Europe; Monday, Nov. 25, in Japan and Canada; and Tuesday, Nov. 26, in the U.S.

Chart figures from around the world bear out Sony's claims of record initial sales and chart performance. "Dangerous" opened at No. 1 on The Billboard 200 Top Albums chart this week. It also topped the British albums chart before dropping to No. 2 in its second week. Its detailed sales include:

- No. 1 in Australia, Spain, Switzerland, and Finland;
- No. 2 in Sweden and Germany;
- No. 3 in Italy; No. 4 in Japan and the Netherlands; and No. 14 on the Music Media's Eurochart.

Although the first single from the album, has hit the top of the charts in the U.S., U.K., Australia, Italy, Spain, Mexico, Sweden, Denmark, France, Switzerland, Israel, New Zealand, and on Music Media's Eurochart Hot 100.

In a statement dated Dec. 3, Sony reports sales of 6 million units outside the U.S. on the album. Its U.S. sales total was not available at press time, but published reports indicate that the initial shipment in the States totaled 4 million pieces.

Thomas Tyrrell, executive VP of administration at Sony Music International, says, "So far, the success of Michael Jackson's album after four years is one thing; a comparatively small release is another. The goal is a coordinated worldwide release calibrated to the market and in order to do that you have to understand the different markets."

Tyrrell refers to cite specific instances in which Sony took a hit because of parallel exports, he says, "We've certainly had our share of mistakes over the years. This one was done by the book—it was planned very carefully."

In March, Sony issued a warning to U.S. wholesale accounts to stop exporting product. Since then, the other majors have followed suit (Billboard, March 22, April 20). However, Tyrrell admits that the crackdown has not been wholly effective. "We think we've made a lot of progress, but there's still a distance to go," he says.

He adds, "Even with the policy in place, if the demand [for a release] is strong enough there will be problems." Consequently, Sony went to the staggered release plan.

**SOVIET VIOLATIONS**

On-sale dates last week, the Billboard say they have not exported Sony product since the crackdown, but sources indicate that some wholesale- ers are still not in the loop. According to one source, "We try to deal with the dealers or the measures that they take against them. The typical type of action is you're not allowed out. If the numbers appear out of line, we cut them back to where they should be," says Tyrrell.

In addition, Sony does not gain anything by trying to curtail exports. "When you see how much sales they lost on stuff that's not out, you just want to drop the dealer," he says, "It looks to me like it's pretty simple. They want to manufacture it, they want to sell it, they want to export it. They want it all to themselves."

Overseas, Sony's operations took steps to avert an onslaught of imports. In France, Eric reduced the prerelease dealer price of "Dangerous." Prior to Nov. 21, the wholesale price of the CD was the equivalent of $13.71; after that date, reverted to Epic's standard $14.57. In Japan, some breathing room on price reductions in other territories were not available, Tyrrell says, "I'm sure that every territory's incentive pricing factored in the import problem."

**IT'S NO SECRET**

Across Europe, Epic is making no secret of why the album was given digital release worldwide. Said the U.S. Epic U.K. managing director Andy Stevens, "There's a very strong feeling among the dealers that they were not buying imported product."

Gerard Rutte, artist marketing manager of Sony Music in the Netherlands, says large U.S. wholesalers have in the past chartered cargo aircraft to bring in parallel imports by the tonelad. He adds that he is not aware of parallel imports of "Dangerous." Sources suggest, though, that European wholesalers have been buying staggered release dates, have not taken American product.

Tower Records' director of European operations, Ken Charles, says Sony has not seen any parallel imports of "Dangerous." He points out that Tower were to bring in any copies, it would do so from its own operation and would not go to a third-party wholesaler.

Jon Webster, managing director of Virgin Records in the U.K., states that the parallel import problem there is not as big as it was. He adds, "I can't see this happening at all. They don't understand it because all American new releases ship [to wholesale accounts] on Thursday, anyway."

Stuart Watson, London-based VP of MCA Records International, says he has noticed significantly fewer parallel-imports of "Dangerous" on tional Distribution—in common with other majors—advised U.S. wholesale customers not to ship merchandise abroad.

"It certainly made vast improvements in MCA's case," he says. "In Europe, we used to get an import situation within minutes there and in the U.S. release. Product would come in through Holland, Sweden, and Germany.

Watson notes that Geffen Records, which MCA distributes worldwide, encountered only "a couple of isolated instances" of import problems with the "Use Your Illusion" albums by Guns N' Roses. "For us, it was a massive exercise," he says.

Watson adds that MCA is releasing more albums than ever in a simultaneous worldwide batch. He cites the new Jody Watley package, "Affairs Of The Heart," which became available in Europe Dec. 3, the same date as in the U.S.

**BREAKING STREET DATE**

Whether or not the anti-U.S. export campaign has borne fruit in the Japanese market is difficult to tell, partly because the Japanese sales of the major record companies often supply American imports to local retailers. Billboard, June 22.

A survey of major record outlets in Tokyo's Shibuya district revealed that Michael Jackson's "Dangerous" went on sale at Tower and Wave on Nov. 22—three days before the official release date. Says Keith Caboom, managing director of Tower Fax, "We try to keep to international street dates, but frequently people break those dates here. As soon as one person does it, everyone else wants it."

According to Caboom, nobody wanted to be in the position of having "Dangerous" over the 25-24 weekend. He stresses that Tower got its copies of the album direct from Sony. He says the chain, like other major retailers, was selling the Japanese edition.

That would have been a departure for Japan, where 90% of sales consisted of imported product as recently as last June, according to sources. Similarly, 60% of HMV's sales were of imported titles last summer.

The major labels' import divisions sell imports of international reper- toire direct to such accounts as Tower and HMV, Virgin, and Wave. Caboom says the chain buys all its Sony merchandise from Sony itself, including imports.

Sony's Tyrrell admits certain Japa- nese retailers were supplied early with Jackson product, but he does not acknowledge it was for fear of import problems from Europe or North America. Chris Walker, managing director of HMV Japan, says some small retailers may buy imports from the U.S. "to have the product earlier, since they don't have the means to wait for a big publicity campaign, it's unlikely their sales would be very great."

Stuart McAuliffe, U.K.-based CEO of MCA's HMV Group, says, "There is an advantage, pricewise, in bringing in product from the U.S., because of the high Japanese prices, but HMV wants to develop relationships with local suppliers over the long haul. The only advantage [with import] is with releases not available in the local market."

**HIGH COURT CASE**

(Continued from page 12)

One legal source says "labels should know what they're doing by investigating liability when they purchase music. If they don't have the money, they don't do it smartly."

The Supreme Court declined to re- view a Sixth Circuit Court of Appeals ruling that overturned the 1990 district court decision.

Despite language in the original contract, Sony's agreement to import artist percentages for foreign license fees and no fees for domestic licensing, the district court judge overrode section 110 of the Original '90 Music and onChange Records contracts by applying "current industry business practice instead."

He added that "the court in essence made a new deal between the artists and the new company." The court found the label's claim of the contention of the artists that they were enti- bled to 50% of foreign, domestic, and synchronization licensing fees as well as unpaid artist royalties between 1982 and 1988.

Gustavo and G.M.L. had contended the label had received $7.8 million from foreign licenses at the contractual rates, and only for the period after they had purchased the masters.

The labels further argued that, since there was no provision for payment of royalties to the artists on domestic or synchronization license fee income.

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