CB(1)625/05-06(01)

COMMENTS OF THE HONG KONG BAR ASSOCIATION

PROPOSALS ON VARIOUS COPYRIGHT-RELATED ISSUES

1. The Discussion Paper dated 21 June 2005 for the Legislative Council Panel on Commerce and Industry contains the latest proposals in a series of consultations carried out by the government since 2001. During this saga, the Bar has seen successive and haphazard proposals on extension of the criminal provisions in the Copyright Ordinance, some of which came about or were retracted as reactions to industry lobby.

2. The Special Taskforce on Intellectual Property has always taken the view that criminal sanctions for possession of infringing copies should be confined to possession for purposes of trade or business with a view to committing an infringing act: *§1, Bar's Comments 25/1/2001, §1 Bar's Comments 28/8/2002.* The Taskforce was against the criminalization of end-users for possession of an infringing copy: *Bar's Comments 28/12/2001.* If criminal sanctions were to be extended as a matter of public policy, then there should be a commensurate policy of countervailing measures against abuse of monopoly and dominant provisions: *§2 Bar's Comments 25/1/2001, Bar's Comments 8/6/2001, §§2-3 Bar's Comments 28/8/2002.* The views of the Bar are in line with those of the Taskforce outlined above. The Bar regrets to see from the Discussion Paper that criminalization for possession is proposed to be further extended from what had been proposed before, with no or no adequate commensurate safeguards against abuse of exclusive rights, e.g. in extending the statutory exemptions and introducing complete relaxation of parallel imports.

3. As for the criminal offences that may affect the practice of barristers, there are two specific aspects that may have an impact.

Proposed New Offence

4. This new criminal offence was heralded in the Public Consultation paper in December 2004. The Bar has not seen how the new offence is actually worded in the draft bill, but, from §9 and §10(b) of the Discussion Paper (CB(1)1792/04-05(05)), it seeks to criminalise significant (whatever that means) copying with a view to distributing or distributing, in the course of and for the purpose of business, infringing copies of copyright works published in newspapers, magazines, periodicals and books to staff or participants, whether physically or by digital means: §9. It should be noted that the word "participant" is not defined and the Bar is not sure of what that means exactly. §10(b) further explains this by saying that criminal sanction is attracted if the acts are done on a significant scale resulting to financial loss to the copyright owners. The Bar would have thought that the scope of this new offence is covered by *section 118(1)(e) and (f) of the Copyright Ordinance*, save and except 2 aspects; "distributing to staff or participant" and "distributing by digital means". The latter is more understandable but it is not clear why the former should specifically be made a criminal offence.

5. This may have an impact on the practice of legal practitioners. A barrister often makes copies of the relevant printed works for his own use (e.g. for marking and note-writing purposes) and he often sends them for the attention of his colleagues, instructing solicitors and lay clients, in the course of practice and for research purposes.

6. *Section 54 of the Copyright Ordinance* provides a defence that "copyright is not infringed by anything done for the purposes of the proceedings of the Legislative Council or judicial proceedings". This will not apply to advisory work and other work that do not involve judicial proceedings. Nor will it apply to contentious and non-contentious proceedings that are not judicial proceedings. The specific defences set out in paragraph 11 of the Discussion Paper adopted the defences to secondary infringement and borrowed the defence concept in compulsory licensing. They are far from adequate or satisfactory. In short, a barrister will need permission from the copyright owners of the relevant printed works, possibly under a royalty arrangement, for making and sending copies to staff and participants, unless such acts fall within the criteria of the statutory defences. There is no compulsory licensing in copyright, and hence if the permission is not forthcoming, the barrister will have to stop altogether.

7. The Bar does not see any good reason for the proposed new offence. The Bar has no objection in principle to extending liability to "distributing by digital means". This can be done by an appropriate amendment to *section 118(1)(e) and (f) of the Copyright Ordinance*.

Proposed Section 118A Offence

8. This is a new "possession" offence under Clause 4 of the Copyright (Amendment) Bill 2003, which provides that "*a person commits an offence if he possesses an infringing copy of a copyright work that is a computer program, movie, musical sound recording, musical visual recording or*

television drama with a view to the copyright work being used, without the licence of the copyright owner, in doing any act for the purpose of or in the course of any trade or business". The Bar's position was opposed to this newly created offence as criminalisation ought to be based on use, rather than possession: *§6 Bar's Comments 12/2003*. The Bar maintains this view. The Bar also sets out some of the difficulties facing legal practitioners in handling copyright infringement cases. The statutory defence suggested in paragraph 17 of the Discussion Paper did not go far enough. It should not be confined to "legal advice or investigatory services", but should extend to all professional services.

Dated: 24th December 2005