

17 October 2014

Submission by 21st Century Fox
To the Bills Committee on the Copyright (Amendment) Bill 2014
Legislative Council of the Hong Kong SAR

On behalf of **21st Century Fox**, we write in response to the Legislative Council's current Public Consultation for the third Bills Committee meeting on the Copyright (Amendment) Bill (the "Bill") 2014.

We support the passage of the Bill, without which Hong Kong will never be able to keep up with the rapid growth of digital technologies, and serious problems, such as online piracy, will remain unchecked. As a content creator and owner, our concern with online piracy stems from our substantial investment in television, movie and other media content in Hong Kong.

From **STAR TV** to **Fox International Channels ("FIC")**, 21st Century Fox has maintained its Asian pay TV regional Headquarters in Hong Kong for over two decades.

FIC has been an integral part in the development of Hong Kong's pay TV industry, providing subscription television channels to platform partners in Hong Kong under well-known international and Chinese brands including **FOX**, **FOX SPORTS**, **STAR**, and **National Geographic Channel**. It is Hong Kong that FIC calls home, employing over 300 professionals and providing 19 channels to entertain Hong Kong viewers.

FIC's **Chinese Movie Channel**, **STAR Chinese Movies ("SCM")**, is one of the key supporters of the local movie industry. Over the years, SCM has made significant investment in nurturing local talent and co-producing films that are relevant to the viewer here and also help promote the Hong Kong movie industry to audiences in the Asia Pacific region and around the world. The latest initiative is the "Go Local" project, a partnership with the Emperor Motion Pictures and Chapman To Man-chak in co-producing five local Hong Kong films.

At **Twentieth Century Fox**, we distribute films, home video and television programs to Hong Kong viewers. We also invest in creating original content featuring Hong Kong producers, directors, and artists in feature films including **Hot Summer Days** (2010), **Love in Space** (2011); and **Bride Wars** which is in the post-production stage.

We are very proud of our long-standing presence in Hong Kong, and Hong Kong continues to be a very important market for us.

That is why the ten-year delay in formulating amendments to Hong Kong's copyright laws has been troubling both for us and the local Hong Kong creative community that we work with and support. It has allowed online piracy to metastasize to the point that it directly threatens creative content companies like ours and our partners. This not only impacts our business model but also our employees, our local business partners, and consumers who value high quality content.

Dealing with online content theft can be approached in a number of ways. We believe successful passage of the Bill is a good first step.

Without modernized copyright laws, Hong Kong is ill-equipped to deal with online piracy and the growing problems of pirated real-time streaming of television programs and streaming media pirate boxes. Hong Kong's enforcement officials even acknowledge that their inability to act on these issues is a direct result of outdated copyright laws. Hong Kong's current copyright regime is inadequate to deal with the rapid and dramatic way that materials protected by copyright are now developed and distributed by digital means and technology throughout the world.

This inaction is allowing criminals to profit from pirated content, and we believe the Bill can provide a framework to better combat the problem of piracy taking place online and by other new technological measures that are constantly changing and developing at a rapid pace.

Hong Kong's inadequate copyright laws have put the SAR out of step with the international community. Despite being a contracting party of the WIPO Copyright Treaty, Hong Kong has yet to meet its obligations. Meanwhile, other countries in the region, including, Japan, Korea, Malaysia, Singapore and the Philippines, have modernized their copyright laws in accordance with their treaty obligations and in line with other jurisdictions such as the United States, Australia, Canada and the United Kingdom. In order for Hong Kong to finally meet the treaty's obligations, it must pass the Bill.

Passing the Bill will also demonstrate Hong Kong's renewed commitment to intellectual property rights and the creative industries, and better position Hong Kong as a market that empowers the creative industries, and incentivizes them to continue to innovate, develop, and produce high quality content.

For more detailed input on the Bill, we refer the Bills Committee to the comments submitted by both the Motion Picture Association and the Cable and Satellite Broadcasters Association of Asia (CASBAA).

We greatly appreciate the opportunity to express our views to the Bills Committee on this important issue, and we are encouraged by the commitment of the Committee to pass the Bill to modernize Hong Kong's outdated copyright laws.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew Kurlanzik', written over a light blue horizontal line.

Matthew Kurlanzik
Director
Government Relations, Asia
21st Century Fox
Hong Kong