



(email : [slchan@legco.gov.hk](mailto:slchan@legco.gov.hk))

Bills Committee on Copyright (Amendment) Bill 2006

Dear Sirs,

Re: Parallel Import

MPIA would like to submit our views to the Bills Committee on Copyright (Amendment) Bill 2006 in response to the recent submission from the Hong Kong Record Merchants Association Ltd (“HKRMA”).

We would like to submit that:

- During the debate for Copyright Ordinance in 1997, the local film industry had advocated for a 24-months criminal sanctions period for parallel imports. After an intense and in-depth discussion, the existing 18-months criminal sanctions period became the consensus reached for the protection of local creative industries such as film and music. The essence of the consensus is that in order for the local creative industry to survive and prosper, it is essential to retain protection against parallel imports to prevent uncontrolled influx of parallel imports from neighborhood region, such as Mainland China.
- As Hong Kong is striving to become a knowledge-based economy, it is important to protect and preserve the local IP and copyright industries. However, HKRMA’s recommendation to cancel or shorten the 18-months criminal sanctions period to 2-months would be a disastrous move for local film industry. Hong Kong would become a flea market for parallel import where cutthroat price competition would wipe out the existing local licensing industry, which is one of the major distribution windows and revenue source of local film producers.
- We agree that HKRMA’s members are suffering from the current depression of local video (VCD/DVD) market. However, the culprit of the problem is not the 18-months criminal sanctions against parallel imports. Rather it is a combination of piracy, bt downloading and difficulties in enforcement against parallel imports infringement.
- In our view, taking away the protection against parallel imports will not solve any problem if price is the dominant decision factor for Hong Kong consumers. Hong Kong rental and wages etc. will always be higher than that in the Mainland, thus parallel imports from Mainland China will be more expensive than buying directly from China. This is a prediction that can be evidenced by the Mainland China parallel imports available in Hong Kong now. Therefore, Hong Kong consumers will continue to buy their VCDs and DVDs from China.



We firmly believe that it is absolutely necessary to retain the 18-months criminal sanctions against parallel imports. In fact, the future prosperity of the local video market and the local film industry depends on effective enforcement actions against piracy, bt downloading and parallel imports. Only when these three problems are kept under control, the video market in Hong Kong could never return to the track leading to prosperity.

Hong Kong Kowloon and New Territories  
Motion Picture Industry Association

Woody Tsung  
Chief Executive