



BROADCASTING SYSTEM ASIA PACIFIC, INC.

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Clerk to Bills Committee on Copyright (Amendment) Bill 2014
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Attn: Miss Mandy LAM

Dear Miss Lam

Submission on the Copyright (Amendment) Bill 2014

We write in response to the Bills Committee's request for submissions on the proposed Copyright (Amendment) Bill 2014 (*Bill*). On behalf of Turner Broadcasting System Asia Pacific, Inc. (*Turner*), we are pleased to be given the opportunity to provide comments on the Bill.

Turner is an established player in the media sector and the authorized distributor of multiple television programming services in the Asia Pacific region with its Asia Pacific regional headquarters based in Hong Kong. Turner's 24 hour linear pay television programming services currently known as *Cartoon Network* (SD and HD), *Toonami*, *Cartoonito*, *CNN International* (SD and HD), *HLN*, *TCM Turner Classic Movies* and *Warner TV*, are all distributed in Hong Kong. Turner is currently one of the few international television media companies with its regional headquarters remaining in Hong Kong.

As technological advances and convergence are altering the traditional media industry, the development of online alternatives for delivery of digital content provides a new set of opportunities and challenges for media companies such as Turner. Turner sees the delivery of content using digital platforms as an important avenue of distribution, to satisfy consumer demand. However, the rampant growth of online piracy is a significant and tremendously difficult challenge faced by the entire media industry. For the television industry in particular, unauthorized real-time streaming has become a serious challenge. With pirated television program streams readily available online for free, we are witnessing a decreased willingness of consumers to pay a fair price for programming, and legitimate content distributors face unfair competition from platforms and online services that provide and facilitate access to pirated content with little or no investment in content or infrastructure. Subscription revenue in the pay-TV industry is declining, and jobs are already being affected. There is no time to lose in implementing solutions. While online piracy is undoubtedly a global challenge, as a result of Hong Kong's inadequate copyright laws which have not kept up with the growth of both the digital content and digital transmission industries, the problem of online piracy is exacerbated in Hong Kong.

Amendments to bring Hong Kong's copyright laws into conformity with the multilateral treaties made under the World Intellectual Property Organization (WIPO), more specifically, the introduction of a technology neutral right for copyright owners to help protect the electronic communication of their works, are long overdue. The ten year delay in formulating and passing the necessary amendments to Hong

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Kong's copyright laws has resulted in the growth of online piracy problems far beyond the expectations of those who began this copyright review process over ten years ago, including both government and industry. Passage of the Bill is a small initial step toward modernizing Hong Kong's legal and enforcement regimes.

Our concerns on Hong Kong's current copyright laws are not unique to Turner and it is notable that Hong Kong is increasingly falling behind nations that were formerly its peers in creating a positive environment for intellectual property. Other governments (such as in the UK, Korea and Singapore) have sought, and implemented, creative approaches to deal with streaming piracy.

While we appreciate the spirit of openness displayed by the Bills Committee towards dealing with technological developments and online piracy challenges and are grateful for this opportunity to give our view of the situation to the Bills Committee, we urge the Bills Committee to support the enactment of the Bill as soon as possible, as a first step toward modernizing Hong Kong's copyright laws.

Yours faithfully

Turner Broadcasting System Asia Pacific, Inc.



Ricky Ow
President, Asia Pacific

