

HOMEVIDEO TRACK

Orion Home Video has expanded **Gerald Sobczak's** duties and promoted him from administration-operations v.p. to senior v.p. He takes on responsibilities involving product from Nelson Entertainment, whose titles now will be sold by the OHV staff in a "servicing deal" between Orion and Nelson.

Cupertino, Calif.'s Macrovision has reached another settlement in its series of patent infringement suits against companies that had been manufacturing devices designed to defeat the Macrovision anti-copying technology. Latest has been reached with Portland's Vidcraft, which has agreed to stop making its Play-Right, Vidmate and IVE-200 products, or any other device dealing with patented Macrovision anti-copying technology.

Two unusual Christmas videos are being offered by Gotham-based View Video: opera star **Frederica von Stade** in the program "Christmas With Flicka" (her nickname), singing Christmas songs with **Melba Moore** and **Rex Smith** in the village of St. Wolfgang, Austria; and "Kiri te Kana-wa At Christmas," featuring the soprano in concert from London. Both videocassettes are \$29.95, available to stores the end of September. . . . Onyx Films of Dothan, Ala., is releasing Sept. 1 "Mahalia: Give God The Glory!" documenting the final tour of **Mahalia Jackson**, coinciding with the awarding that day of a star on Hollywood's Walk of Fame to the legendary gospel singer. Videocassette is \$49.95.

A dozen films, including "The Ruling Class," "Defense Of The Realm" and "Fire And Ice," have been cut to \$19.98 in a promotion at Nelson Entertainment, first time at that price for the films, and a permanent change.

Latest attempts by Sony Video Software to package its releases to the advantage of vidstore operators includes a \$159.90 "Money-Maker" prepack of "The Rejuvenator" and "Phoenix The Warrior," together with a free copy of "The Appointment." Other packages from Sony include a "Rental Survival Kit" promo of 10 \$29.95 titles, including "Deadly Prey" and "Blood Money," and an Iron Maiden 3-pack of music vids that contains \$66.85 worth of tapes for \$29.95.

Former "Dallas" cast member **Shalane McCall**, a 15-year-old actress-model, is starring in a videocassette called "Modeling: What It Takes," Produced by L.A.'s Austin/Sill Prods., tape is slated for October release. Austin/Sill is packaging the half-hour cassette with a poster and calendar at \$14.95. . . . Such Halloween-season classics as "The Corpse Grinders" and "Blood Orgy Of The She-Devils" are being offered by Western World Video for \$19.95 each starting Sept. 27. Six titles are combined in a package that will go for \$99.75.

Springfield, Va.-based Erol's says its chain of 165 vidstores has crossed the 100,000,000-rental plateau. Erol's says it's the first vid retailer to log that many rental transactions. The company's revenues for the fiscal year ending May 31 totaled \$156,000,000. Its number of rental transactions increased by 24% to 32,000,000. . . . Nelson Entertainment reports sales of about 115,000 units for its recent release of "Hope And Glory," putting the pic among the top sellers of its May releases.

L.A.'s 5th World Entertainment is planning a second "Hollywood Stars Videotour" tape. The October followup is touted as providing another "guided tour through the sins, secrets, scandal and suicides of the movie capital of the world." Company hopes to further expand its tabloid exploits with a quarterly "Videotabloid" now being planned for supermarket distribution. The company also has released sports instructional tapes and two "English For Everyday Survival" cassettes.

Coming from Orion Home Video in October will be the comedy tapes "Rich Little: One's A Crowd" and "Rodney Dangerfield: Nothin' Goes Right" (\$59.98 each). The Dangerfield tape focuses on seven young comedians performing at Dangerfield's nightclub.

Latest additions to Warner Home Video's animation collection are the 45-minute \$14.95 tapes "Bugs Bunny's Hare-Raising Tales," "Daffy Duck's Madcap Mania" and "Porky Pig Tales."

Unicorn Video has signed up to distribute films from Monterey Movie Co.'s Bonsai division. The arrangement starts Sept. 29 with the release of "City In Fear" and "Night Slasher" (\$59.95 each). . . . CBS/Fox Video has named **Jan Paros-Novak** director, national accounts.

Mickey Granberg has decided to retire as exec v.p. of the Video Software Dealers Assn. and the National Assn. of Recording Merchandisers when her current contract expires next spring. She's expected to stay on as a consultant for at least a year. Industry speculation tabs current exec director **Pam Cohen** as a likely replacement.

City Lights Entertainment Group has named **Jeanie Mason** sales-marketing v.p. of its video division.

Co. France Film Starts Vid Label

Montreal-based Compagnie France Film, theatrical and tv distrib for more than 50 years, has created a video unit to market its pics under an eponymous hv label. Execs Roger Khayat and Daniel Lessard set product acquisition trips in New York and Los Angeles for this month.

Per Nathan Podhorzer, v.p. of United Film Enterprises (sales rep for Co. France Film), the distrib has 200 features in its library, including recent acquisitions from AIP Distribution, Empire Intl., Goldfarb Distributors, Imperial Entertainment, Skouras Pictures, Tomorrow Entertainment and a number of European companies.

Pirates Successful With 'Used Vids' In West Germany

Frankfurt — Videocassette pirates are developing alternative techniques to keep cashing in on the West German video industry.

Latest development is making direct copies of click international films, including top U.S. productions, and offering them to the country's 3,500 vidstore owners as "used" vids at halfprice.

According to Bodo Schwartz, g.m. of CBS/Fox Video Germany, the new pirates spend as much as 50,000 marks (about \$30,000) for machines that make direct copies. A plan designed to prevent copying — printing full-color photos from the film on the vid jackets — is being used by counterfeiters, who make lithographed copies of the jackets.

Most dealers buy 10-20 videocassettes from the owners of the rights, and the vids cost about \$200 a copy. But if a vid is in demand, some vidstore owners buy more "used" vids, which are being sold within weeks of release for \$80-100.

It's difficult to track down the latest pirates since they allege their vids are not new. By making 2,000 or more copies to be sold at a reduced price, they skim profits that should go to the legal holders of the rights, Schwartz says.

Another serious problem in Germany is the sale of illegal vids in Turkey.

With over 1,000,000 Turks employed in West Germany, many of them making regular trips to Turkey, there's a brisk under-the-counter trade with the most popular vids. Turkish operators buy a copy, then do a voiceover or subtitle, and recopy and peddle the vids to Turks in Germany and in Turkey. Little has been done to crack down on this illegal segment of the business.

Despite stiffer penalties and better detection methods, estimates put the drain from piracy at 300,000,000 marks (\$166,000,000) annually in West Germany.

Thomas Travers' G-rated Christmas-themed film "A Time to Remember," starring **Donald O'Connor**, **Morgana King**, **Ruben Gomez** and **Tommy Makem**, preemed Aug. 26 at Westbury Theater on Long Island, from Filmworld Distributors.

CLASSIFIED SECTION

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WHV Sweden Begins Sell-Thru; Others Predict Danger To Biz

Stockholm — Warnings of decline and corrosion of the homevideo business in Scandinavia follow Warner Home Video Sweden's decision to attempt sell-through.

While the homevideo rental business booms in Scandinavia, WHV is hoping to sell titles that have gone through the rental mill more than once.

Sweden's other major hv distrib, such as Svensk Filmindustri's Media Transfer or Esselte (the UIP catalog of Paramount, Universal, MGM and part of UA) do not aim to follow suit with sell-through, which previously worked only for minor distributors handling inexpensive kiddie or educational fare.

The sell-through venture comprises 21 primarily UA titles, including four early James Bond pics, "The Good, The Bad & The Ugly" and "Police Academy."

WHV spokeswoman Eva Sven-denius would not disclose prices for the cassettes, but says they will be "consumer-friendly."

At Denmark's Nordisk Film, which has homevideo subsidiary ventures in Finland and Sweden, distribution topper Jesper Boas Smith says research substantiates "the obvious danger of losses to U.S. producers as well as local Scandi distributors," potentially caused by sell-through.

"The rental business in Scandinavia," says Smith, "has been unique

in leaving the distributors in total control of their product. They lease it to retailers, who then rent it to customers over a 12-month period." Brand new titles then are returned to distributors.

"Then follow the back-log reissues," per Smith, "accounting for 40% of the total take." He says homevideo rentals in Denmark in 1987 ran to \$60,000,000, with \$24,000,000 brought in by older titles.

"The \$24,000,000 was made on titles that, under another system than rentals, would have collected dust on the retailers' shelves," Smith said. "Anybody who would hope to make a profit on sell-through would have to sell 6,500 cassettes per film per annum, and no market exists for that."

Rental fees are relatively high in Scandinavia (about \$6 per day), Smith adds, and royalties and other kickbacks to distributors and producers are similarly high. Not only do the distributors own all cassettes, they are also, via their Homevideo Distributors Assn., in approval control of the retailers.

A "grey" market of private exchange and rentals of cassettes could result from sell-through, hurting distributors and producers. Today only 1,200 retailers do business (in Denmark), but 600,000 owners of cassettes soon would be free to do business as they pleased.

To stay in business, retailers must then cut rental prices. Whether via rentals or direct buying, the consumer would be the only winner, but he also could wind up with poorly manufactured cassettes.

Smith says this is how sell-through accounting would look for a cassette retailing at \$28: value added tax would swallow \$6.28; retailer profit would take care of \$6.68; and cassette duplication of a moderate quality plus subtitling and physical distribution would account for \$4.28.

About \$11 would be shared between distributor and producer. With most producers demanding a \$100,000 guarantee for a top title, no Nordic distributor could make it in a future dominated by sell-through," says Smith.

Nevertheless, some mid-size all-Scandi homevideo distributors like Norway's VCM already have opted partly for sell-through in Finland and are about to do the same in Norway. Their aim is faster profit.

Sell-through originally was opposed by Warner Home Video topper Warren Lieberfarb and his European vep, Ed Burns, but they switched to sell-through in England, where rentals had been low. Since WHV has UA titles only until December 1989, and since WHV's Swedish distributry is not, like elsewhere in Scandinavia, a venture with local companies, Lieberfarb and Burns obviously have found ample reason to ask WHV Sweden manager Rolf Lundström to plunge ahead with the sell-through testing.

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VSDA Helps Modify Colorization Policies

The Video Software Dealers Assn. says its lobbying played a key role in altering the National Preservation Act, which deals with film colorization.

The vid-retailer organization was concerned about the bill because, in its original form, it would have made vidstores liable if computer-colored films appeared on their shelves under the films' original titles, according to the VSDA.

Changes include a prohibition against private lawsuits for damages against retailers; an example for existing colorized tapes; a limit on the legal remedies available; and an exemption from liability for stores that have relied in good faith on the compliance by distributors and suppliers.

VSDA lobbyist John Mitchell, of Arent, Fox, Kinter, Plotkin & Kahn said, "Threatened with unusable inventory and serious losses in revenues, retailers made their voices heard. Legislators got the message and agreed that their intent was not to hurt innocent business."

Reward For Info Re: 'Rambo III' Piracy

Rio de Janeiro — Motion Picture Export Assn. of America and Columbia Tri-Star are offering 1,000,000 cruzados (\$3,500) for information concerning piracy of "Rambo III."

MPEA and Warner Bros. offered the same reward regarding piracy of "Police Academy 5."

The situation is more serious with regard to "Rambo III," as dozens of copies of the film were illegally available in video clubs at the same time the film opened theatrically Aug. 4.

Action is being coordinated by Rejane Medeiros, head of MPEA anti-piracy division in Brazil. The reward is being announced in newspapers and cinemas.