbox tricks that the very clever bad people know it is said there are few bounds, with the law allegedly just something to get around others opine.

Anyway somehow a penny or three must have dropped, at least somewhere at the very bad clevers, for 3 years and seven months later after deregistration, on 14<sup>th</sup> March 2022.....just 3 weeks ago....an application to reinstate Gallo Music Publishers (PTY) Ltd was made, and on *the same day*...14 March 2022...Gallo Music Publishers (PTY) Ltd was restored into business. Given the volume of documentation that would have been put to comply with reregistration provisions, the same day reinstatement raises more than an eyebrow not withstanding that the urgency must have been off the chart.....Kunjan' some would ask.

Maybe. the very clever bad people remembered or were prodded that to be a publishing member at SAMRO and CAPASSO, an entity had to be a juristic party in law....or maybe someone told them they had made monumental mess....or maybe they received a serious complaint for a “somebody”...it is not known.

In one sense all authors, composers and arrangers, as well as all those with administration and sub-publishing agreements with Gallo Music Publishers (PTY) Ltd can feel relieved, with the chain of title of every work intact and not in-ruins, as well as the royalty supply chains back to themselves.

Again and true to form, the reinstatement of Gallo Music Publishers (PTY) Ltd was kept on the low – nothing was said.

There is however a lot more to this than meets the eye – which might explain the silence.

Had Gallo Music Publishers not been reinstated, it, one of the two princes of apartheid sanctions busting, would have lost the royalty collection and distribution network that *pre- and post-* apartheid has continued, some would opine as a money laundering system.

The South African music industry habit of hiding overseas royalty collections has not changed and continues unchecked to this day, in part aided and abetted by pitifully plaint SAMRO and SAMPRA regulations blissfully ignorant of Exchange Control regulations, in part aided and abetted by regrettably woefully unfit for purpose copyright law skill sets residing at SARS, the Reserve Bank, FIC and unquestionably at CIPC, at SAMRO, SAMPRA, AIRCO, RAV, IMPRA and CAPASSO and not to be forgotten the attorneys and accountants providing professional services both inhouse and externally at the aforementioned, it is opined.

As for Gallo Record Company (PTY) Ltd, it remains unregistered and with none of those who have royalty agreements have been informed. Crassly the somebodies receive royalties as if nothing has changed, when it law their respective contractual relationships critically have changed – one party no longer exists in law on a factual basis, rendering their respective agreements *null and void*. This goes for all including the nobodies, except for them, there should be no surprise when they do not hear from Gallo Record Company.

As things stand today in early April 2022, anyone with a Gallo Record Company agreement can be said to be “*in die kak in*”, no other way to put it and likely this notion will send such scurrying to their legal advisors who will confirm their reality.

Yet throughout the world’s databases, Gallo Record Company can be found as a copyright owner holding shares in copyright assets as well as royalty attributions. Pursuant to these holdings and attributions hidden by the private world of copyright, away from prying regulatory interest the owners of the business of the entity that was Gallo Record Company continue to collect...now without royalty obligations or liability.

What has occurred with Gallo Record Company is tragic and egregious; it can be said that stripping South Africa of its copyright assets and global copyright asset income, is beyond heinous when the true prejudices to the lives and well-being of the royalty recipient children and those not yet born, are considered. Yet this it is alleged pales in comparison with what has transpired with Gallo Africa.

According to a Gallo Music Investments spokesperson “*“Gallo Africa” has changed its name but has not been involved in the Gallo music businesses since Gallo record Company was transferred to Times Media (Pty) Ltd*”.

Given that Times Media (PTY) only came into being on 24 May 2017 (pursuant to the second name change of the original Arena Holdings (PTY) Ltd) no transfer of Gallo Record Company could have been affected prior, which means Gallo Africa has only not been involved since 2017 – some 4 plus years and that in effect confirm its entire 91 year prior ownership of copyright assets both sound recordings and musical/literary works, had nothing to do with Gallo Record Company nor Gallo Music Investments. The only commonality Gallo Africa had with Gallo Record Company being the purposeful royalty free outcome occasioned by deregistration.

Yes, indeed Gallo Africa changed its name, a number of times, ending up with the name of At Velocity Logistics (PTY) Ltd, before being place in liquidation and being deregistered on 18 November 2022. Likely that At Velocity Logistics (PTY) Ltd transferred or sold its

copyright assets and royalty rights (all acquired though its registration number) *prior to liquidation and deregistration.*

Where and to whom these Gallo Africa copyright assets royalty rights have gone to is presently not known however what is known is that such are substantial and include all sound recordings up until 1950 and all musical and literary work (publishing) rights up until 1970 *as well as* all the overseas collections of Gallo Music Publishing and Gallo Record Company off-shore, up until not so long ago.

Apartheid era sanctions stood no chance where the royalty money was concerned. Gallo Record Company and Gallo Music Publishers respectively had a worldwide network of licensees with the contracts all saying pay the royalties to bank accounts at ABN AMRO Bank in Rotterdam, bank accounts controlled by Gallo Africa.

All the majors were involved, their respective stances at the time being the complete opposite of their respective practices, notwithstanding that Gallo Africa was their licensee for the most part in Southern Africa.

The very clever bad people were indeed very clever at the time. Gallo Africa deployed dual level licensing and collection involving small army of

- 11 x external sub-publishers
- 26 x Internally owned deregistered trading names at six collecting societies, including SAMRO, globally.

...all of whom for decades paid the ABN AMRO bank accounts in Rotterdam.

For the first 4 years after 1994 the entire South African music industry of the past waited in trepidation and angst for their respective doors to be knocked down, so conscious it has been said were they of their previous behaviours.

Nothing happened and so by 1998 it was back to business as usual and has continued since.

The point is made that these quiet deregistrations not only mask the destruction of the copyright chains of title and royalty supply chains, pertinent to the lives of tens of thousands, and cover up a heinous history but more importantly it can be argued, covered up one of the great tragedies of contemporary and recent South African history...that of the use of colonial and apartheid law to separate copyright authorship and ownership and take assignment of

the latter from generations of creators.....for nothing.....for ever. The sting in the tale has been the reality that those who saw to this comfortably and unhindered before 1994 continue without remorse or care to feed on what many would consider ill-gotten gains.

The deregistration of these companies compounds historical prejudice with an unfit for purpose Companies Act badly in need of overhaul – for why would company deregistration to avoid creditors be a known get-out-of-jail card to the very clever bad people, which the South African legal community has long espoused is wrong and abusive, continue unabated it can be asked.

It would be of huge recurring financial recompense to the South African fiscus and to thousands of creatives and small businesses were regulatory and law enforcement agencies to pay far greater attention to the copyright industries and the malfeasance afoot, it is costing South Africa billions every year courtesy of the very clever bad people.

Allowing copyright to wander from its statutory provisions and regulations unnoticed and without care and responsibility would be an error and great financial risk as copyright will be dangerously close to irreversible copywrong.