

December 17, 2007



Mr Ian Wingfield, GBS, JP
Solicitor General
Department of Justice
4th floor, High Block
Queensway Government Offices,
66 Queensway
Hong Kong.

Dear Mr Wingfield,

Problems in the Conduct of Trial Cases for Copyright Infringement

The American Chamber of Commerce in Hong Kong is one of the largest American Chambers outside the United States, with around 2000 member organizations. It is also the largest international chamber in Hong Kong representing the most dynamic and influential international business communities in the Asia-Pacific region.

While the Chamber is glad to see the proactive approach of the Hong Kong Government in combating copyright infringements in recent years, especially with the enactment of the Copyright (Amendment) Ordinance 2007, our members are greatly concerned about some of the remaining problems still faced by them regarding the use of affidavits and the summoning of witnesses in copyright infringement cases in Hong Kong.

The Statutory Provisions

In the absence of evidence proving the contrary, statements made in an affidavit which comply with the conditions of section 121(4) of the Copyright Ordinance (“the Ordinance”) will be presumed to be true. However, a defendant can still serve a notice on the deponent within 3 days from the service of the copy of the affidavit requiring the deponent to attend court to give evidence and be cross-examined pursuant to section 121(5).

If this arises, section 121(8)(b) of the Ordinance nonetheless requires the defendant to satisfy the court, amongst other things, that the ownership or subsistence of the copyright in a work is genuinely at issue.

The Current Problems

Admitting an affidavit as evidence in court no doubt facilitates the proof of subsistence and ownership of copyright and shortens the duration of trials, thereby reducing the time and costs to be incurred by the parties in question and the burden on the court system.

However, our member companies often find that prosecutors from the Department of Justice do not insist on strict compliance with the provisions of the Ordinance and this results in wasting both the time and resources of the copyright owners' witnesses. For example:

- (a) The prosecution often allows the defence to serve the section 121(5) notice on the deponent well after the statutory 3-day time limit.
- (b) On many occasions, even if the issue of copyright subsistence is not genuinely disputed by the defence counsel, prosecution still issues summons for witnesses of the copyright owner "in case" the defence counsel may raise an issue during trial. For a copyright infringement trial, it is not uncommon for over 15 witnesses to be called to attend a court hearing since a defendant typically deals in works of many different copyright owners.

In a recent case before a Magistrate Court, the magistrate had criticized the prosecution for calling all the witnesses to appear in court without seriously considering the necessity of doing so. He indicated that not only was it a waste of everyone's time, it was also a burden on the Government since the court had to pay the witnesses for their attendance.

- (c) The situation becomes even more impractical when overseas witnesses are being summoned before the court, but ultimately not required to give evidence during trial. These witnesses come to Hong Kong at their own expense and the loss of their time and money in such cases is totally unnecessary – and avoidable.
- (d) Our members are also concerned about the lack of privacy for those who attend court as witnesses for copyright owners. These witnesses are often required to wait outside court rooms together with the defendants. As many of the defendants are triad related, such exposure of the witnesses' identities (even in cases where the witnesses are eventually not required to give evidence in court) exposes the witnesses to undue pressure and risk.

Our Proposal

We believe the above situation could be rectified by taking the following precautionary measures:

- (a) The prosecution should insist on strict compliance with the requirements under section 121 of the Ordinance in respect of summoning witnesses before the court. If defence counsel subsequently wish to require a deponent to attend court, he or she must apply to court for such purposes.
- (b) Even where defence counsel serves a notice requiring the attendance of the deponent in court under Section 121(5), the prosecution should ensure that section 121(8)(b) is fully complied with and the court is satisfied that the ownership or subsistence of the copyright in a work is genuinely at issue before deciding whether any particular witness should be summoned to give evidence in court.
- (c) More private rooms should be made available in the various courts to allow witnesses on behalf of copyright owners to wait unexposed to defence witnesses until they are being called to give evidence in trials. This will assist them in giving evidence without any fear or unease.

Prescribing Foreign Copyright Registers

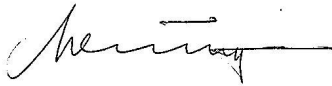
Apart from the concerns raised above, current interpretations of section 121(1) of the Copyright Ordinance result in onerous obligations upon copyright owners. For example, copyright owners are required by prosecution to exhibit true copies of copyright works to affidavits. Many copyright owners receive daily requests for large quantities of section 121 affidavits involving multiple copyright works to support criminal prosecutions of copyright infringers. Many copyright owners, particularly those with extensive portfolios, find it difficult to provide large quantities of copies of copyright works to meet this requirement, and to maintain adequate stocks of copies of works.

We urge that appropriate foreign copyright registers be designated, as already provided under section 121(16), to address these concerns. We are aware of a number of jurisdictions (such as Australia) which recognize facts stated in copyright registration certificates issued by qualifying countries as prima facie evidence. Qualifying countries are defined to include WTO members who have laws consistent with the TRIPS agreement, amongst others. We understand from at least one industry which conducts enforcement activities in Australia that the amendment has been a great success in Australia. Under the current scheme, only a photocopy of a copyright certificate issued by a qualifying country is required to prove copyright ownership and subsistence in most cases. Upon submission of such a copy, the onus is on the defendant to prove beyond a reasonable doubt that the information in the certificates is not correct.

We believe that the issues raised in this letter would be readily solved for many copyright owners by the prescription of foreign copyright registers, as currently envisaged under section 121(6), and the implementation of new prosecution procedures and guidelines as proposed above. We hope the Department of Justice will consider these issues seriously.

Our member companies are keen to assist the Hong Kong Government in its continued efforts against copyright infringement. We share the Government's commitment to maintaining Hong Kong as one of the world's leading places for the respect of intellectual property rights. We look forward to hearing from you.

Yours Sincerely,



Hugh Stephens
Intellectual Property Committee Chair
American Chamber of Commerce in Hong Kong