



COPYRIGHT (AMENDMENT) BILL 2006

Further Submissions on “Lawfully Made”

We note the Administration’s response to our proposed amendments. We maintain our position and make the following further submissions.

1. The Administration claims it has always been its policy that copies made with the licence of the copyright owner in the place of making (although never licensed anywhere by the Hong Kong copyright owner) should be regarded as “genuine” rather than “pirated”. We fail to see the basis for this policy where the copyright owner is different from the Hong Kong copyright owner, particularly in the light of Article 140 of the Basic Law.
2. Article 140 states: “The Government of the Hong Kong Special Administrative Region shall, on its own, formulate policies on culture and protect by law the achievements and lawful rights and interests of authors in their literary and artistic creation.” Defining “lawfully made” in such a way that it does not protect the lawful rights and interests of authors in Hong Kong is contrary to this requirement. The Administration’s argument that it is merely clarifying policy by the amendment does not in our view justify the policy.
3. We note that the Administration's policy of allowing parallel imports under the Trade Marks Ordinance (Cap. 559) does not go to the extent of jeopardising the rights of the trade mark owner in Hong Kong. In 2003, the trade mark law was amended to legalise the use of a trade mark “in relation to goods which have been put on the market anywhere in the world under that trade mark by the owner or with his consent” (Section 20(1), Trade Marks Ordinance, Cap 559). *“Owner” in relation to a registered trade mark is expressly defined in terms as the Hong Kong registered trade mark owner (Section 2(1) TMO)*. The Administration's present proposed definition of "lawfully made" in the context of the Copyright Ordinance however seeks to legalise the importation of products to the detriment of the owner of the copyright in Hong Kong.
4. We proposed a provision to facilitate establishing that a copy was not “lawfully made”. The Administration’s reply is that this is not appropriate because it would create a presumption which reverses the legal burden of proof on the issue as to whether a copy of

work was lawfully made. This of course is the very difficulty faced by copyright owners – to prove a negative. They can and must prove that they did not licence the making of the copy. It must be for the defendant to show that the copy was obtained from the person entitled or a licensee in the place of manufacture.

5. The Administration accepts that an evidential burden would not affect the presumption of innocence. On this basis we propose the following as a minimum:

CSA 27(5) amended by adding:

“(2 D) For the purposes of establishing whether a copy of a work was “lawfully made” an affidavit which purports to have been made on behalf of the copyright owner or any other person entitled to copyright in the country, territory or area in which the copy was made and –

- (a) states the name of the copyright owner or any other person entitled to copyright;*
- (b) states that a copy of the work exhibited to the affidavit is a true copy of the work;*
- (c) states that the alleged infringing copy of the work exhibited to the affidavit was not made by*
 - (i) the copyright owner;*
 - (ii) any other person entitled to copyright; or*
 - (iii) any person licensed by either of the forgoing persons to make the copy*
in the country, territory or area in which it was made

shall, subject to the conditions contained in subsection (4), be admitted without further proof in any proceedings under this Ordinance.”

6. We note the Administration’s further amendment to make it clear that a copy of copyright work made by a licensee who does not have the right to make the copy in the place of manufacture should not be regarded as a copy “lawfully made” in the place of manufacture. Although not shown as an amendment, we also note that the word “authorized” has been changed to “licensed”, specifically to cover a person licensed “to make the copy in the country, territory or area, as the case may be”. This is a useful clarification to exclude from the meaning of “lawfully made” copies that are made in breach of licence conditions.

**The Law Society of Hong Kong
Intellectual Property Committee
15 June 2007
106802**