

Legislative Council Panel on Commerce and Industry

Copyright Register

Purpose

This paper reports the result of our study regarding a suggestion to establish a copyright register in Hong Kong and proposes to put on hold our earlier proposal to prescribe overseas copyright registers by way of regulation made under the Copyright Ordinance (Cap. 528).

Background

2. Proof of copyright subsistence and ownership is a key element in legal proceedings against infringement of copyright under the Copyright Ordinance (the Ordinance). Section 121 of the Ordinance provides that copyright owners may provide such proof by filing an affidavit. Section 121(1) of the Ordinance requires, amongst other things, the affidavit to be accompanied by a true copy of the concerned copyright work. Section 121(2) of the Ordinance, however, provides an alternative mode of filing an affidavit that obviates the need to attach a true copy of the concerned copyright work. Under that section, an affidavit is admissible if it states, amongst other things, that the relevant work has been registered with a Copyright Register prescribed by way of regulation under section 121(16) of the Ordinance, and is accompanied by a certified true copy of the certificate of registration of the relevant work issued by the authority in charge of the prescribed Copyright Register. So far, no Copyright Register has been prescribed. Extracts of the concerned subsections under section 121 of the Ordinance are at Annex.

3. Some copyright owners (mainly from overseas software, computer game and movie industries) consider the requirement under section 121(1) of the Ordinance to attach a true copy of the concerned copyright work to the affidavit too burdensome, as there are circumstances where a large number of copyright works are involved and one copy each of the works must be provided. They suggest that the Government should prescribe overseas copyright registers to enable them to use the alternative mode of filing affidavits under section 121(2) of the Ordinance which requires only the attachment of a certified true copy of the relevant certificate of copyright registration.

4. In response to such requests, we proposed to prescribe the copyright registers maintained by the US, Canada and India which are registers established by statutes. When we consulted the Panel on this proposal, some Members were concerned that local copyright owners who did not want to register their works with overseas registers would not be able to enjoy the facilitation under section 121(2) of the Ordinance. The Panel asked the Administration to examine the feasibility of establishing a copyright register in Hong Kong and to consult the industries extensively on the matter.

Establishment of a local copyright register

5. Article 5(2) of the Berne Convention for the Protection of Literary and Artistic Works (“Berne Convention”) provides that the enjoyment and exercise of copyright shall not be subject to any formality. Article 9 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS”) provides, *inter alia*, that members have to comply with Article 5(2) of the Berne Convention. Any requirement which in effect makes copyright protection conditional upon registration would go against the international obligations of Hong Kong under TRIPS and Berne Convention. Hence, if a copyright register were to be established in Hong Kong, it must be a voluntary registration system.

6. As in the case of any voluntary registration system, a key consideration is whether there would be incentives for copyright owners to make use of the system to register their works and relevant transactions (e.g. assignments or licences) on a timely basis. In this regard, we have drawn reference from the operation of the copyright registers in the US and Canada as well as invited views from major copyright owners’ associations. For the US, we understand that they maintain a copyright register and provide incentives for registration because of a special policy reason i.e. the need to acquire works for the collections of the Library of Congress. The incentives provided include making copyright registration a pre-requisite for the institution of an infringement action if the work in question is of US origin, and making certain infringement remedies (i.e. statutory damages¹ and attorney’s fees) only available to works which have been registered within three months after their first publication. For Canada, we understand that they do not offer similar incentives as the US. Section 53(2) of the Canadian Copyright Act only provides that “A certificate of registration of copyright is evidence that

¹ Statutory damages as prescribed in the US Copyright Act are available to the copyright owner in lieu of actual damages or profits of the infringer in infringement cases.

the copyright subsists and that the person registered is the owner of the copyright”. It is noteworthy that the number of registrations in Canada (involving 9,200 copyright works in 2005) is far much lower than that in the US (involving 661,500 copyright works in 2004).

7. Copyright owners have mixed views as to whether a copyright register should be established in Hong Kong. Those who are not in favour of it are concerned about whether the Administration can conduct substantive checking to verify the copyright ownership thoroughly. Furthermore, since any registration system must be voluntary in nature, they are also concerned about whether accurate information can be maintained on the register. Some copyright owners also indicate that timely registration of all their works is not possible for practical reasons. For example, a photographer may find it difficult to register thousands of works created each year on a timely basis.

8. Those who are in favour of the establishment of a local register argue that it can provide useful information about copyright ownership of different types of copyright works to the public. Specifically, the local film industry believes that a local register would help prove copyright ownership of local films. They further suggest that if the Administration does not want to set up a general register, consideration should be given to endorsing the film registers currently run by the industry.

9. Having considered the US and Canadian experience and feedbacks from copyright owners, our views are as follows –

- (a) the sort of registration incentives available in the US could not be provided locally as our civil litigation system is different and it is unlikely that local copyright owners would welcome such arrangement;
- (b) a local copyright register is unlikely to be popular amongst copyright owners from different industries and the number of registrations will not be high; and
- (c) given the voluntary nature of any registration system and the lack of sufficient incentives for copyright owners to register their works and transactions in a timely manner, it is unlikely that a local register can capture a large number of copyright works and

contain up-to-date information. Hence, we doubt if such a register can perform an informative function effectively.

In the light of the above, we consider that it would not be cost-effective for the Government to establish and maintain a copyright register in Hong Kong. Regarding the local film industry's suggestion for the Government to endorse their existing industry-run film registers and prescribe them under section 121(16) of the Ordinance, we believe that it will not be easy to establish a set of standards and a mechanism to determine, monitor and ensure the integrity, neutrality and transparency of private sector registers. We are also not aware of any other economies which accept in their laws certificates of industry-run registers as prima facie evidence in infringement proceedings.

Prescription of overseas copyright registers

10. Copyright owners' associations have also given their views on our proposal to prescribe overseas copyright registers under section 121(16) of the Ordinance. Views received are diverse. Overseas copyright owners from the business software, computer game and movie industries continue to urge the Administration to implement the proposal so that they can enjoy the facilitation under section 121(2) of the Ordinance.

11. On the other hand, the musical recording industry and the local movie industry object to the proposal because it will create unnecessary confusion over the identity of copyright owners as the copyright of films and musical sound recordings may be owned by different parties in different parts of the world. If an overseas copyright register is prescribed under section 121(16), the certificate issued by the overseas copyright register would be accepted as prima-facie evidence to facilitate proof of the copyright subsistence and ownership of the work concerned. This would place an unfair burden on Hong Kong copyright owners to disprove it, should there be a dispute over the copyright ownership of the work. There are also doubts over the capability of foreign copyright registers to record efficiently and in a timely manner changes of copyright ownership and to verify the copyright of a Hong Kong produced film. The local movie industry further points out that the proposal may undermine the copyright protection efforts in Hong Kong as pirates may easily apply a certificate from a prescribed foreign copyright register and use the certificate to place production orders with

optical disc manufacturers in Hong Kong. Hence, the musical recording industry suggests that the Administration should not prescribe any copyright registers at this stage and should continue to keep in view the operation of section 121. The local movie industry suggests that if the Government intends to prescribe overseas copyright registers under section 121(16) of the Ordinance without setting up a local register, the Administration should prescribe also the existing film copyright registers run by the industry.

12. We have been encouraging copyright owners to discuss amongst themselves to bridge the diverging views. However, we understand that the differences in opinion still exist amongst different copyright owners' associations. Given the strong views of some copyright owners, we propose to put on hold our earlier proposal to prescribe overseas copyright registers. We will pursue other administrative measures to alleviate copyright owners' burden in filing true copies of their copyright works in infringement proceedings. These include re-using as far as possible the same true copies of copyright works where there are different criminal proceedings involving the same copyright works which necessitate proof of copyright subsistence and ownership and seeking the defendant's agreement on the issue of copyright subsistence and ownership before trial.

Conclusion

13. Members are requested to note our assessment of the suggestion to set up a copyright register in Hong Kong in paragraph 9 and our proposal not to pursue for the time being the prescription of overseas copyright registers as set out in paragraph 12.

Commerce and Industry Branch
Commerce, Industry and Technology Bureau
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Chapter: 528 Title: COPYRIGHT ORDINANCE
Section: 121 Heading: Affidavit evidence

Supplementary

(1) An affidavit which purports to have been made by or on behalf of the owner of a copyright work and which states-

- (a) the date and place that the work was made or first published;
- (b) the name, domicile, residence or right of abode of the author of the work;
- (c) the name of the owner of the work;
- (d) that copyright subsists in the work; and
- (e) that a copy of the work exhibited to the affidavit is a true copy of the work,

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

(2) Without prejudice to subsection (1), an affidavit which purports to have been made by or on behalf of the owner of a copyright work and which-

- (a) states-
 - (i) that the copyright work has been registered with a Copyright Register prescribed under subsection (16); and
 - (ii) that copyright subsists in the work; and
 - (iii) the name of the owner of the work; and
- (b) has exhibited to it a copy of the certificate of registration of the work issued by the authority in charge of the Copyright Register certified to be a true copy by a person specified in subsection (4)(a),

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

(4) An affidavit may be tendered in evidence under subsection (1) or (2) if-

- (a) it is made on oath-
 - (i) before a solicitor or a commissioner as defined in the Oaths and Declarations Ordinance (Cap. 11), if it is made in Hong Kong; or
 - (ii) before a notary public, if it is made outside Hong Kong;
- (b) it is authenticated, so far as relates to the making thereof, by the signature of the solicitor, commissioner or notary public before whom it is made;
- (c) it contains a declaration by the deponent to the effect that it is true to the best of his knowledge and belief; and
- (d) subject to subsection (6), not less than 10 days before the commencement of the hearing at which the affidavit is tendered in evidence, a copy of the affidavit is served, by or on behalf of the prosecution or plaintiff, on each of the defendants.

(5) Notwithstanding that an affidavit is admissible as evidence by virtue of this section, a defendant or his solicitor may, within 3 days from the service of the copy of the affidavit, serve a notice requiring the attendance of the deponent to the affidavit in court.

(16) The Secretary for Commerce, Industry and Technology may by regulation prescribe the Copyright Registers for the purpose of subsection (2).